



ASX ANNOUNCEMENT AND MEDIA RELEASE

25 June 2014

Nexus Energy Limited (ASX: NXS)

This update is further to the announcement to the ASX dated 12 June 2014 advising of the appointment of Tony McGrath, Jason Preston and Matthew Caddy of McGrathNicol as joint and several voluntary administrators (**Administrators**) to Nexus Energy Limited (**Nexus**).

At the first meeting of the creditors of Nexus convened yesterday, creditors resolved to form a creditors committee.

The creditors' meeting was provided with the following update:

Funding Facility

Due to the urgent cash requirement of certain Nexus subsidiaries (**Nexus Subsidiaries**) and in order to preserve value in the Nexus Subsidiaries, the Administrators have been in negotiations with a subsidiary of Seven Group Holdings Limited (Network Investment Holdings Pty Ltd ABN 50 078 448 512 (**NIH**)) in relation to a short term funding facility (the **Facility**). These negotiations have concluded and the creditors' meeting was advised of the Administrators' intention to apply to Court for immediate approval of the Facility and to limit the liability of the Administrators, pursuant to section 447A of the *Corporations Act 2001* (Cth). The date of the hearing of the Court application is yet to be scheduled.

Under the terms of the Facility (secured against the assets of Nexus), NIH will make available a cash advance facility in the amount of \$30,000,000 in order to fund certain liabilities of Nexus and the Nexus Subsidiaries. Nexus will use part of the Facility to on-lend funds to two of the Nexus Subsidiaries (Nexus Energy VICP54 Pty Ltd and Nexus Energy WA Pty Ltd) on a limited recourse basis.

Sale process

The meeting was advised that Gresham has been retained by the Administrators as sale advisor to conduct an urgent sale process to commence immediately.

Extension of convening period

The Administrators intend to apply to Court for a four week extension to the convening period, to allow time for the sale process to be concluded.

In the Administrators' view this extension, in conjunction with the funding that has been agreed (subject to Court approval), provides the best possible opportunity of maximising returns to stakeholders.

Interested parties

All interested parties in Nexus and its assets should contact our appointed sale advisor, Michail Lagogiannis of Gresham on (03) 9664 0375, to record their expression of interest and obtain further details.

The Administrators continue to work with all key stakeholders, including employees and the directors of the various Nexus Subsidiaries (which are not in voluntary administration) to ensure the trading operations continue.

Subject to Court approval, the next meeting of the creditors of Nexus is likely to be held on 11 August 2014. Details of this meeting will be posted on the McGrathNicol website www.mcgrathnicol.com around 4 August 2014.

**Media inquiries to Nicholas Owens, Director, Sefiani Communications Group,
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About McGrathNicol

McGrathNicol is an independent boutique advisory firm specialising in Corporate Advisory, Forensic, Transaction Services and Corporate Recovery. We are the market leader in Australia and New Zealand, with more than 30 Partners and 300 people across the region. Our firm was founded by a group of Partners and staff from Big 4 accounting firms who believed a high quality boutique firm could thrive when freed of audit independence constraints. Since then, McGrathNicol has grown strongly. We have earned a reputation for achieving innovative, high quality results by providing technical excellence, responsive advice and sound execution capability.