

# EXOMA ENERGY LIMITED

CEO PRESENTATION

AGM 29 NOVEMBER 2012

# EXOMA ENERGY LIMITED



## AN ASX LISTED PETROLEUM EXPLORATION COMPANY

### PRINCIPAL ACTIVITIES

Conduct of exploration operations in petroleum tenements over the Galilee and Eromanga Basins in Central Queensland in search of commercially producible hydrocarbons in coals, shales and sandstones

### ISSUED CAPITAL

417 million ordinary shares (EXE)

8.8 million unlisted incentive options

Cash Position (at 30 September 2012): \$9.89 million

### Disclaimer

This presentation may include forward looking statements that are subject to risk factors associated with the petroleum industry. It is believed that the expectations reflected in the statements contained within are reasonable, but they may be affected by a range of variables which could cause actual results to differ materially, including but not limited to price and currency fluctuations, geotechnical factors, drilling and production results, development and appraisal progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries, approvals and cost estimates. The statements have been prepared with due care to provide current and potential investors with an informed view of the prospects of Exoma Energy Limited. Investors should however conduct their own analysis and obtain independent advice before investing in Exoma Energy Limited securities.

## 2012 PROGRAM

**Exoma operated a large-scale exploration program targeting three independent resource plays across 5 large permits, covering 27,000 sq kms of the Galilee and Eromanga Basins:**

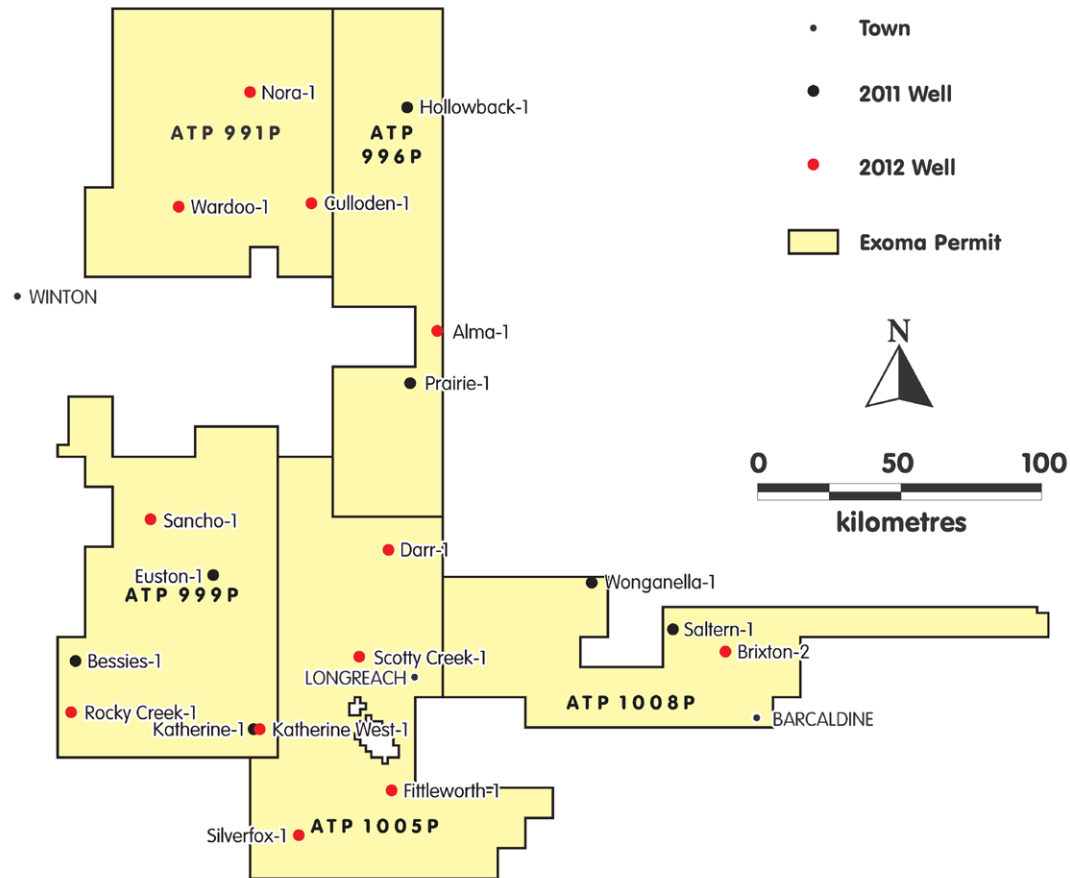
**Twelve exploration wells drilled in a safe, efficient 2-rig program – fully funded by the CNOOC Gas & Power farm-in**

