

# **NEXUS ENERGY LIMITED**

**ABN 64 058 818 278**

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## **NOTICE OF GENERAL MEETING**

**and**

## **EXPLANATORY MEMORANDUM**

**and**

## **PROXY FORM**

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Date of Meeting: Thursday, 22 November 2007

Time of Meeting: 11:00 am

Place of Meeting: River Room 1 & 2  
Crown Towers  
Level 1  
8 Whiteman Street  
Southbank VIC 3006

***This Notice of General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.***

# NEXUS ENERGY LIMITED

ABN 64 058 818 278

## NOTICE OF GENERAL MEETING

Notice is hereby given that an Annual General Meeting of shareholders of Nexus Energy Limited ABN 64 058 818 278 ("**Company**") will be held at the River Room 1 & 2, Crown Towers, Level 1, 8 Whiteman Street, Southbank, Victoria at 11:00 am on Thursday, 22 November 2007. The Explanatory Memorandum that accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered.

### Financial Reports

To receive the financial statements, Directors' report and Auditor's report for the Company and its controlled entities for the period ended 30 June 2007.

### Resolutions

#### 1. Re-election of Director - Alastair Haydock

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That Mr Alastair Haydock, who retires in accordance with Article 17.1 of the Company's Constitution and being eligible offers himself for re-election, be re-elected as a Director."*

#### 2. Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That the remuneration report section of the Director's report for the Company for the year ended 30 June 2007 be adopted."*

#### 3. Approval of previous issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 and all other purposes, the shareholders of the Company approve and ratify the issue of 12,000,000 fully paid ordinary shares in the capital of the Company to Vanguard Oil and Gas International Ltd, on the terms and conditions set out in the Explanatory Memorandum."*

The Company will disregard any votes cast on this resolution by Vanguard Oil and Gas International Ltd and of its associates. However, the Company need not disregard a vote if it is cast by such persons as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as a proxy for a person who is entitled to vote, in accordance with the direction of the proxy form as the proxy decides.

#### **4. Approval of proposed issue of Shares**

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.1 and all other purposes, the shareholders of the Company approve the proposed issue of 2,917,392 fully paid ordinary shares in the capital of the Company to Vanguard Oil and Gas International Ltd, on the terms and conditions set out in the Explanatory Memorandum."*

The Company will disregard any votes cast on this resolution by Vanguard Oil and Gas International Ltd and of its associates. However, the Company need not disregard a vote if it is cast by such persons as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as a proxy for a person who is entitled to vote, in accordance with the direction of the proxy form as the proxy decides.

#### **BY ORDER OF THE BOARD**

Susan Robutti  
Company Secretary  
Dated: 17 October 2007

#### **Proxy Instructions**

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy of facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford Vic 3067, +61 3 9473 2555, not less than 48 hours before the time for holding the Annual General Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a shareholder of the Company.

In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

#### **Voting Entitlement**

For the purposes of determining voting entitlements at the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on 20 November 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

# NEXUS ENERGY LIMITED

ABN 64 058 818 278

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Nexus Energy Limited ABN 64 058 818 278 ("**Company**") in connection with the business to be considered at the Annual General Meeting of shareholders to be held at River Room 1 & 2, Crown Towers, Level 1, 8 Whiteman Street, Southbank, Victoria at 11:00 am on Thursday, 22 November 2007.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

### 1. **Re-election of Director - Alastair Haydock**

Alastair Haydock is required to retire under the director rotation provisions of Article 17.1 of the Company's Constitution. Alastair Haydock, being eligible, has offered himself for re-election as Director.

### 2. **Remuneration Report**

The Remuneration Report is set out in the Directors' Report on pages 34 to 37 of the Company's 2007 Annual Report sent to shareholders which accompanies the Notice of Meeting. It sets out a range of matters relating to the remuneration of Directors, executive and senior managers of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. A vote on this resolution is advisory only and does not bind the Company or its Directors.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

### 3. **Approval of previous issue of Shares**

This resolution seeks shareholder approval of the issue of 12,000,000 ordinary fully paid shares in the capital of the Company ("**Tranche 1 Shares**") to Vanguard Oil and Gas International Ltd ("**Vanguard**") issued on 8 October 2007 for the purposes of Listing Rule 7.4 and for all other purposes. The issue was contemplated by the Company's 24 September 2007 ASX announcement.

The purpose of seeking shareholder approval of the issue of the Shares in Resolution 3 is to effectively reinstate the 15% maximum limit under the Listing Rules of the number of securities that the Company may issue in any 12 month period without shareholder approval.

