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Market Announcement

NSX ACQUIRES WATEREXCHANGE

10 July 2007

Melbourne, VIC – NSX Limited (ASX: NSX) has signaled a move into environmental markets with the proposed acquisition of The Waterexchange Pty Ltd, Australia's largest independent water market operator.

The Chairman of NSX, Ian Mansbridge, and the CEO and founder of The Waterexchange, Brian Peadon, today announced that their Boards have agreed to recommend to their respective shareholders the acquisition of The Waterexchange by NSX for a total of $10.75 million, to be satisfied by the issue of 25 million NSX shares at 43 cents.

Richard Symon, Chief Executive of NSX said, "The proposed acquisition of The Waterexchange is an exciting development for NSX. The Waterexchange's knowledge of the complex water industry is second to none. Over thirteen years, The Waterexchange has grown into the largest marketplace in Australia for water, servicing more than forty water brokers and twenty thousand clients in Queensland, New South Wales, Victoria and South Australia."

Brian Peadon said "We have spoken to a number of companies about strategic relationships in recent times, but none made more sense than today's deal with NSX. With NSX's reputation for market operation, settlement and administration and The Waterexchange's strong position in water, the acquisition is a great blend of our respective skills and aspirations."

Mr Peadon will continue in his current role under an extended contractual arrangement.

As part of the transaction, NSX will also acquire Settlement and Registry Services Pty Ltd, a company developing back-office services for The Waterexchange. The transaction is subject to a number of conditions including shareholder and regulatory approval.

NSX's acquisition of The Waterexchange continues its move into asset markets other than securities markets, and follows their initiative in conjunction with Victorian government to establish a market for taxi licences in 2006. "With the Victorian government, we have brought significant additional discipline to the trading of taxi licences in a $1.5 billion marketplace. Now with The Waterexchange we will be looking to assist not only water users but also state and federal governments rationalise water trading" Mr Symon said.

"With water security an issue for all Australians, we are pleased to be able to fulfil such an important role."

About NSX Limited

NSX Limited is unique in Australian Financial Markets. Holding two Australian market licences, it operates both the National Stock Exchange of Australia and Bendigo Stock Exchange. As an independent market operator, NSX has over 10 years experience in the operation of efficient, regulated trading platforms. NSX now has more than 110 securities representing more than $1 billion in market capitalisation across its two exchanges. NSX also specialises in the development of markets for the trading of alternative assets. Part of this operation has been the set up and operation of a $1.5 billion market for the trading of taxi licences in conjunction with the State Government of Victoria. Both Water Exchange and Taxi Licence trading is not a financial market and therefore is not regulated by section 791A of the Corporations Act.

NSX Forward Looking Statements

This market release may contain forward looking statements that reflect the Company's current expectations regarding future events. Forward looking statements involve risks and uncertainties. Actual events could differ materially from those that may be projected herein and depend on a number of factors, foremost of which is the success of NSX in attracting listings to its markets.

Further information

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