Continuation of the 2011 Joint Venture exploration strategy; seeking to identify 3 independent hydrocarbon resources in Central Queensland. 2012 results show:

- » CSG: Low coal gas content and saturation
- » Shale oil and gas: excellent source rock potential pointing to a vast resource – but low levels of oil and gas generation in the areas tested
- » Conventional oil: confirmed that a large-scale oil system has been active in the permit areas, but Katherine West-1 did not confirm commercially producible hydrocarbons

**Active new ventures program both independently and in conjunction with CNOOC.**

## MAP OF 2011 AND 2012 WELL LOCATIONS



The 2011 and 2012 exploration strategy has been to explore the potential of the Galilee and Eromanga Basin acreage as a whole.

The exploration objective is to understand and characterise the three independent resource plays – CSG, shale oil / gas and conventional oil – and identify areas for appraisal.

## HSE PERFORMANCE

**Integrated Management System implemented to ensure safe work performance and good environmental outcomes**

**110,482 hours worked in 12 months to 31 October 2012**

- » 77,524 hours field operations (staff and contractors)
- » 32,958 hours office

**Excellent safety and environmental outcomes**

- » Zero Lost Time Injury Rate
- » Zero Recordable Injury Rate
- » 15 Near Miss Incidents
- » 8 First Aid Injuries
- » 12 minor incidents - all closed out

**No environmental incidents**



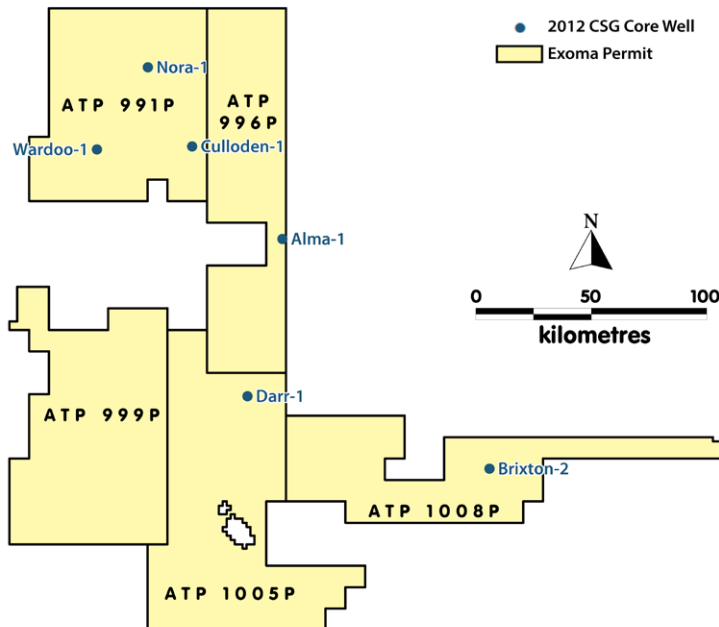
## COMMUNITY AND LANDHOLDERS

**Exoma is proactive in the communities in which it operates**

- » Co-ordinating its activities with local government
- » Supporting local businesses and providing employment
  - In 2012 \$2 million was spent in the local communities
- » Attending community functions to listen to local issues or concerns and to explain our activities
- » Supporting community groups

**Exoma maintains open, honest and respectful relationships with all individual and community groups it deals with**

## CSG



The 2012 CSG exploration program consisted of 6 core wells testing the Permian Betts Creek and Aramac coal measures.

The exploration objective is to test the CSG potential of the Betts Creek and Aramac coal measures across the central part of the Galilee Basin. Wells were located to test a range of geological structures expected to control coal thickness and gas content.

