



ASX Announcement

9 December 2010

The Manager
Company Announcements Office
ASX Ltd
4th Floor, 20 Bridge Street
SYDNEY, NSW 2000

Dear Sir,

EXECUTIVE DIRECTOR APPOINTMENT AND PROJECT UPDATES

Key Points:

- ✓ **Greg Lee appointed as Executive Director**
- ✓ **Share placement completed, raising \$2.5m (before costs)**
- ✓ **Project Updates**

Executive Director Appointment

Verus Investments Limited ("Verus", ASX Code: VIL) is pleased to announce that it has appointed Mr Greg Lee as Executive Director.

Mr Lee has been a Non-Executive Director of Verus since 2007 and has a wealth of practical experience in the oil and gas industry with more than 28 years in oilfield appraisal, development and operations.

Chairman Andrew McIlwain said the company's acquisition of Pass Petroleum and recent investment in the Sidi Daher Prospect, located onshore central Tunisia, meant Verus had reached a critical mass that required a permanent appointment.

"As an experienced petroleum engineer, Greg will have a clear focus on the company's future including the development and implementation of the necessary appraisal and development strategy for Fausse Point and planning and coordinating with the partners in our other investments," Mr McIlwain said.

Project Updates

Fausse Point Prospect

Verus has a 72% working interest in the Fausse Point Project in Louisiana. Reprocessing of seismic data is planned to be completed in early 2011. Importantly this reprocessed data will then be correlated with the dataset and knowledge captured from the drilling of the #1 Well.

Once completed this will determine the optimum location for Fausse Point #2 Well.

Options for the financing and or farm-out of this #2 Well are being considered.

Chorbane Prospect (Sidi Daher #1 Well)

Final documentation has been executed and farm-in funds transferred to ADX Energy Ltd.

ADX Energy Ltd recently announced approval of the rig tender evaluation by Tunisian authorities and anticipates a spud date in January 2011 for the drilling of the Sidi Daher #1 Well, on the Chorbane Permit. Drilling is anticipated to take approximately four weeks to reach the target depth.

Potential un-risked P50 cumulative gas reserves from the primary target is 175 billion cubic feet of gas and 44 million barrels of oil from the secondary target. This well represents significant immediate upside potential to the Company and shareholders.

Bongo Prospect

The Bongo Prospect in Wharton County, Texas is operated by Caza Oil & Gas, Inc. (Caza; TSX: CAZ, AIM: CAZA).

Production testing is continuing with production facilities being established this month. When commissioned, forecast production flows and cash generation will be provided to the market.

Silverwood Prospect

Testing of the oil and gas production continues. The production of oil has diminished to less than 50 bbls per day and the quantity of water associated with this has increased.

Oil quality is high and the well continues to generate small positive cash flows. The partners will review test flows over the coming weeks to determine future production strategies.

Funding - Private Placement

Further to an announcement made on 25 November 2010, Verus has now completed the placement of 204,766,062 ordinary (fully paid) shares, raising total of \$2.5 million (less costs) at a price of 1.225 cents.

This raising has enabled Verus to meet its farm-in obligations for its new investment in the Chorbane Prospect, Tunisia, and provides working capital for further development in its existing investments, including the seismic data processing and analysis for Fausse Point.

In respect of the securities issue:

- (a) an Appendix 3B is attached; and
- (b) the Company gives notice that:
 - it issued the securities without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (“Act”);
 - this notice is being given under section 708A (5) (e) of the Act;
 - as at today’s date, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act; and
 - as at today’s date there is no other information that is excluded information which is required to be set out in this notice pursuant to section 708A(6)(e) of the Act.

Yours faithfully



Andrew McIlwain
Chairman

For further information in respect of the Company’s activities, please contact:

Mr. Andrew McIlwain	Mr. Nathan Ryan	Mr. Craig Nelmes
Chairman	NWR Communications Investor Relations	Finance & Administration
Tel: (+61 3) 9817 5067	Tel: (+61 0) 420 582 887	Tel: (+61 8) 9240 8645

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Verus Investments Limited

ABN

59 009 575 035

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 204,766,065 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Rank equally with existing ordinary shares. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes.
5 Issue price or consideration	Ordinary shares – \$0.01225
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The placement will be allocated towards: • Investment in the Chorbane Prospect, Tunisia • Ongoing development activities at its onshore oil and gas investments in Louisiana and Texas • Working capital and general corporate purposes.
7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	7 December 2010
8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)	1,363,908,563 VIL Ordinary Shares

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	500,000 Options exercisable at \$0.015 on or before 1 March 2012. 12,000,000 Director options exercisable at \$0.015 on or before 1 March 2012. 500,000 Options exercisable at \$0.04 on or before 9 December 2012. 15,000,000 Options exercisable at \$0.03 on or before 31 December 2010.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No plans to pay dividends at this stage.

Part 2 - Bonus issue or pro rata issue

N/A

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has ⁺security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of	

+ See chapter 19 for defined terms.

their entitlements (except by sale
through a broker)?

33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1.

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

☐ Cheque attached

☐ Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

☐ Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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Appendix 3B
New issue announcement

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 9 December 2010

Print name:

Company Secretary
Paul Jurman

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