



Nexus Energy Services, Inc.
Annual Report

**Issuer Information and Disclosure Statement
Pursuant to Rule 15c-11(a)(5)**

October 25, 2013

Nexus Energy Services, Inc.
(fka Pharmstar Pharmaceuticals, Inc.)
(a Nevada Corporation)
10301 Northwest Freeway Ste 301
Houston, TX 77092
Phone: 832.203.8858

Cusip # **65340N 101** formerly Cusip # 717141 10 5

**NOTE THE COMMON AND PREFERRED SHARES REFLECTED BELOW ARE AS OF
SEPTEMBER 30, 2013. PLEASE SEE PAGE 3 FOR INFORMATION REGARDING EXCHANGE
RATIO AND CURRENT SHARES OF COMMON AND PREFERRED STOCK AS OF REPORT
DATE**

**ISSUER'S EQUITY SECURITIES
COMMON STOCK**

1,001,184,352 SHARES AUTHORIZED
303,425,901 SHARES ISSUED AND OUTSTANDING
50,778,895 OUTSTANDING RESTRICTED
252,647,006 OUTSTANDING NON-RESTRICTED
\$.025 PAR VALUE
TRADING SYMBOL: **PHARD – NESI AS OF NOV 12, 2013**

PREFERRED STOCK

Series A Preferred Stock, \$100 par value, 5,000 designated. (100 issued and outstanding)

Series B Preferred Stock, \$0.025 par value, 8,495,000 designated. (2,000,000 issued and outstanding)

Series C Preferred Stock, \$1.00 par value 1,500,000 designated. (874,116 issued and outstanding)

Transfer Agent
Olde Monmouth Stock Transfer Co, Inc.
200 Memorial Parkway
Atlantic Highlands, NJ 07716
Phone 732.872.2727
Fax 732.872.2728

Olde Monmouth Stock Transfer Co., Inc. is registered under the Exchange Act and is an SEC approved transfer agent.

Nexus Energy Services, Inc.

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Nexus Energy Services, Inc.
INFORMATION AND DISCLOSURE STATEMENT
October 25, 2013

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of 15c2-11(a)(5) promulgated by Securities and Exchange Act of 1934, as amended. The prior period financial statements have been herein restated.

IMPORTANT INFORMATION REGARDING COMMON AND PREFERRED STOCK

On October 4, 2013 the Company approved an *Information Statement* to be mailed to all stockholders of record regarding the following actions:

- A change of our corporate name to Nexus Energy Services, Inc.;
- Amendment to our articles of incorporation to reduce the number of common shares we are authorized to issue from 1,001,184,352 to 480,000,000 and increase the number of preferred shares we are authorized to issue from 10,000 to 20,000,000;
- Change our State of incorporation from Delaware to Nevada; and
- Provide for defenses against hostile takeovers that include a classified board of directors, restrictions on calling special meetings of stockholders and nominating directors.

In the information statement, the Company announced a 1000 for 1 reverse stock split and a changing of the par value of the stock to \$0.001. No certificates will be issued for less than 100 shares. In the event any holder of Pharmstar common stock is entitled to receive fractional shares of Nexus common stock, such holder will be issued the next highest number of whole shares and not less than 100 shares of Nexus common stock.

In December of 2011 an offering of 4,819,277 freely shares was made available at a discounted rate \$0.0031. These shares are affected by the above mention actions.

COMMON STOCK AS OF REPORT DATE

480,000,000 SHARES AUTHORIZED
303,426 SHARES ISSUED AND OUTSTANDING**
50,779 OUTSTANDING RESTRICTED**
252,647 OUTSTANDING NON-RESTRICTED**
\$.001 PAR VALUE

**Estimated - final number to be determined after completion of reverse split by transfer agent

PREFERRED STOCK AS OF REPORT DATE

20,000,000 Shares authorized

Series A Preferred Stock, \$.001 par value, 1,000,000 designated. (1,000,000 issued and outstanding)
Series C Preferred Stock, \$.001 par value 805,000 designated. (805,000 issued and outstanding)

FORWARD LOOK INFORMATION

The information in this Information and Disclosure Statement and accompanying Annual Report includes certain forward-looking statements that are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including statements related to the future financial performance of the Company. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will prove to be correct. Factors that could cause results to differ include, but are not limited to, successful execution of growth strategies, product development and acceptance, the impact of competitive services and pricing, general economic conditions, and other risks and uncertainties described in the Company's periodic filings with the OTC Markets.

Item 1: THE EXACT NAME OF ISSUER AND ADDRESS OF ITS PRINCIPLE OFFICES

Nexus Energy Services, Inc. (fka Pharmstar Pharmaceuticals, Inc.)*
(a Nevada Corporation)
10301 NW Freeway Ste 301
Houston, TX 77092

The Issuer's SIC Code is 13110102

*The Company is electing to use the name of Nexus Energy Services, Inc. as that was the legal name of the Company as the date of filing.

PREDECESSORS TO CURRENT ISSUER

Pharmstar Pharmaceuticals, Inc. (3/28/2011)
Big Star Media Group, Inc. (9/1/09)
Blue Wireless & Data, Inc. (10/04/04) Reva, Inc. (5/12/03)
World Wide Video, Inc. (4/9/98)

Item 2: COMMON SHARES OUTSTANDING

303,425,901 at September 30, 2013. Approximately 303,425 shares as of report date

Item 3: INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements are attached at the end of this report.

Item 4: MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Nexus Energy Services, Inc., herein referred to as "*NESI*" or "*the Company*" (a Nevada Corporation) is an independent oil and gas company engaged in the development, capitalization, exploration and production of oil and gas properties. Our assets are concentrated in the Frio Basin, which is an area conducive to multi-well, repeatable drilling programs. We operate our programs exclusively in the United States and our corporate office is located in Houston, TX.

GLOSSARY OF CERTAIN OIL AND GAS TERMS

The following are abbreviations and definitions of certain terms commonly used in the oil and gas industry and may be used within this Annual Report:

Bbl. One stock tank barrel, or 42 U.S. gallons liquid volume, used in reference to oil or other liquid hydrocarbons

Mcf. One thousand cubic feet of natural gas.