This program was a continuation of the Joint Venture exploration strategy of evaluating the CSG potential of the entire acreage, with the objective of identifying sweet spots for appraisal.

Final analysis results will be available in late 2012 and early 2013.

## CSG - RESULTS TO DATE

The results of the 2011 and 2012 exploration show consistently low raw gas contents of between 1 and 4 m<sup>3</sup>/tonne - 2012 wells record between 1 and 2 m<sup>3</sup>/tonne. The coal analysis data to date shows very low gas saturation.

Analysis of the cores and logs indicates that the coal measures in the Joint Venture areas contain highly permeable channel sands that sit in direct contact with the coal. These sands provide a path for:

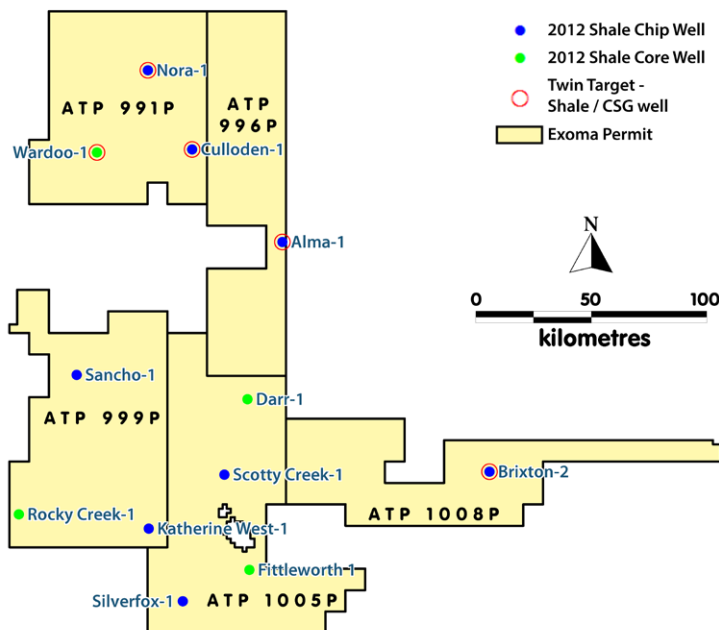
- the gas generated in the coal to escape;
- water to pass through and into the coal measures

Despite good net coal thicknesses recorded in some wells, we believe unfavourable geological conditions exist for large scale reserves in JV permits primarily due to low gas contents and low gas saturations. As a result, Exoma no longer references a specific 3C contingent resource.

The Joint Venture will now examine the geological controls on the sand and shale distribution in the permit areas and review the potential for localised CSG appraisal.



## SHALE OIL & GAS EXPLORATION



### 2012 Toolebuc Formation exploration wells:

- » 4 shale core wells
- » 8 shale chip wells (5 twin target with CSG wells)

Exploration objective is to obtain data across 20,000 sq kms of permit area to characterise the organic rich Toolebuc shale as an oil and gas resource and identify locations of 'sweet spots', areas for production testing.

Preliminary results from the geochemical analysis shows that the Toolebuc shale is an excellent potential source of hydrocarbons. However, the results also indicate that there is a high risk that the shale will not be sufficiently mature in the existing permit areas to have generated commercially significant volumes of oil and gas.

Current exploration work is focusing on identifying areas in the existing and new permit areas where the shale may have been heated sufficiently to generate free oil.

Geochemical analysis is currently performed in US laboratories. To date, Exoma has received results for 6 of the 15 wells drilled in 2011 and 2012. The complete laboratory results from the 2012 exploration program will be received during the first half of 2013.

In addition, the Joint Venture has commissioned US specialist consultancies to assist with the interpretation of the data.

## CONVENTIONAL SANDSTONES

Katherine West-1 drilled in ATP 999P as a follow-up of Katherine-1. The well cored and tested the target reservoirs, the Adori and Hutton sandstones.

The core contained residual oil in a tight reservoir band at the top of the Adori sandstone. Elsewhere the core showed 'spotty' fluorescence, indicative that oil has been displaced from the sandstone reservoir by later water flow.

