This is a Supplementary Prospectus dated 12 January 2011 intended to be read with the Prospectus dated 13 August 2010 and the Supplementary Prospectus dated 12 October 2010 relating to the Offers by NuEnergy Capital Limited

SECOND SUPPLEMENTARY PROSPECTUS

NUENERGY CAPITAL LIMITED
ABN 50 009 126 238

1. IMPORTANT NOTICE

This is a supplementary prospectus (**Second Supplementary Prospectus**) intended to be read with the Prospectus dated 13 August 2010 (**Prospectus**) and the Supplementary Prospectus dated 12 October 2010 (**First Supplementary Prospectus**) relating to the Offers of New Shares by NuEnergy Capital Limited. This Second Supplementary Prospectus is dated 12 January 2011 and was lodged with the ASIC on that date. ASIC and ASX take no responsibility for the contents of the Prospectus, the First Supplementary Prospectus or this Second Supplementary Prospectus.

This Second Supplementary Prospectus must be read in conjunction with the Prospectus and the First Supplementary Prospectus.

Pursuant to section 719(4) of the Corporations Act, the Prospectus is taken to include the First Supplementary Prospectus and this Second Supplementary Prospectus. Terms used in this Second Supplementary Prospectus have the same meaning as in the Prospectus unless otherwise defined or the contrary intention appears. References to Sections are sections in the Prospectus unless otherwise stated.

This Second Supplementary Prospectus will be issued in both hard copy and electronic versions. The electronic version of the Prospectus may be viewed online at www.nuenergycorp.net. The Offers are available to persons receiving an electronic version of the Prospectus, the First Supplementary Prospectus and this Second Supplementary Prospectus in Australia. The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to or accompanied by a complete and unaltered version of the Prospectus the First Supplementary Prospectus and this Second Supplementary Prospectus. During the period of the Offers, any person may obtain a hard copy of the Prospectus, the First Supplementary Prospectus and this Second Supplementary Prospectus by contacting the Company. This Second Supplementary Prospectus does not constitute an offer or invitation in any place which, or to any person whom, it would not be lawful to make such an offer or invitation. The distribution of this Second Supplementary Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Second Supplementary Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

2. EXTENSION OF THE OFFERS AND VARIATION TO CONDITIONS TO THE OFFERS

The Minimum Subscription (of $9,000,000) under the Public Offer has not been met and therefore the Company has been unable to issue any Shares pursuant to the Offers. The Directors have resolved to further extend the Closing Date of the Offers to 24 February 2011 with the revised indicative timetable set out in section 5 below.

As set out in the Prospectus (Section 1.2 and Section 2), the Offers are conditional upon a number of events occurring, including:

(a) Shareholders approving the Acquisition and all of the resolutions interdependent on the Acquisition approval put to them at the General Meeting held on 25 August 2010;

(b) Minimum Subscription under the Prospectus being achieved;

(c) ASX confirming the Company's compliance with Chapters 1 and 2 of the ASX Listing Rules;

(d) ASX approving quotation of the Shares; and

(e) Completion of the Acquisition of Indon CBM.

A detailed description of these conditions is set out in Section 2 of the Prospectus. The Prospectus is varied by this Second Supplementary Prospectus so as to extend the timeframe for satisfaction of these conditions. If all of the conditions are not satisfied by the date that is 3 months from the date of this Second Supplementary

Prospectus, no New Shares will be issued and Application Monies will be refunded as soon as is practicable in full without interest.

In relation to the condition in 2(a) immediately above, Shareholders approved the Acquisition and all of the resolutions interdependent on the Acquisition approval put to them at the General Meeting held on 25 August 2010. The Company's Notice of Meeting for the General Meeting held on 25 August 2010 stated that the New Shares under the Offers would be issued within 3 months of the date of the General Meeting or such later date to the extent permitted by any waiver or modification of the ASX Listing Rules. On 18 November 2010 the Company was granted a waiver by ASX from ASX Listing Rule 14.7 to permit the Shares pursuant to the Offer and the Acquisition of Indon CBM to be issued beyond the 3 month period stated in the Company's Notice of Meeting for the General Meeting, provided that the Shares were issued no later than 31 December 2010 and otherwise on the same conditions as approved by shareholders on 25 August 2010.

As Minimum Subscription under the Public Offer has not been achieved the Shares were not issued by 31 December 2010. The Company has considered the alternatives available to the Company and its present intention is to seek a further waiver from ASX. A further Supplementary Prospectus will be lodged in this regard as soon as is practicable.

The Company is in the process of arranging execution of a variation to the Share Sale Agreement to provide that Completion of the Acquisition must occur by 30 April 2011 or such later date as may be agreed by the parties.

3. ASIC RELIEF AND EFFECT ON AN APPLICANT'S RIGHT TO WITHDRAW

Pursuant to section 723(3) and 724(1)(b) of the Corporations Act, the New Shares offered under the Prospectus must be admitted to quotation on ASX within 3 months of the date of the Prospectus. As the Prospectus is dated 13 August 2010, the period for admission to quotation of the securities was initially to expire on 13 November 2010. Pursuant to section 724(1)(a) of the Corporations Act, the Minimum Subscription condition to the Offer must be satisfied within 4 months of the date of the Prospectus. As the Prospectus is dated 13 August 2010, the period for achieving Minimum Subscription was initially to expire on 13 December 2010.