Developed reserves. Developed reserves are reserves that can be expected to be recovered: (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Development well. A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

Field. An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious, strata, or laterally by local geological barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms *structural feature* and *stratigraphic condition* are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

Oil. Crude oil and condensate.

Operator. The individual or Company responsible for the exploration, development and/or production of an oil or gas well or lease.

Play. A geographic area with potential oil and gas reserves.

Production costs. Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities, which become part of the cost of oil and gas produced.

Proved reserves. Proved reserves are those quantities, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions and operating methods prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

Existing economic conditions include prices and costs at which economic produce ability from a reservoir is to be determined. The price shall be the average price during the twelve-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Reserves. Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Reservoir. A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

Resources. Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

Shale. Fine-grained sedimentary rock composed mostly of consolidated clay or mud.

Undeveloped reserves. Undeveloped reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required. Reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, or by other evidence using reliable technology establishing reasonable certainty.

Unproved properties. Properties with no proved reserves.

Working interest. An interest in an oil and gas lease that gives the owner of the interest the right to drill for and produce oil and gas on the leased acreage and requires the owner to pay a share of the costs of drilling and production operations.

Strategy

Our objective is to enhance shareholder value over the long-term through consistent growth in gas flows, earnings, production and reserves. We believe this is attainable through disciplined management and our asset base which provides a strategic advantage for continual growth.

THE 2013 PLAN OF OPERATION

Officers

On July 18, 2013 Loretta Higgins was elected as sole Director and Chief Financial Officer (Secretary/Treasurer) of NESI and Glenn Massey was elected as Chief Executive Officer and President. By election of the board of directors the focus of the Company was changed from pharmaceutical development to oil and gas exploration and production. The board of directors additionally approved moving all operations to Houston, Texas and changing the state of incorporation to Nevada.

Legal History Regarding Officers

Identify whether any of the foregoing persons have, in the last five years, been the subject of:

A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses); NONE

The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities; NONE

A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or NONE

The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities. NONE

Name Change

On October 4, 2013 the Company changed its name to Nexus Energy Services, Inc. As this event occurred before the date of financial statement filing, the Company has elected to use this name on the annual report with a reference to its former name. Refer to *Subsequent Events* at the end of this report for additional information.

Acquisitions

On August 1, 2013 the Company acquired 100% of the Working Interest in the Wilson Lease (*herein also referred to as "Nueces County Leases", "The Leases" or "Leases"*) located in South Texas, about 25 miles northwest of Corpus Christi, Texas for \$1.5 million in a combination of stock and notes. The Wilson Lease consists of approximately 250 net acres and is located within the Riverside Field of the upper and lower Frio Basin.

Currently, the Wilson Lease contains one actively producing unit and two proven undeveloped ("PUD") locations. The producing unit generates between 24,000-26,000 MCF annually. Independent geological works indicates:

"The subsurface well data defines the prospect. Regionally this prospect is situated in the up-dip section of the South Texas Frio Trend within the Gulf Coast Salt Dome Basin. The objective Frio sands will be normally pressured.

A normally-pressured 7000' PUD well will successfully test the prospect. The prospect's most likely recoverable reserve estimate is 3.6 BCF Gas with 300,000 BBL Oil. Two PUD wells will be needed to efficiently and effectively produce the hydrocarbons."

The seller has retained a 50% ownership in the PUD's only. It is plan of the Company to drill two additional wells on the PUD locations.

The Company entered into a Letter of Intent on September 28, 2013 to acquire a Texas oil and gas operating company. Upon closing, the details will be made available in the current period's financial statements.

The Company is also currently in negotiations with several companies to acquire their oilfield service operations. If negotiations prove successful, acquisition details will be announced at that time.

Risk Management

From time to time, when we believe that market conditions are favorable, we will enter into derivative financial instruments to manage price risk associated with our production. While there are many different types of derivatives available, we generally will utilize collar and swap agreements to attempt to manage price risk more effectively. The collar arrangements are a combination of put and call options used to establish floor and ceiling prices for a fixed volume of natural gas and crude oil production during a certain time period. They provide for payments to counterparties if the index price exceeds the ceiling and payments from the counterparties if the index price falls below the floor. The swap agreements call for payments to, or receipts from, counterparties based on whether the index price for the period is greater or less than the fixed price established for that period when the swap was put in place.

We are presently not engaged in any derivative financial instruments.

Divestitures

On August 28, 2013 Howard Phykitt, sold his 100 shares of Preferred A Series Stock to John Higginbotham of Houston, TX. Mr. Phykitt also resigned his position with NESI (formerly Pharmstar Pharmaceuticals "PHAR") and in exchange for his remaining common stock Mr. Phykitt received patents and licensing agreements. Mr. Phykitt is still in possession of \$27,000 of Company furniture and equipment which the Company is negotiating the return thereof.

Please see separately published "*Information to Shareholders*" on October 4, 2013 for detail information regarding the change in majority stock ownership of the Company.

Please see section "*Discussion of Prior Operations*" under "*Item 7: Other Information*" relating to the prior operations of Pharmstar Pharmaceuticals.

Off Balance Sheet Arrangements

The Company presently has no off-balance sheet arrangements.

Item 5: LEGAL PROCEEDINGS

There are presently no legal actions that the Company is aware of.

Item 6: DEFAULTS UPON SENIOR SECURITIES

There are presently no defaults upon senior securities that the Company is aware of.

Item 7: OTHER INFORMATION

Regarding the Acquisition

As of August 1, 2013 the Company acquired 100% working interest in wells located in the Frio Basin of Nueces County, Texas. The seller shall receive 2,000,000 shares of stock at \$0.50 per share (\$1,000,000) on the first day that OTC Markets returns the Company to good standing. The private party seller shall also receive a 24 month \$ 500,000 note bearing a 5% interest rate which the principal amount shall be converted to stock (at \$0.50 per share) on 24 month schedule. The interest on the note will be paid quarterly on the remaining balance after the stock conversion for that period has been completed.