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided to shareholders to enable them to approve and ratify the issue of the Tranche 1 Shares:

- (a) The number of Tranche 1 Shares allotted was 12,000,000 on 8 October 2007.
- (b) The effective issue price of the Tranche 1 Shares was \$1.50 per share, being a total of \$18,000,000.

- (c) The proceeds raised from the issue of the Tranche 1 Shares were used to fund the acquisition of 10,909,091 fully paid ordinary shares in the capital of Anzon Australia Limited ("**Anzon**") from Vanguard at \$1.65 each.
- (d) The Tranche 1 Shares rank equally with all existing shares in the capital of the Company.
- (e) The allottee is not a related party of the Company.

The Directors unanimously recommend that shareholders vote in favour of Resolution 3.

#### **4. Approval of proposed issue of Shares**

This resolution seeks shareholder approval of the proposed issue of 2,917,392 ordinary fully paid shares in the capital of the Company ("**Tranche 2 Shares**") to Vanguard for the purposes of Listing Rule 7.1 and for all other purposes. The issue was contemplated by the Company's 24 September 2007 ASX announcement.

The purpose of seeking shareholder approval of the issue of the Tranche 2 Shares in Resolution 4 is to effectively reinstate the 15% maximum limit under the Listing Rules of the number of securities that the Company may issue in any 12 month period without shareholder approval.

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided to shareholders to enable them to approve the issue of the Tranche 2 Shares:

- (a) The number of Tranche 2 Shares to be allotted is 2,917,392, which are expected to be issued on or about the date of the Annual General Meeting following FIRB approval and in any event no later than 3 months after the date of the Annual General Meeting. Such approval has been applied for but if it is not obtained the Tranche 2 Shares will not be issued.
- (b) The effective issue price of the Tranche 2 Shares is \$1.50 per share, being a total of \$4,376,088.
- (c) The proceeds from the issue of the Tranche 2 Shares will be used to fund the acquisition of 2,652,174 fully paid ordinary shares in the capital of Anzon from Vanguard at \$1.65 each.
- (d) The Tranche 2 Shares will rank equally with all existing shares in the capital of the Company.
- (e) The allottee is not a related party of the Company.

The Directors unanimously recommend that shareholders vote in favour of Resolution 4.



ABN 64 058 818 278

# Proxy Form

**All correspondence to:**

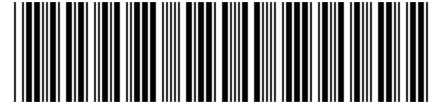
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 850 505  
(outside Australia) 61 3 9415 4000  
Facsimile 61 3 9473 2555  
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001 000 NXS  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890

I N D



## Appointment of Proxy

I/We being a member/s of Nexus Energy Limited and entitled to attend and vote hereby appoint



the Chairman  
of the Meeting  
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Nexus Energy Limited to be held at River Room 1 & 2, Crown Towers, Level 1, 8 Whiteman Street, Southbank VIC 3006 on Thursday, 22 November 2007 at 11.00am and at any adjournment of that meeting.

## Voting directions to your proxy - please mark



## to indicate your directions

- Item 1 Re-election of Director - Mr Alastair Haydock
- Item 2 Remuneration Report
- Item 3 Approval of previous issue of Shares
- Item 4 Approval of proposed issue of Shares

	For	Against	Abstain*
Item 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

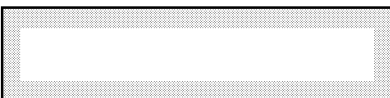
The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## PLEASE SIGN HERE

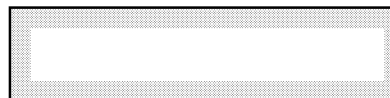
This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



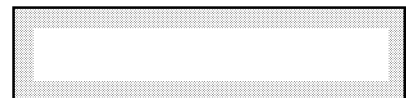
Sole Director and  
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /

NXS

1 3 P R



# How to complete the Proxy Form

## 1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

## 3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's Share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Share registry or at [www.computershare.com](http://www.computershare.com).

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11.00am on Thursday, 22 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged using the reply paid envelope or:

IN PERSON  
BY MAIL  
BY FAX

Share Registry Computershare Investor Services Pty Limited,  
Share Registry Computershare Investor Services Pty Limited,  
61 3 9473 2555

Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia  
GPO Box 242, Melbourne VIC 3001 Australia