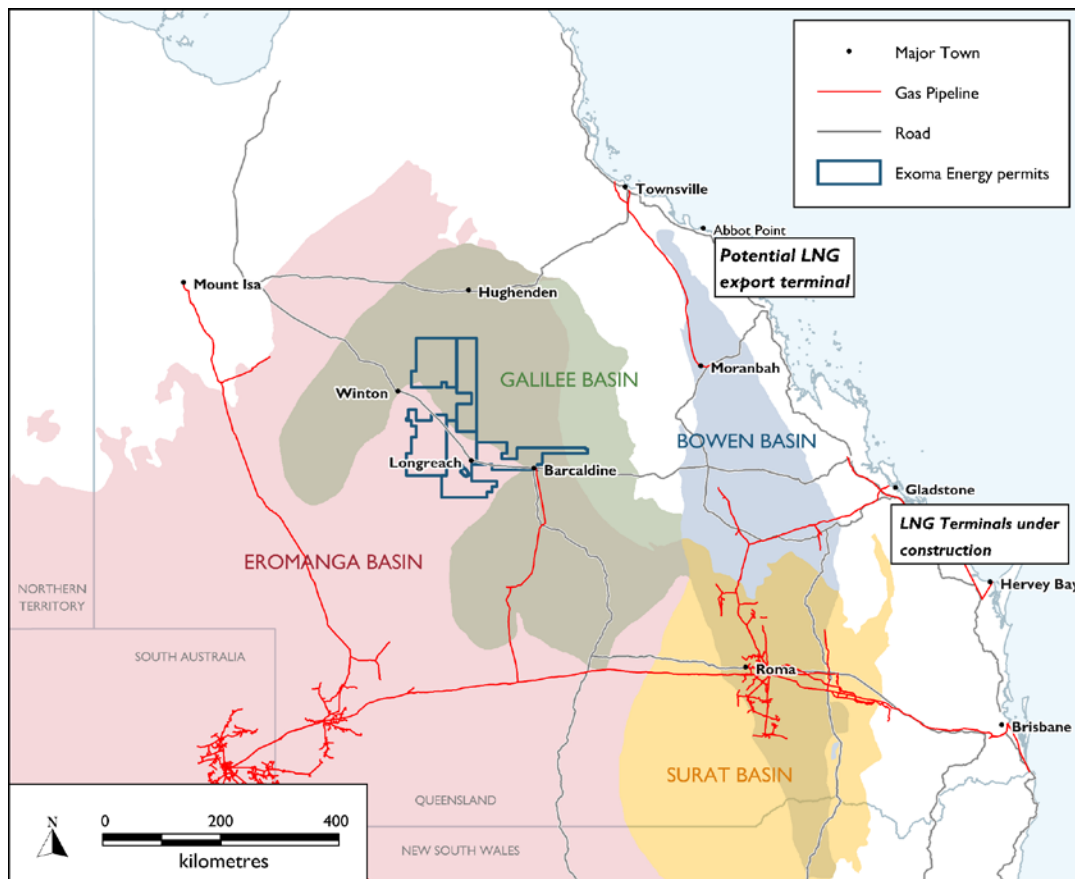


ASX Release

**EXOMA ENERGY LIMITED (EXE)
QUARTERLY ACTIVITIES REPORT
December 2011**

QUARTER HIGHLIGHTS

- **Potential major shale oil and gas play identified:**
 - Independent geochemical analysis confirms Toolebuc shale as a mature hydrocarbon source that has generated oil and gas
 - Estimated Oil in Place at the Bessies location comparable to the US Bakken Shale
- **Large conventional oil prospect identified at Katherine**
- **Prairie-1 and Hollowback-1 CSG wells drilled**



Location map of Exoma's Galilee Basin permits: ATP 991P; ATP 996P; ATP 999P; ATP 1005P; and ATP 1008P

Exoma has a 50% beneficial interest in these permits. CNOOC Galilee Gas Company Pty Ltd, a local subsidiary of leading Chinese integrated energy company China National Offshore Oil Corporation ("CNOOC"), is earning its participating interest via a farmin whereby CNOOC provide the initial \$50 million of joint venture expenditures on Exoma's five Galilee Basin ATP's.