The seller of the Nueces Leases has additionally given the Company a short term revolving note of up to \$50,000 bearing a 5% interest rate to assist with the costs of office relocation and corporate reorganization. Interest is accrued starting the day after a draw has been made. At quarter end the Company had utilized approximately \$13,000 of this note.

Accounting for Derivative Instruments and Hedging Activities

Under applicable accounting standards, the fair value of each derivative instrument is recorded as either an asset or liability on the balance sheet. At the end of each quarterly period, these instruments are marked-to-market. The gain or loss on the change in fair value is recorded as accumulated other comprehensive income, a component of equity, to the extent that the derivative instrument is designated as a hedge and is effective. The ineffective portion, if any, of the change in the fair value of derivatives designated as hedges and the change in fair value of derivatives not qualifying as hedges are recorded currently in earnings as a component of Natural gas and Crude oil and condensate revenue in the Consolidated Statement of Operations.

We are presently not engaged in any derivative financial instruments.

Asset Retirement Obligation

The majority of our asset retirement obligation (ARO) relates to the plugging and abandonment of oil and gas wells and to a lesser extent meter stations, pipelines, processing plants and compressors. We record the fair value of a liability for an asset retirement obligation in the period in which it is incurred, with the associated asset retirement cost capitalized as part of the carrying amount of the related long-lived asset. The recognition of an asset retirement obligation requires management to make assumptions that include estimated plugging and abandonment costs, timing of settlements, inflation rates and discount rate. In periods subsequent to initial measurement, the asset retirement cost is allocated to expense using a systematic and rational method over the assets' useful life, while increases in the discounted ARO liability resulting from the passage of time (accretion expense) are reflected as depreciation, depletion and amortization expense.

Current Accounting

Our financial results, in future periods, will depend on many factors, particularly the price of natural gas and crude oil, and our ability to market our production on economically attractive terms. Commodity prices are determined by many factors that are out of our control. Historically commodity prices have been volatile and we expect them to remain so. Commodity prices are affected by changes in market supply and demand, which are impacted by overall economic activity, weather, pipeline capacity and inventory storage levels. As a result, we cannot accurately predict future natural gas and crude prices; finding and developing sufficient amounts of crude oil and natural gas reserves at economical costs are critical to our long term success.

5 year History U.S. Natural Gas Wellhead Price (Dollars per Mcf)												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2008	7.38	8.02	8.63	8.87	9.96	10.36	10.79	8.21	6.71	5.64	5.23	5.94
2009	4.6	3.7	3.38	3.18	3.23	3.38	3.45	3.37	2.98	3.83	4.2	4.66
2010	5.69	5.3	4.7	4.1	4.24	4.27	4.44	4.38	3.83	4.05	4.12	4.68
2011	4.37	4.34	3.95	4.05	4.12	4.2	4.27	4.2	3.82	3.62	3.35	3.14
2012	2.89	2.46	2.25	1.89	1.94	2.54	2.59	2.86	2.71	3.03	3.35	3.35

as drawn from eia.gov

5.5 Years of U.S. Crude Oil First Purchase Price (Dollars per Barrel)												
	January	February	March	April	May	June	July	August	September	October	November	December
2008	87.06	89.41	98.44	106.64	118.55	127.47	128.08	112.83	98.5	73.18	53.67	36.8
2009	35	34.14	42.45	45.19	52.67	63.09	60.44	65.28	65.28	69.82	71.99	70.42
2010	72.87	72.74	75.77	78.8	70.91	70.77	71.37	72.07	71.23	76.02	79.2	83.98
2011	85.66	86.69	99.19	108.8	102.46	97.3	97.82	89	90.22	92.28	100.18	98.71
2012	98.99	102.04	105.42	103.62	95.57	83.59	86.1	92.53	95.98	92.24	89.64	89.81
2013	94.89	95.04	95.85	94.72	95	94.05						

as drawn from eia.gov

Readers of this document and users of the information contained herein should be aware of how certain events may impact our financial results based on the accounting policies in place. For ongoing operations of existing wells we use an accrual basis of accounting. When wells are drilled we will follow the successful efforts method of accounting for our oil and gas producing activities. Acquisition costs for proved and unproved properties are capitalized when incurred. Exploration costs, including geological and geophysical costs, the costs of carrying and retaining unproved properties and exploratory dry hole costs are expensed. Development costs, including costs to drill and equip development wells and successful exploratory drilling costs to locate proved reserves are capitalized.

Discussion of Prior Operations

On August 28, 2013, at the behest of the board of directors, Howard Phykitt resigned his position with the Company. Mr. Phykitt became CEO and majority shareholder in February 2011, after acquiring the majority stock of Big Star Media Group, Inc. (BGMI).

Upon his departure Mr. Phykitt returned all his remaining shares of common stock to the Company. The Preferred A Series shares were sold to Mr. Higginbotham, presently the majority stockholder of the Company.

After Mr. Phykitt's departure it was discovered that there were many errors contained in the accounting information filed with OTC Markets, and thus it has now become necessary to restate those financials in order to provide the most accurate and timely information to the shareholders of the Company.

The following business activity occurred prior to NESI acquisition in 2013:

On May 12, 2003 World Wide Media, Inc. merged with Reva, Inc., a Delaware corporation, resulting in a change of name and domicile from Colorado to Delaware.

On July 12, 2005, the Company amended its Articles of Incorporation to increase the number of authorized common shares from 200,000,000 (Two Hundred Million) shares to 500,000,000 (Five Hundred Million) shares.

On September 22, 2010 the Company amended its Articles of Incorporation to increase the number of authorized common shares from 500,000,000 (Five Hundred Million) shares to 100,000,000,000 (One Hundred Billion) shares.

On April 12, 2011 the company amended its Articles of Incorporation to decrease the number of authorized common shares to 1,001,184,352, (One Billion one million one hundred eighty-four thousand three hundred fifty two).

Property, Plant and Equipment

Based on review of financial documentation provided, PHAR lost its lease for the North Carolina facility in approximately April 2012 and was forced to vacate. The deposit paid at lease inception was not returned to PHAR, the lease documentation is unclear as to whether the deposit is refundable and thus the Company is presently negotiating return of the deposit. Operations moved to a smaller facility in the Wilson, North Carolina area where rent was paid on a monthly basis. In August 2013, the Company moved operations to Houston, Texas where rent of \$1,500 per month was established. The Company did not pay a deposit to lease these offices. The lease will expire on August 31, 2014 and at that time the Company has the option of renewing the lease or relocating to another office location.

