

10 September 2012

ASX Announcement

CNOOC take a key shareholding in Exoma and increase permit interests via minimum AUD\$23.4 million strategic investment and expenditure

Key Points:

- CNOOC to increase stake in Exoma's Australian ATP's from 50% to 60% under a supplemental farmin with CNOOC carrying \$12.7 million of Exoma's share of joint venture expenditure;
- CNOOC to subscribe for approximately 13% of Exoma issued capital, being 62,103,664 shares, at 17.2c per share to raise AUD\$10.7 million; and
- At CNOOC's option, and subject to shareholder approval, CNOOC to subscribe for additional shares at 17.2c per share to take CNOOC shareholding in Exoma to a maximum of 19.9%.

Australian oil and gas company **Exoma Energy Limited (ASX:EXE)** ("**Exoma**" or "**the Company**") is pleased to announce that it has executed a Supplemental Farmin Agreement and a Subscription Agreement, with a minimum combined value of approximately AUD\$23.4 million, with China National Offshore Oil Corporation via its Australian subsidiary, CNOOC Galilee Gas Company Pty Ltd (CNOOC).

On the execution of these strategic agreements Exoma Chairman, Mr Brian Barker, said:

"We are very pleased to further strengthen our relationship with CNOOC and view this additional investment as indicative of CNOOC's strong support for our exploration program and our assessment of the resource potential of our permits."

"With funding for our exploration program for 2013/14 now secured, we are excited about unlocking the value we believe to be inherent in our portfolio of permits.

"Most importantly, the introduction of CNOOC as a significant shareholder in Exoma, with an initial shareholding interest of approximately 13%, is a further demonstration of the shared vision of Exoma and CNOOC as we progress our exploration and appraisal activities."

Supplemental Farmin Agreement

Under the terms of the Supplemental Farmin Agreement, CNOOC will increase its participating interest from 50% to 60% in Exoma's ATP's 991, 996, 999, 1005 and 1008 and, subject to grant, new ATPs 1127, 1130, 1137 and 1150, situated in the Galilee and Eromanga Basins in Central Queensland (see Map 1).

CNOOC will earn its additional 10% interest by contributing a further AUD \$12.7 million towards Exoma's share of exploration and appraisal expenditure during the Additional Farmin Period, which expires on 31 December 2015.

This Supplemental Farmin Agreement follows on from the Farmin Agreement entered into by Exoma and CNOOC in December 2010 under which CNOOC agreed to fund AUD\$50m towards exploration and appraisal costs to earn its original 50% interest in Exoma's ATPs (refer ASX announcement dated 9 December 2010 for full details).

Strategic Placement via Subscription Agreement

CNOOC has simultaneously entered into a Subscription Agreement whereby it will acquire 62,103,664 Ordinary shares in Exoma at 17.2c per share, for a total consideration of approximately AUD\$10.7 million. This placement, which is at a significant premium to current market share price, is based on the 90 day VWAP to close of business on 10 August 2012, plus 25%. On completion, it is expected that CNOOC will hold approximately 13% of the current issued capital of the Company. So long as CNOOC holds more than 9% of the issued shares in the company, CNOOC has the right to appoint a director to the board.

In addition, Exoma has agreed, subject to shareholder approval, to issue additional shares at 17.2c per share to take CNOOC's holding in Exoma up to 19.9%. CNOOC has an option which must be exercised within five days of completion of the initial placement to nominate the number of shares to be issued by Exoma under this part of the agreement. On receiving CNOOC's nomination, Exoma will seek shareholder approval to issue the new shares.

Conditions

Both agreements are conditional upon approval and consents from the Chinese Government Authorities, FIRB approval of the transaction, and indicative approval from the Queensland Government to the assignment of the interests in the issued ATP's. The conditions are required to be satisfied by 31 December 2012.

About CNOOC:

The CNOOC Gas and Power Group is part of the China National Offshore Oil Corporation (CNOOC) which was founded in 1982 and is one of the largest State owned oil entities in China, as well as being the largest offshore oil and gas producer. Headquartered in Beijing, CNOOC has a total staff of over 100,000. CNOOC is China's dominant producer and importer of liquefied natural gas ("LNG").

CNOOC has a long term commitment to investment in Australian energy resources and in particular the LNG Coal Seam Gas projects in Queensland. CNOOC has acquired a 5% interest in British Gas/QGC's CSG tenements in the Surat Basin and a 10% equity interest in one of the first two LNG Trains to be built by BG in Gladstone. CNOOC has also entered into an agreement with BG to buy 3.6mtpa of LNG from the proposed Gladstone LNG Plant.

CNOOC holds a 5.3% interest in the North West Shelf Gas project and a 25% interest in certain offshore exploration permits in Western Australia where the JV is conducting a significant exploration program.

About Exoma:

Exoma is a Brisbane based, ASX listed energy company primarily focussed on its five 100% owned petroleum exploration permits in Queensland's Galilee and Eromanga Basins. Exoma was recently offered an additional four permits in the Galilee and Eromanga Basins covering a combined area of approximately 19,000 square kilometres, with CNOOC having the right to take up a 50% interest in each of these new permits, once awarded. These four permits are yet to be awarded and are subject to native title negotiations. Assuming these four permits are awarded, the overall area of the nine permits will be in excess of 46,000 square kilometres.

Exoma is now into its second year of active drilling and is pursuing shale oil and gas, conventional oil and coal seam gas over this very large area. Significant work has been done on each of these hydrocarbon resources and the Company is actively working to derisk and commercialise these resources.

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Map 1: Exoma Energy Permit Areas