OPERATIONS

2011 Drilling Program

During the Quarter, Exoma completed its 2011 drilling program with the drilling of Prairie-1 and Hollowback-1 CSG wells. Locations of the wells drilled during the Quarter are indicated on the attached map.

Prairie-1

Permit: ATP 996

Primary Target: Betts Creek and Aramac Coal Measures for CSG

Secondary Target: Toolebuc Shale

Depth: 1331 metres

The well intersected and cored a total of 16 metres of coal. A representative sample of 11 metres was put on desorption testing to measure gas content and saturation.

In addition, a 31 metre section of Toolebuc Shale was intersected. This shale section was not cored, however representative chip samples have been taken for geochemical analysis. Initial analysis of the chip samples indicates a high organic content (2.85% to 6.95%) which is characteristic of the Toolebuc shale.

Hollowback-1

- Permit: ATP 996
- Primary Target: Betts Creek and Aramac Coal Measures for CSG
- Secondary Target: Toolebuc Shale
- Depth: 1374 metres.

The well intersected a total of 9 metres of coal.

Reinterpretation of the seismic survey across Hollowback-1 well location in light of the well results indicates that the coal measures have thinned in this area.

A 12 metre section of Toolebuc shale was intersected. This shale section was not cored, however representative chip samples have been taken for geochemical analysis. Results are not yet available.

The 2011 drilling program was suspended following the completion of Hollowback-1 due to storms and signs of early summer rain. The ground conditions in the exploration area become hazardous and impassable when wet and it was considered prudent to demobilize the rig before the onset of heavy seasonal rain.

A total of seven shale and CSG wells were drilled in 2011. The joint venture plans to resume drilling in March 2012, with a multi-well exploration and appraisal program.

Shale Interim Results

Exoma drilled three core wells in the ATP 999 P permit during 2011 (Bessies-1, Euston-1 and Katherine-1) specifically targeting the Toolebuc shale. Core samples have been undergoing geochemical and petrophysical screening by major US oilfield services group Weatherford Laboratories (Weatherford) as part of a comprehensive analysis program. This work is ongoing and final reports are expected in early 2012.

Source Rock Analysis conducted on core samples recovered from Bessies-1 demonstrate that the Toolebuc shale has generated free oil and associated gas. Weatherford has provided Exoma with a preliminary estimate of the potential Oil In Place (OIP) and Gas In Place (GIP) in the Toolebuc shale at the Bessies location.

OIP (MMbbls/km²)	GIP (Bcf/km²)
0.2 to 4.5 (average: 2.2)	2.9 to 6.4 (average: 4.0)

Core analysis data from Euston-1 and Katherine-1 are yet to be received from Weatherford Laboratories. A further independent analysis of the core from the three wells is being conducted by Corelabs in the USA and is expected to be available in February 2012.

The data from Exoma's 2011 shale exploration program provides the first systematic technical confirmation that the Toolebuc shale contains liquid hydrocarbons, bitumen and associated gas.

Based on the laboratory analysis of the Toolebuc shale core from Bessies-1, the OIP of the shale at that location appears to be comparable to that of the US Bakken shale in North Dakota, which has reported OIP values of between 1.5 to 4.7 MMbbls/km².

Katherine Conventional Oil

The Katherine-1 well confirmed Exoma's geological model of the Katherine prospect as a stratigraphic play and also the presence of oil within a large structural closure. During the December Quarter, independent well log and petrophysical evaluation confirmed that the Katherine structure has the potential to be a significant oil resource.