The Company since 2011, has acquired \$27,000 in office furniture and equipment through various sources in the Wilson, North Carolina area. This office furniture and equipment is still in the possession of Mr. Phykitt and the Company is negotiating the return and/or sale of the items once condition has been assessed. Once a final settlement has been reached, the current period financial statements will accurately reflect the final settlement.

Intellectual Property and Patents

In February 2011, Mr. Phykitt contributed his patents for Aquaprin to the Company in exchange for stock. In examination of the stock record of the Company, a change of Par Value from \$0.0001 to \$0.025 was not filed with Delaware until March 31, 2011, 40 days after Mr. Phykitt's contribution and no corporate documentation concerning an earlier change in par value has been located. The value of the asset was erroneously recorded at the higher par value. Based on the current par value in place, in February 2011 the base value of the patents was \$8,050. However, using guidance for valuing patents as set forth by *the AICPA (American Institute of Certified Public Accountants)*, the value of the patents was determined to be \$308,050.

The criteria for valuing a patent for GAAP (*generally accepted accounting practices*) purposes include the following items (responses are in parenthesis):

- Check to see if patents are still in force (*the patents granted in the late 1990's are still in force*).
- Has the patent been "battle tested" through test marketing and court litigation (*based on the information provided, the patents have not been market tested, nor "battle tested" through successful litigation*).
- Are there any previous patents that could possibly block or defer market entry (*based on information as provided on the US Patent Office's website there are at least 8 other patents that could possibly block or defer market entry*).
- Has the patent (product) received the necessary approval from an oversight agency such as the FDA (*based on the information provided, the product developed through these patents has not received any FDA approvals*).
- Consider the time invested by the patent maker (*Mr. Phykitt has invested a significant amount of time in developing these patents*).

- Consider the time remaining on the patent (*based on the information provided, the existed patents are set to expire in less than 5 years thus impairing the patents future earning potential*).

Current Holdings

Effective August 1, 2013 the Company acquired one active producing well and 50% interest in two PUD's in Nueces County, Texas. These assets were purchased for \$1,500,000 in a combination of stock and convertible notes. The purchase price of this asset is supported by the engineer's report made available as an exhibit to this annual report.

Deferred Tax Items and Other Assets

When the Company changed majority stockholders in 2011 and again in 2013, its ability to use the accumulated deficits (prior period losses) on the financial statements was materially impaired. The company has estimated the Deferred Tax Asset available for future period utilization based upon the US Government Bond Rate of 2.5% in conjunction with Internal Revenue Service code section 382 and GAAP Guidance ASC 740-10 "*Income Taxes*".

The Company can find no documentation supporting the capitalization of any enumerated items reported in prior period financial statements.

Liabilities

Payroll liabilities have been recalculated to reflect the actual balance due as of each period end. For 2011 and 2012, the federal payroll taxes (FICA) were paid late thus resulting in penalty and interest to be assessed. The withholding and unemployment taxes were not paid to the State of North Carolina. The Company is currently in negotiations with both the IRS and North Carolina regarding final payment of these items. When a settlement is reached, the adjustment of the liability will be reflected in the current period.

The Company has two notes outstanding valued at \$1,500,000 and \$356,800 respectively. These notes are held with two separate and unrelated private parties, and the deferred interest expense is reflected in the *Notes to the Financial Statements*. The smaller of these notes is presently being negotiated with its note holder for partial or complete conversions to equity in exchange for common stock. Upon the completion of these negotiations, any changes will be reflected in the current period financial statements.

The seller of the Wilson Lease has additionally given the Company a short term revolving note of up to \$50,000 bearing a 5% interest rate to assist with the costs of office relocation and corporate reorganization. Interest is accrued starting the day after a draw has been made. At quarter end the Company had utilized approximately \$13,000 of this note.

Equity

In February 2011, the Company offered stock in exchange for patents and debt conversions. These items were booked at \$0.025 par value in error. The par value of the stock was not changed until 40 days after the aforementioned items occurred. As such, the Stock Holder Equity Statement has been issued in quarter by quarter format so that all adjustments on equity may be reviewed in detail. In future periods, this information will be reflected only in a yearly format.

Item 8: EXHIBITS

Attached with this Annual Report please find engineer's data for the Nueces County Leases.

Item 9: CERTIFICATIONS

I, Loretta L Higgins, C.P.A., certify that:

1. I have reviewed this Annual Disclosure Statement of Nexus Energy Services, Inc.(formerly Pharmstar Pharmaceuticals, Inc.)
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

\Dated: October 25, 2013

/s/ Loretta L Higgins, C.P.A.

Nexus Energy Services, Inc.
Consolidated Balance Sheet
(unaudited)

(presented in whole numbers)	September 30	
	2013	2012
Assets		
Current Assets		
Cash and cash equivalents	100	2,610
Accounts receivable, net	9,089	-
Shareholder receivable, net	-	13,970
Other current assets	-	-
Total current assets	9,189	16,580
Fixed Assets		
Furniture and fixtures	27,112	27,112
Patents and licensing	-	358,050
Nueces oil leases	1,000,000	-
Total fixed assets	1,027,112	385,162
Reorganizational costs	21,662	-
Deferred Tax Asset	7,345,812	7,332,734
Asset retirement obligation	163,000	-
Other assets	-	-
	8,566,775	7,734,476
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	-	-
Accrued liabilities	13,933	4,264
Total current liabilities	13,933	4,264
Asset retirement obligation	163,000	-
Note payable 1 (24 month convertible)	1,000,000	-
Note payable 2	351,392	297,909
Total liabilities	1,514,392	297,909
Stockholders' equity		
Common stock - 303,425,901 and 708,425,901 shares outstanding at September 2013 and 2012, respectively	7,586,458	17,711,458
Preferred stock	1,024,116	1,024,116
Additional paid in capital	9,570,829	(180,157)
Accumulated Deficit, prior to Nexus acquisition	(11,142,391)	(11,123,114)
Retained earnings, current operations (beginning August 1, 2013)	(562)	-
Total stockholders' equity	7,038,450	7,432,303
	8,566,775	7,734,476

