

## MARKET RELEASE

# Quarterly Activities Report and Appendix 4C Cashflow Statement

27 January 2011

**Sydney, NSW – NSX Limited (ASX: NSX)** NSX submits the following activities and appendix 4C cashflow reports for the period ended 31 December 2010.

### Summary

- Net Cash outflow (including financing activities) for the quarter ended 31 December 2010 was \$466,000;
- As advised in the previous quarterly report, SIM VSE Joint Venture received the first tranche of \$500,000 in funding during the period;
- Revenue for NSX has been affected by substantially reduced trading in water entitlements over the last 6 months as well as a reduction in new business on both the NSXA and SIM VSE markets.
- On 17 December 2010 signed an asset sale agreement with Envex Water Pty Ltd;

### National Stock Exchange of Australia (“NSXA”)

During the quarter:

1. Exchange staff continue to promote the market and generate new business leads in the mining sector including attendance at the Mining in Excellence Conference;
2. There were no new listings on the market during the quarter.

### SIM Venture Securities Exchange (“SIM VSE”)

1. As at the date of this report the SIM VSE joint venture has received \$500,000 being the first tranche of funding for SIM VSE. This amount is shown in the Cash flows from related financing activities section of the Appendix 4C. Shares in SIM VSE Group Holdings Ltd to the paid up value per share of \$0.02723 have been issued to Financial and Energy Exchange Limited on 6 October 2010.
2. SIM VSE staff continue to promote the exchange to prospective companies and advisers.
3. There were no new applications for listing during the quarter.

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[www.waterexchange.com.au](http://www.waterexchange.com.au)

[www.nlx.com.au](http://www.nlx.com.au)

Incorporating

NSX Limited

ABN: 33 089 447 058

National Stock Exchange of Australia Limited

ABN: 11 000 902 063

SIM Venture Securities Exchange Limited

ABN: 41 087 708 898

BSX Services Pty Ltd (t/a) BSX Tax Markets

ABN 57 084 885 683

The Waterexchange Pty Ltd

ABN 19 084 332 132

### **Taxi Market**

1. During the quarter staff continue to promote the Taxi market.
2. The contract with the Victorian Government is due to expire on March 2011. November 2011 saw a change over in Government and contract negotiations have are now scheduled to start. The existing contract allows for a two year option for renewal.

### **Waterexchange (“WEX”)**

1. Revenue for NSX has been affected by substantially reduced trading in water entitlements over the last 6 months. This is due in the main to substantially wetter season culminating in the recent floods and uncertainty due to the delay in the release of the Murray-Darling Basin plan.
2. To reduce the continued losses from the Waterexchange, your board has sought to find a buyer for the business.
3. As announced on 17 December 2010, NSX has entered into an agreement with Envex Water Pty Ltd to purchase the assets of The Waterexchange Pty Ltd. Envex Water are currently consulting with Water Brokers and as part of the asset sale agreement have until 28 January 2011 to provide NSX a letter that Envex Water wishes to proceed with the purchase.

For further information please contact:

Michael Cox  
Chairman and Chief Executive Officer  
**Mob:** 0410 466 882  
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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

NSX LIMITED

ABN

33 089 447 058

Quarter ended ("current quarter")

31 December 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (...6... months) \$A'000
1.1 Receipts from customers	274	1,192
1.2 Payments for		
(a) staff costs	(325)	(666)
(b) advertising and marketing	(7)	(25)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(946)	(1,508)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	61	121
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(11)	(23)
<b>Net operating cash flows</b>	<b>(954)</b>	<b>(909)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (...6... months) \$A'000
1.8 Net operating cash flows (carried forward)	(954)	(909)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(12)	(12)
(e) other non-current assets		
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
	(12)	(12)
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	(966)	(921)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)	500	500
<b>Net financing cash flows</b>	500	500
<b>Net increase (decrease) in cash held</b>	(466)	(421)
1.21 Cash at beginning of quarter/year to date	6,322	6,277
1.22 Exchange rate adjustments to item 1.20		
<b>1.23 Cash at end of quarter</b>	5,856	5,856

**Note to item 1.20:** On 6 October Financial and Energy Exchange Limited (“FEX”) contributed the first tranche of funding for the SIM Venture Exchange Joint Venture. The amount of \$500,000 was provided to SIM VSE Group Limited in return for an issue of partly paid shares in SIM VSE group Limited. A further 5 tranches of cash is to be provided by FEX over 2.5 years to fully pay up the capital. The amount was placed in item 1.20 as this is not an issue of NSX Limited shares but an issue of shares in a subsidiary of NSX Limited.

+ See chapter 19 for defined terms.

**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
1.24	Aggregate amount of payments to the parties included in item 1.2	312
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

The above amount (\$312,248) represents payments to directors as part of service contracts and directors stipend for NSX and subsidiaries.

**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

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

**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		
3.2	Credit standby arrangements		

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**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

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**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
4.1 Cash on hand and at bank	2,253	2,722
4.2 Deposits at call	3,603	3,600
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>5,856</b>	<b>6,322</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: ..27 January 2011.....  
 (Director)

Print name: .....Michael Cox.....

**Notes**

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+ See chapter 19 for defined terms.

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 definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting 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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