Exoma's mapping shows the Katherine structure is divided into two prospect areas; Katherine West (in which oil was discovered by Katherine-1) and Katherine East. Log analysis from Katherine-1 shows two oil columns: a 6-metre column in the Hutton sandstone and a 4-metre column in the overlying Adori sandstone. Assuming these columns extend across the structure, Exoma estimates potential oil-in-place for the prospects as follows:

	Katherine West	Katherine East
P90:	15 MMBO	35 MMBO
P50:	48 MMBO	125 MMBO
P10:	177 MMBO	458 MMBO
Mean:	79 MMBO	206 MMBO

Exoma plans to drill a follow-up core well on the Katherine West prospect (Katherine-2) in early 2012 to confirm the oil-water contacts and establish the quality of the two sandstone reservoirs.

CSG Interim Results

The results of the 2011 CSG drilling program are consistent with the wide variation in gas contents reported across the Galilee basin. Exoma is currently incorporating the technical results from the 2011 program into its regional geological models. This modelling will guide the location of CSG wells in the 2012 exploration program.

SAFETY & ENVIRONMENT

Exoma and its contractors experienced no lost time accidents during the quarter.

During the Quarter, Exoma and its contractors worked 21,772 hours (7,150 hours Office; 14,622 hours Field Operations) and recorded no Lost Time Injuries or Reportable Incidents.

None of Exoma's operations caused any adverse environmental impact.

CORPORATE

During the December Quarter, Exoma applied for four permits offered by the Queensland Government under its 2011 tender program. These four permits are to the west of ATP999 P (see attached map) and are prospective for both Toolebuc shale oil and gas and conventional oil.

Exoma expects that the results of the tender will be announced during the first quarter of 2012. If Exoma is successful in its application it will have a 50% beneficial interest in the acreage in joint venture with CNOOC.

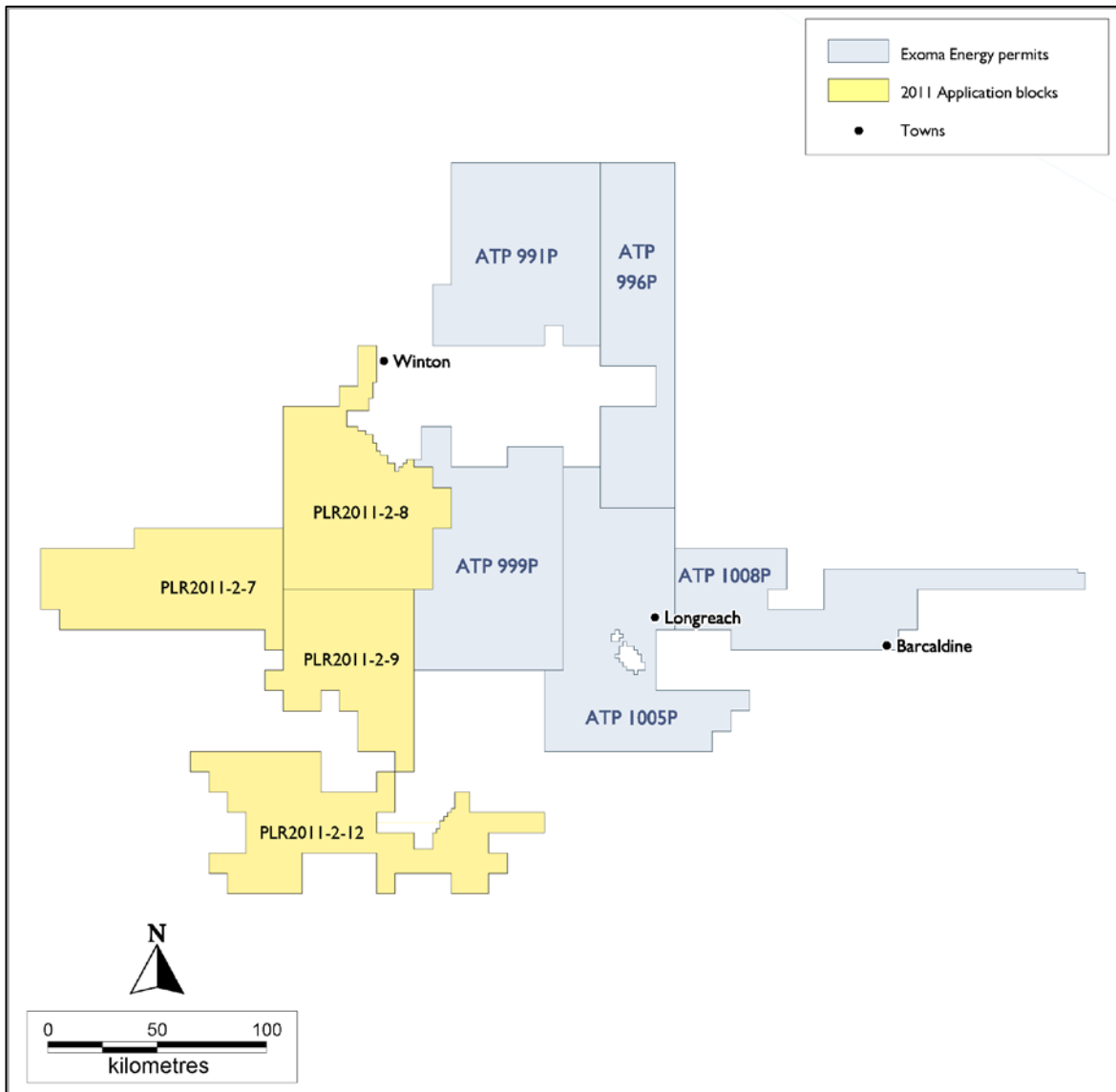
There were no movements in issued capital during the December Quarter. Cash on hand at 31 December was \$10.662 million.