Nexus Energy Services, Inc.
Consolidated Statement of Operations
(unaudited)

(presented in whole numbers)	Year End September 30		
	2013	2012	2011
Operating Revenues			
Working Interest Income	9,089	-	-
Operating Expenses			
Advertising	345	2,984	4,305
Automobile	440	3,802	2,201
Bad debt	-	-	7,075
Bank charges	461	738	179
Consulting	-	12,765	39,614
Dues and subscriptions	2,944	263	5,103
General office	4,532	20,731	28,220
Insurance	-	5,378	6,660
Legal and professional	1,600	4,929	167,684
Rent	8,975	20,494	32,323
Taxes, other than income	169	2,805	3,188
Travel, meals and entertainment	49	921	1,120
Wages	-	11,185	8,845
Income From Operations	(10,426)	(86,995)	(306,517)
Interest expense	27,677	26,639	9,481
Net Income (Loss) From Operations	(38,103)	(113,634)	(315,998)
Extraordinary income			
Lawsuit settlement income	15,000	-	-
Miscellaneous deposits from unknown sources	186	1,021	-
Deferred Tax Benefit	13,078	82,426	138,475
Extraordinary expense			
Loss of building deposit - NC facility	-	94,842	-
Lawsuit settlement expense	10,000	-	-
Extraordinary items income (loss)	18,264	(11,395)	138,475
Net Income (Loss)	(19,839)	(125,029)	(177,523)

Nexus Energy Services, Inc.
Consolidated Statement of Cash Flows
(unaudited)

(presented in whole numbers)	Year End September 30	
	2013	2012
Cash flows from operating activities		
Net Income	(19,839)	(125,029)
Adjustments to reconcile net income to net cash provided by operating activities		
Bad debt expense	-	-
Depreciation and amortization	-	-
Deferred Tax Asset	(13,078)	(82,426)
(Gain)loss on extraordinary items		94,842
Changes in assets and liabilities	(32,917)	(112,613)
(Increase) decrease in:		
Accounts receivable	(9,089)	-
Shareholder Receivable	13,970	(7,540)
Reorganizational Costs	(21,662)	-
Other Current Assets	-	-
Increase (decrease) in:		
Accounts payable	-	-
Accrued expenses	9,669	1,544
Net cash provided by operating activities	(40,029)	(118,609)
Cash flows from investing activities		
Asset retirement obligations	-	-
Capital expenditures	(1,000,000)	(5,029)
Capital disposals	358,050	-
Cash provided by (used in) investing activities	(641,950)	(5,029)
Cash flows from financing activities		
Borrowings under notes payable	1,053,483	26,227
Payments under notes payable	-	-
Paid In Capital, Stock Changes	(374,014)	99,498
Cash provided by (used in) financing activities	679,469	125,725
Net increase (decrease) in cash and cash equivalents	(2,510)	2,087
Cash and cash equivalents at the beginning of the period	2,610	523
Cash and cash equivalents at the end of the period	100	2,610

Nexus Energy Services, Inc.
Consolidated Statement of Changes in Stockholder Equity
(unaudited)

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>			
Balance at Sept. 30, 2010	-	-	4,372,606,626	43,726	14,558,420	(10,788,025)	3,814,121
Shares issued in debt conversion	-	-	18,700,000,000	187,000	(52,881)	-	134,119
Reverse Stock Split 1/2500	-	-	(23,063,377,583)	-	-	-	-
Shares issued in debt conversion at \$0.00001 par value	-	-	15,077,052	151	376,775	-	376,926
Shares Retired	-	-	(1,879,651)	(47,009)	-	-	(47,009)
Net Income (Loss)	=	-	-	-	-	(32,536)	(32,536)
Balance at Dec. 31, 2010	-	-	22,426,444	183,868	14,882,314	(10,820,561)	4,245,621
Interest Expense	-	-	2,570	-	64	-	64
Shares issued in debt conversion	-	-	32,500,000	325	2,897,518	-	2,897,843
Investment In Sub	-	-	805,000,000	8,050	300,000	-	308,050
Professional Services	-	-	692,450,338	6,925	-	-	6,925
Par Value Change to \$0.025 - Common Stock (effective 3/31/11)	-	-	-	38,610,316	(38,610,316)	-	-
Issuance of Pref. Stock A	100	100,000	-	-	-	-	100,000
Issuance of Pref. Stock B	2,000,000	50,000	-	-	-	-	50,000
Issuance of Pref. Stock C	874,116	874,116	-	-	(852,263)	-	21,853
Net Income (Loss)	=	-	-	-	-	(141,548)	(141,548)
Balance at Mar. 31, 2011	2,874,216	1,024,116	1,552,379,352	38,809,484	(21,382,683)	(10,962,109)	7,488,808
Shares Retired	-	-	(553,500,000)	(13,837,500)	13,837,500	-	-
Net Income (Loss)	=	-	-	-	-	(84,793)	(84,793)
Balance at June 30, 2011	2,874,216	1,024,116	998,879,352	24,971,984	(7,545,183)	(11,046,902)	7,404,015
Additional Paid in Capital Rec'd	-	-	-	-	5,000	-	5,000
Deferred Tax Benefit	-	-	-	-	-	138,475	138,475
Net Income (Loss)	=	-	-	-	-	(89,657)	(89,657)
Balance at Sept. 30, 2011	2,874,216	1,024,116	998,879,352	24,971,984	(7,540,183)	(10,998,084)	7,457,833
Shares returned to Company	-	-	(409,200,000)	(10,230,000)	10,230,000	-	-
Shares issued from Company	-	-	35,382,913	884,573	(820,073)	-	64,500
Net Income (Loss)	=	-	-	-	-	(48,442)	(48,442)
Balance at Dec. 31, 2011	2,874,216	1,024,116	625,062,265	15,626,557	1,869,744	(11,046,526)	7,473,891
Shares issued from Treasury Stock	-	-	83,363,636	2,084,901	(2,052,901)	-	32,000
Net Income (Loss)	=	-	-	-	-	(40,978)	(40,978)
Balance at Mar. 31, 2012	2,874,216	1,024,116	708,425,901	17,711,458	(183,157)	(11,087,504)	7,464,913

Nexus Energy Services, Inc. Consolidated Statement of Changes in Shareholder Equity - cont.

