



NEXUS ENERGY LIMITED

Activities

Exploration Permits

VIC / P54 Nexus interest 100%

During the quarter Nexus announced a that it had accepted an offer from Apache Energy (Apache) to farmin to its Vic/P54 permit in the Gippsland basin.

The principal terms of the offer are:

- Apache will fund 94% of estimated costs to undertake a two (2) well drilling program (including a Longtom appraisal well and an exploration well) in the Vic/P54 permit. Nexus will fund the remaining 6% of drilling costs and any well testing upon success at its retained working interest.
- Apache will earn an interest of 62.5% in the permit, Nexus will retain a 37.5% interest.
- Nexus will assign operatorship of the permit to Apache at least three (3) months prior to drilling the wells.

Upon the execution of a farmin agreement that is expected to be completed in early May 2004, it is intended that a drilling rig will be secured by the parties with the intention of drilling the wells during the fourth quarter of this year.

VIC / P56 Nexus interest 100%

Geotechnical work has continued to further enhance the prospectivity of this permit, with the interpretation of all available seismic data and regional data being completed. Preparation for the extensive reprocessing of the available 2D seismic data in the permit has begun.

Studies to date have confirmed the presence of 2 well defined leads at Top Latrobe level, Haddock and Culverin.

During the quarter Nexus has negotiated a data trade agreement with Esso for 75 km² of 3-D seismic data over the western portion of the permit. The 3-D dataset was originally acquired by Esso Australian Resources Pty Ltd (Esso) and its partner BHP Billiton Petroleum (Bass Strait) Pty Ltd (BHPB) in 2002 as apart of the extensive Northern Margin 3-D seismic survey in the Gippsland Basin.

NT/P66 Nexus Interest 100%

Geotechnical work to evaluate this permit continued during the quarter, with several new leads being identified. However these leads will require additional seismic data coverage before they can be confirmed as drilling targets.

Nexus has continued efforts to farmout the block and has been in discussions with several companies during the quarter.

VIC/P39(v) Nexus interest 100%

The Company was awarded this permit on April 20th 2004 with a commitment to acquire 250 km 2D seismic and drill one exploration in the Primary 3 year work program..

Production New Ventures

The Company reviewed two production new ventures during the quarter and is further evaluating one of the opportunities.

Corporate

During the quarter the company issued 6 million options with an exercise price of 14 cents each to eligible Nexus employees pursuant to the Employee Share Option Plan.

The details of the issue were announced in November 2003.

Information Technology Interests

Original IT Investments Pty Ltd (OIT) Nexus interest 33.33%

During February 2004 negotiations were concluded with the Commonwealth Government for the release of the remaining \$400,000 of Commonwealth Government grant funds to OIT together with the removal of the obligation of Nexus to provide any additional funding to OIT.

The grant deed with the Commonwealth Government will expire in June 2004 at which time Nexus and its fellow shareholders will be free to deal with OIT without any Commonwealth Government approvals.

It is the Companies ultimate aim to exit the business on the most favourable terms possible and concentrate on its oil and gas activities

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Nexus Energy Ltd

ABN

64 058 818 278

Quarter ended ("current quarter")

March 2004

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(177)	(724)
1.3 Dividends received	(259)	(808)
1.4 Interest and other items of a similar nature received	16	46
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other - GST refunds	43	136
Net Operating Cash Flows	(377)	(1,350)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(1) (88)	(2) (92)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(89)	(94)
1.13 Total operating and investing cash flows (carried forward)	(466)	(1,444)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(466)	(1,444)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	0	1,789
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	(4)	(78)
	Net financing cash flows	(4)	1,711
	Net increase (decrease) in cash held	(470)	267
1.20	Cash at beginning of quarter/year to date	1,153	416
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	683	683

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	98
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements	Nil	Nil
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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	250
4.2	Development	Nil
Total		250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	8	18
5.2	Deposits at call	675	1,153
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		683	1,153

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	145,605,476	145,605,476		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Shares out of escrow				
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	27,667,479	27,667,479	<i>Exercise price</i>	<i>Expiry date</i>
	3,000,000		18 cents	31 July 2004
	2,000,000		20 cents	31 July 2004
	2,000,000		12.5 cents	30 June 2005
	2,000,000		25 cents	30 June 2005
	2,000,000		50 cents	30 June 2005
	3,000,000		20 cents	30 June 2005
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date:30 April 2004
(Company secretary)

Print name: ..Edward Munks.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Note 1

+ See chapter 19 for defined terms.

Schedule of Exploration Permits

Held by the Consolidated Entity

At 31 March 2004

<u>Exploration Permits</u>	<u>Basin</u>	<u>Interest %</u>
VIC/P54	Gippsland	100
VIC/P56	Gippsland	100
NT/P66	Bonaparte	100

Note:

1. VIC/P54 is subject to a farmout to Apache Energy that will reduce the interest held by the consolidated entity to 37.5%. Final farmout documentation is expected to be finalised in May 2004.
2. In April 2004 the consolidated entity acquired a 100% interest in the offshore Gippsland Basin Permit VIC/ P39 (v)