Brisbane: January 2012



New Area Applications

Exoma has applied for PRL2011-2-7, PRL2011-2-8, PRL2011-2-9 and PRL2011-2-12.



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

EXOMA ENERGY LIMITED

ABN

56 125 943 240

Quarter ended ("current quarter")

31 December 2011

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 product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(690) (496)	(1459) (755)
1.3 Dividends received	152	309
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other cash receipts – R&D Incentive JV costs Reimbursed	 690	 27 1459
	(344)	(542)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) other fixed assets	 (85)	 (160)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(429)	(702)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(429)	(702)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		58
1.15	Payments for prospectus		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Proceeds from forward cover deposit		
1.19	Other (provide details if material)		
	Net financing cash flows		58
	Net increase (decrease) in cash held	(429)	(644)
1.20	Cash at beginning of quarter/year to date	11,051	11,266
1.22	Cash at end of quarter	10,622	10,622

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
1.23	Aggregate amount of payments to the parties included in item 1.2	154
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors fees \$68 thousand
and Consulting fees paid to directors based on special project hours \$86 thousand

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

Nil

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

Nil

+ See chapter 19 for defined terms.

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		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (to be reimbursed by Farminee)	979
4.2 Development	
4.3 Production	
4.4 Administration	487
Total	1,466

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
5.1 Cash on hand and at bank	1,184	2,051
5.2 Deposits at call	9,438	9,000
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	10,622	11,051

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	NA		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities <i>(description)</i>	Nil		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	417,357,759	417,357,759	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible Performance Shares <i>(description)</i>			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7	Options - <i>(description and conversion factor)</i>	172,626,250 12,300,000	172,626,250	Exercise price 10 cents Incentive Options	Expiry date 30.09.2012 Various dates
7.8	Issued during quarter			<i>Incentive Options</i> <i>Various prices</i>	<i>Incentive Options</i> <i>Various dates</i>
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>	Nil			
7.12	Unsecured notes <i>(totals only)</i>	Nil			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX](#) (see note 4).
- 2 This statement does ~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:

(Company Secretary)

Date: 31 January 12

Print name: Brian McGillivray.

+ See chapter 19 for defined terms.

Notes

- 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 "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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