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>			
Net Income (Loss)	-	-	-	-	-	(109,182)	(109,182)
Balance at June 30, 2012	2,874,216	1,024,116	708,425,901	17,711,458	(183,157)	(11,196,686)	7,355,731
Additional Paid in Capital Received					3,000		3,000
Deferred Tax Benefit	-	-	-	-	-	82,426	82,426
Net Income (Loss)	-	-	-	-	-	(8,854)	(8,854)
Balance at Sept. 30, 2012	2,874,216	1,024,116	708,425,901	17,711,458	(180,157)	(11,123,114)	7,432,303
Net Income (Loss)	-	-	-	-	-	(10,171)	(10,171)
Balance at Dec. 31, 2012	2,874,216	1,024,116	708,425,901	17,711,458	(180,157)	(11,133,285)	7,422,132
Net Income (Loss)	-	-	-	-	-	(18,570)	(18,570)
Balance at Mar. 31, 2013	2,874,216	1,024,116	708,425,901	17,711,458	(180,157)	(11,151,855)	7,403,562
Net Income (Loss)	-	-	-	-	-	(3,305)	(3,305)
Balance at June 30, 2013	2,874,216	1,024,116	708,425,901	17,711,458	(180,157)	(11,155,160)	7,400,257
Shares issued to Treasury Stock	-	-	(405,000,000)	(10,125,000)	9,750,987	-	(374,013)
Deferred Tax Benefit	-	-	-	-	-	13,078	13,078
Net Income (Loss)	-	-	-	-	-	(872)	(872)
Balance at Sept. 30, 2013	2,874,216	1,024,116	303,425,901	7,586,458	9,570,830	(11,142,954)	7,038,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

The accompanying consolidated financial statements and related notes have been prepared in accordance with accounting principles that are generally accepted in the United States of America (“GAAP”). The consolidated financial statements include the accounts of the Company at September 30, 2012 and September 30, 2013 respectively. **These financials have not been audited, or reviewed, and have been prepared internally by the Chief Financial Officer and Certified Public Accountant of the Company who is not an independent party.**

The Company operates in one segment, natural gas and crude oil development, capitalization and exploration. The Company's oil and gas properties are managed as a whole rather than through distinct operating segments or business units. Operational information is tracked by geographic area; however, financial performance is assessed as a single enterprise and not on a geographic basis. Allocation of resources is made on a project basis across the Company's entire portfolio without regard to geographic areas.

The consolidated financial statements include the accounts of the Company and its subsidiaries after eliminating all significant intercompany balances and transactions. Certain reclassifications and restatements (as explained in Management Discussion and Analysis) have been made to prior year statements to conform with GAAP requirements. These reclassifications and restatements have impacted prior periods net income (loss) and accumulated earnings.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of any contingent assets and liabilities at the date of the financial statements as well as the reported amount of revenues and expenses reported during the period. Actual results may differ from these estimates.

Fiscal Year End

The Company has elected to maintain September 30th as its fiscal year end.

Accounts Receivable and Revenue

The Company will follow *ASC 605-10 “Revenue Recognition”* to recognize revenue on an accrual basis as operations permit. The Company shall recognize revenue when earned or when persuasive evidence of an arrangement exists.

The Company's active producing well generated \$9,089 in revenue for the months of August and September as a result of 4,094 mcf of natural gas production. This amount is based upon distributable revenue after all royalty owners and expenses have been paid. These funds are distributed to the Company no later than 90 days after the production period month end. The company will be paid for August and September production no later than November 30, 2013 and December 31, 2013 accordingly.

Deferred Tax Asset and Income Tax Income or Expense

The Company accounts for income taxes under *ASC 740-10 “Income Taxes”*. The deferred income tax asset is based on the Company's ability to make limited use of the accumulated deficit after more than a 50% change in ownership. The deferred tax asset is computed on a 20 year schedule using the US Government 2.5% bond rate.

Loss Years	<u>As of September 30, 2013</u>
2010 and prior	7,111,833
2011	138,475
2012	82,426
2013	<u>13,078</u>
	<u><u>7,345,812</u></u>

Reorganizational Costs

The company as of fiscal year end had incurred \$21,662 of reorganizational cost. The Company has elected to capitalize these costs as we believe the reorganization provides a long standing and future benefit to the Company.

Convertible Promissory Notes

As of September 2013, the Company has two convertible promissory notes. These convertible promissory notes are unsecured, interest bearing notes that are due upon demand or convertible into shares of stock. Repayment of the note with one note holder is past due, however no demands for payment have been made. The Company is presently in negotiations with this note holder to convert their unsecured debt into equity in exchange for shares of common stock.

	September 30	
	2013	2012
Convertible Notes	1,788,592	262,265
Deferred Interest	62,838	35,644
	<u>1,851,430</u>	<u>297,909</u>

Related Parties

As of date of publish, there are presently no related parties to the Company.

Commitments and Contingencies

In April 2011, the Company entered into a renewable lease-purchase agreement with ST Wooten Corporation for facilities and property located at 3914 Airport Blvd Wilson, NC 27893. The monthly rent did not include payments towards utilities, property taxes, improvements or maintenance and repairs. The Company had agreed to purchase the property for \$870,000 with a deposit of \$87,000 and the balance to be paid at closing. In April of 2012 the Company was not able to close on this purchase agreement and was forced to return the premises back to ST Wooten. The Company is currently in negotiations to seek the return of the deposit paid, however as this seems unlikely, the Company has elected to expense the deposit as rent in the period ending June 30, 2012. Should the Company be able to recover any said portion of this deposit, the Company will recognize the recovery in the current period.

As of August 2013, the Company entered into a yearly sublease agreement with Northwest Freeway Partners for office space located at 10301 Northwest Freeway Houston, Texas. The monthly rent on this office space is \$1,500 per month. The Company paid no deposit on the space and may elect to renew the lease after the one year period.