The Company sought relief from ASIC from the provisions of sections 723(3), 724(1)(a) and 724(1)(b) so that these conditions may be satisfied after the time periods provided in those sections. By a declaration under section 741(1)(b) of the Corporations Act dated 11 October 2010 (**ASIC Declaration**), ASIC has granted the Company an extension of the time periods set out in sections 723(3), 724(1)(a) and 724(1)(b) of the Corporations Act.

Pursuant to section 724 of the Corporations Act, applicants under the Prospectus have an opportunity to withdraw their Application and receive a refund in certain circumstances, including in the event that the New Shares are not admitted to quotation on ASX within 3 months of the date of the Prospectus (**ASX Quotation Deadline**) and the Minimum Subscription condition is not met within 4 months of the date of the Prospectus (**Minimum Subscription Condition Deadline**).

By operation of the lodgement of the First Supplementary Prospectus on 12 October 2010, the ASX Quotation Deadline and the Minimum Subscription Condition Deadline were extended so that they must be satisfied within 3 months and 4 months (respectively) of the date of the First Supplementary Prospectus.

By lodgement of this Second Supplementary Prospectus, the ASIC Declaration operates to further extend the ASX Quotation Deadline and the Minimum Subscription Condition Deadline so that they must be satisfied within 3 months and 4 months (respectively) of the date of this Second Supplementary Prospectus.

The effect of the ASIC Declaration is that applicants will not have an opportunity to withdraw their Applications on the basis of the expiration of the ASX Quotation Deadline and the Minimum Subscription Condition Deadline until the expiration of the new deadlines set out in this section 3 immediately above.

As at the date of this Second Supplementary Prospectus, the Company has received Applications for 82,122 Shares for a total of $45,988.32.

4. RIGHT TO WITHDRAW

In accordance with section 724(2) of the Corporations Act, the Company hereby gives applicants that **HAVE** already applied for New Shares under the Prospectus the opportunity to withdraw their Application within one month of the date of this Second Supplementary Prospectus.

If you have lodged an Application Form prior to the date of this Second Supplementary Prospectus and do not wish to proceed with your application, the Company will refund your Application Moneys. Any applicant wishing to withdraw their application and be repaid their Application Moneys (at $0.56 per New Share applied for) has until 5pm EST on 12 February 2011 to withdraw their application and request a refund. To withdraw an Application, applicants must send written notice to the Company's Share Registry by no later than 5pm EST on 12 February 2011. A refund cheque will be sent to the address set out in the Application Form previously lodged by that applicant.

If you do not wish to withdraw your Application, you do not need to take any action.

5. INDICATIVE TIMETABLE

The Directors have resolved to extend the Closing Date for the Offers until 24 February 2011. Completed Public Offer Application Forms / Vendor Offer Application Forms must be forwarded to reach the Company's Share Registry by no later than 5.00pm EST on 24 February 2011.

The indicative timetable for the Offers is now as follows:

Event	**Date**
Lodgement of Prospectus	13 August 2010
Suspension of Company's Shares	25 August 2010
General Meeting	25 August 2010
Record Date for Consolidation of capital	2 September 2010
Despatch of statements of post Consolidation shareholding	8 September 2010
Lodgement of First Supplementary Prospectus	12 October 2010
Lodgement of Second Supplementary Prospectus	12 January 2011
Close of withdrawal right period	12 February 2011
Closing Date of Offers	24 February 2011*
Allotment of New Shares	25 February 2011*
Complete Acquisition of Indon CBM	25 February 2011*
Satisfy Chapters 1 and 2 of the ASX Listing Rules	25 February 2011*
Despatch of statements of New Shares	25 February 2011*
Expected date for post Consolidation Shares and New Shares to recommence trading on ASX	28 February 2011*

* These dates are subject to change and are indicative only. The Company reserves the right to amend this indicative timetable. In particular, the Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to extend the Closing Date or to withdraw the Offers without prior notice.

6. APPLICATION FOR SHARES UNDER THE OFFER

The Offers of New Shares are made in the Prospectus (as supplemented by the First Supplementary Prospectus and this Second Supplementary Prospectus). If you wish to apply for New Shares and you have not yet completed an Application Form, please complete and return an Application Form which is attached to the Prospectus.

The Application Form must be received by 5.00pm EST on the Closing Date and must be completed in accordance with the instructions in the Prospectus and the Application Form.

By mail:	Link Market Services Limited Locked Bag A14 Sydney NSW 1235
By delivery:	Link Market Services Limited Level 1, 333 Collins Street Melbourne VIC 3000

7. DIRECTORS' CONSENT

This Second Supplementary Prospectus has been approved by unanimous resolution of the Directors of NuEnergy Capital Limited. Each of the Directors, and the Proposed Director, of NuEnergy Capital Limited have given, and have not withdrawn, their consent to the lodgement of this Second Supplementary Prospectus with ASIC.

Signed for and on behalf of NuEnergy Capital Limited:

Alan Fraser
Chairman