Common Stock

Effective March 31, 2011, the Company filed an Amendment to the Articles of Incorporation to decrease the authorized amount of shares to 1,000,184,342 having a par value of \$.025. There are approximately 303,425,901 shares of common stock outstanding as of September 30, 2013.

Prior to the reverse merger on February 28, 2011 the Company converted \$706,182 worth of promissory notes and interest into 65,002,570 shares of common stock. The Company's stock reverse split 1/2500 changed the par value to \$.025 on April 8, 2011

Effective February 28, 2011 the Company acquired the patents from Dr. Howard Phykitt for 805,000,000 shares of restricted common stock at the par value of \$0.00001. The agreed upon acquisition was settled for \$308,050; a fair market valuation of Mr. Phykitt's accumulated research and development efforts.

Preferred Stock

Effective March 31, 2011, the Company filed an Amendment to the Articles of Incorporation to authorize an additional 10,000 shares of Series B Preferred Stock, par value of \$0.025. As of September 30, 2013, there are 2,000,000 shares of Series B Preferred Stock issued in lieu of the \$50,000 investment made for a licensing agreement.

Effective March 31, 2011, the Company issued Series C Preferred Shares, par value of \$1.00 thus representing a 6% interest in Pharmstar Pharmaceuticals, Inc. to be honored in the form of a dividends payable in semi-annual installments. No dividends have been declared as of date.

As of December 31, 2010, the Company issued 100 shares of its original Series A Preferred “voting” Stock having a par value of \$1,000 to four unrelated individuals. Each share of Series A Preferred Stock shall be entitled to cast five million votes for each share of Series A Preferred Stock held. Mr. Phykitt had negotiated to purchase these shares. In August of 2013, Mr. Phykitt sold these shares to John Higginbotham at which time the board authorized changing the voting rights to 500 million votes per share. Mr. Higginbotham has assumed the role of majority stockholder of this Company.

Retired Stock

During the previous year ended December 31, 2011, Mr. Phykitt returned 400,000,000 of common shares to the company. This action was in effort to raise funds under the 504D exemption rules, that allows for a limited amount of funds to be raised using shares that aren't required to be registered with the SEC.

On August 28, 2013, Mr. Phykitt returned his remaining 400,000,000 of common shares to the company in exchange for the release patents and licensing agreements to him. These shares have been retired.

Subsequent Events

On October 1, 2013 the Company mailed a letter to all vendors of record to quantify any liabilities that may have not been disclosed by the former CEO. The Company advised all vendors that they had 10 days to supply supporting documentation regarding any unpaid debt or any debt the vendor had would be discharged and considered paid in full by the Company. As of date of report issuance no new unpaid debts have been reported.

On October 4, 2013 the Company approved an *Information Statement* be mailed to all stockholders of record regarding the following actions:

- A change of our corporate name to Nexus Energy Services, Inc.;
- Amendment to our articles of incorporation to reduce the number of common shares we are authorized to issue from 1,001,184,352 to 480,000,000 and increase the number of preferred shares we are authorized to issue from 10,000 to 20,000,000;
- Change our State of incorporation from Delaware to Nevada; and
- Provide for defenses against hostile takeovers that include a classified board of directors, restrictions on calling special meetings of stockholders and nominating directors.

In the information statement, the Company announced a 1000 for 1 reverse stock split and a changing of the par value of the stock to \$0.001. No certificates will be issued for less than 100 shares. In the event any holder of Pharmstar common stock is entitled to receive fractional shares of Nexus common stock, such holder will be issued the next highest number of whole shares and not less than 100 shares of Nexus common stock.

On October 14, 2013 the Company obtained permission from FINRA to change its stock symbol to NESI. This change will be effective as of November 12, 2013. Until such time, FINRA has given the Company permission to trade stock under the intermediary symbol of PHARD. The intermediary symbol will be retired on the aforementioned date when the new symbol takes effect.

On October 22, 2013 the Company mailed certified correspondence to Mr. Phykitt requesting return of the furniture and equipment he had in his possession or to make arrangements to pay for said items.

EXHIBIT 1

Executive Engineering Summary Wilson Lease Area History, Current Situation and Development Prospect Nueces County, Texas

History

The Wilson Lease in South Texas is located about 25 miles northwest of downtown Corpus Christi. Frio sands at normally pressured depths from 4,000' to 7,000' comprise the zones that have been productive. The first well in the field was drilled by Amoco's predecessor, Pan American Oil Company. This well, just to the east of the Wilson lease, was drilled in the 1930's and has produced in excess of 1,000,000 barrels of oil with 10 billion cubic feet of natural gas. At today's prices for oil and gas, this well would have generated more than \$140,000,000 in revenues. In the late 1930's, Texaco offset this Pan Am well just south of the Wilson lease. However, the Texaco well blew out and no production occurred from this well. In 1947 Lockhart Oil & Gas drilled the Wilson #1, which was the discovery well for the Wilson lease. The Wilson #1 produced over 350,000 barrels of oil and 10 billion cubic feet of gas. This production would have resulted in \$76,000,000 in revenues at today's prices.

Current Situation

Since that time, the lease has produced 0.5 billion cubic feet of gas and 4,500 barrels of oil and condensate, generating \$2,400,000 of revenue.

Wishbone Development Prospect

Wishbone #1

The first Wishbone Prospect consists of a fault closure on the downthrown western flank of an anticlinal structure. Frio sands have a most likely recoverable reserve of up to 130,000 barrels of oil in this under-developed fault block. Subsurface well data along with 3D seismic data define the prospect. The Wishbone fault block is surrounded by adjacent productive fault blocks, both upthrown and downthrown. Production of at least 200,000 barrels of oil occurred to the southwest in the Wishbone fault block on a separate geological closure. The area of the fault block under the Wilson lease was missed during the drilling of the field in the 1950's and 1960's and was identified by recent 3D seismic. Follow-up study of electric logs of a number of offset wells confirmed the prospect. Adjacent analogous commercial production in excess of 4.5 billion cubic feet of gas and 1,000,000 barrels of oil was trapped in a similar manner.

The prospect's objective sand thicknesses range from 10' to 25'. Reserves are estimated at 130,000 barrels of oil. Initial oil production is anticipated to be 120 barrels per day, and should generate net cash flow in excess of \$200,000 per month after royalty and expense deductions.

Wishbone #2

The second Wishbone Prospect is the Riverside B Frio sand at about 6,250' in the same fault block as the Wishbone #1. This deeper prospect further down the fault plane cannot be reached by a straight vertical hole drilled for the Wishbone #1 prospect; it will require another wellbore to the east of the Wishbone #1. This deeper zone has Riverside B sand thicknesses ranging from 15' to 25' and could be placed on production near the same time as #1. It has a reserve of 115,000 barrels of oil. Initial production would be approximately 100 barrels per day.

TL Prospect

The TL Prospect consists of an up-structure attic location to the down-structure #5 Wilson well drilled by Lockhart Oil and Gas Company in 1950. On the Wilson lease, this prospective upthrown fault closure is part of an overall anticlinal structure. The approximate crest of the anticline is broken by a 100' north-south trending down-to-the-west fault. The TL Prospect is the first down-to-the-east fault closure encountered in the area. Adjacent analogous production is trapped in the same manner with cumulative production in excess of 3.6 Bcf of gas and nearly 200,000 barrels of oil. Estimated reserves are 52,000 barrels of oil.

Rex Prospect

The Rex Prospect occurs north of historical production from the #1 Wilson well which encountered and produced from 15 layered sands. Competitive production from surrounding leases and a number of mechanical problems which occurred in the Wilson #1 wellbore caused premature abandonment of producing zones so that more prolific competitive zones could be produced during that time period. A well to the north of #1 would produce at least 50,000 barrels of oil.

Summary of the Four Prospects

The above four prospects are estimated to have the following oil reserves:

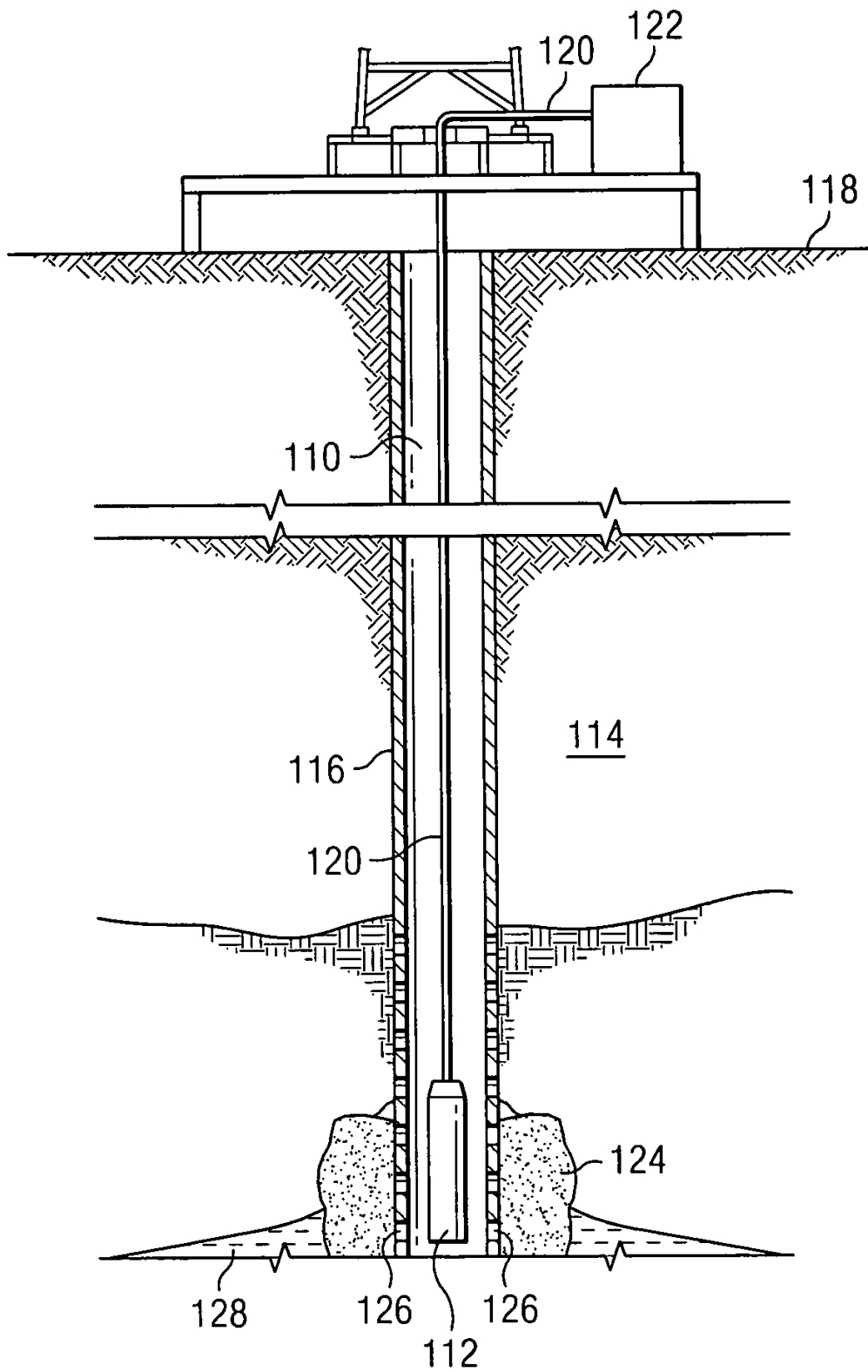
Wishbone 1	130,000
Wishbone 2	115,000
TL	52,000
Rex	<u>50,000</u>
TOTAL	347,000

Additional Potential

Drilling is expected to encounter, from log studies of existing wells, zones containing commercial volumes of hydrocarbons which have not produced from any of the old wells.

Respectfully submitted,

Jack Ozbolt
Senior Reservoir Engineer



Nexus Energy Services, Inc. This report has been authorized for publishing by the Board of Directors

You shall know the truth, and the truth shall set you free - John 8:32