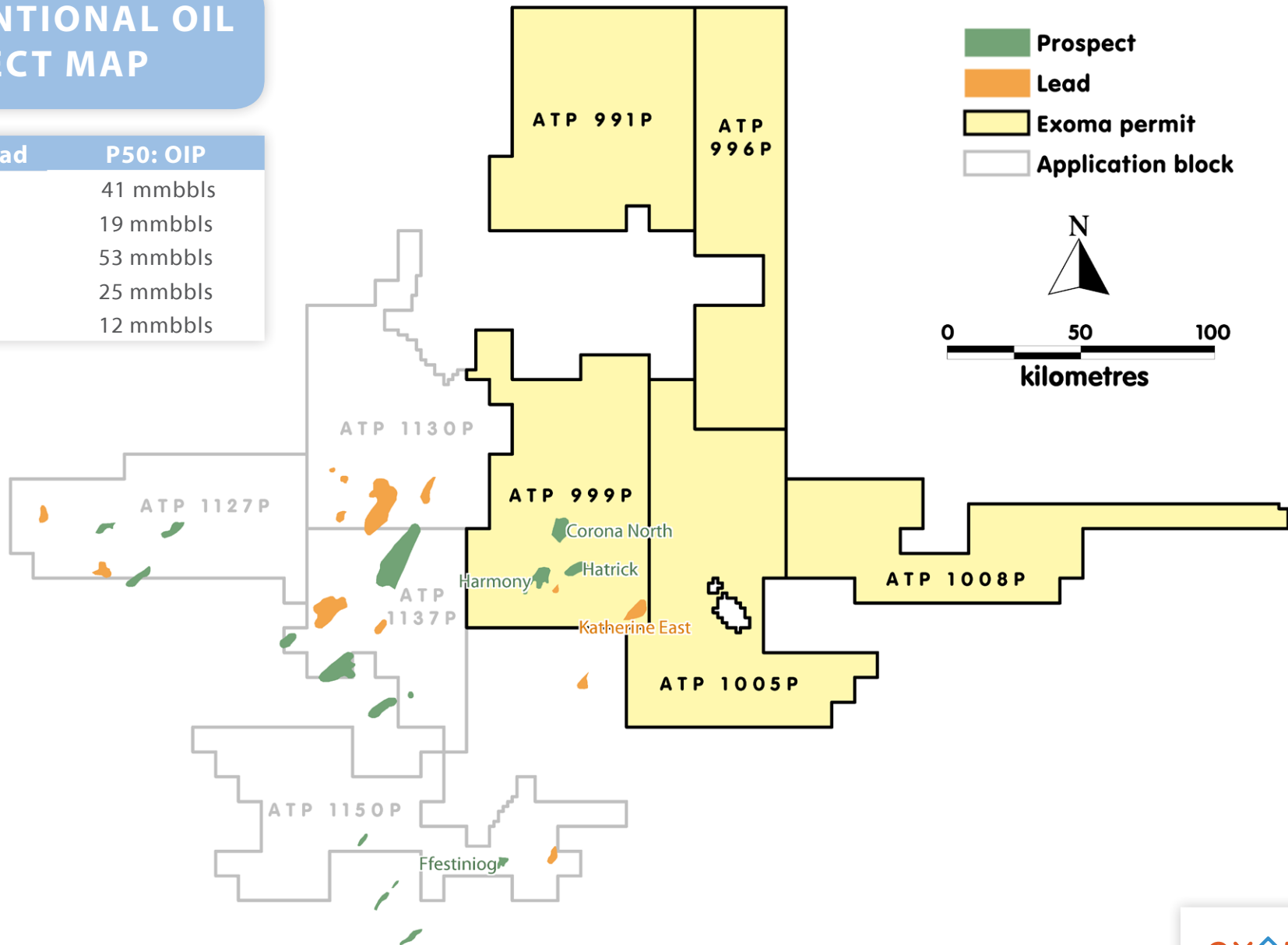
The well was tested but did not recover free oil.

The well confirmed that Jurassic sandstone sequence at the base of the Great Artesian Basin is connected to the oil system in the Joint Venture permit area. The likely oil source is the Birkhead formation locally and to the south west.

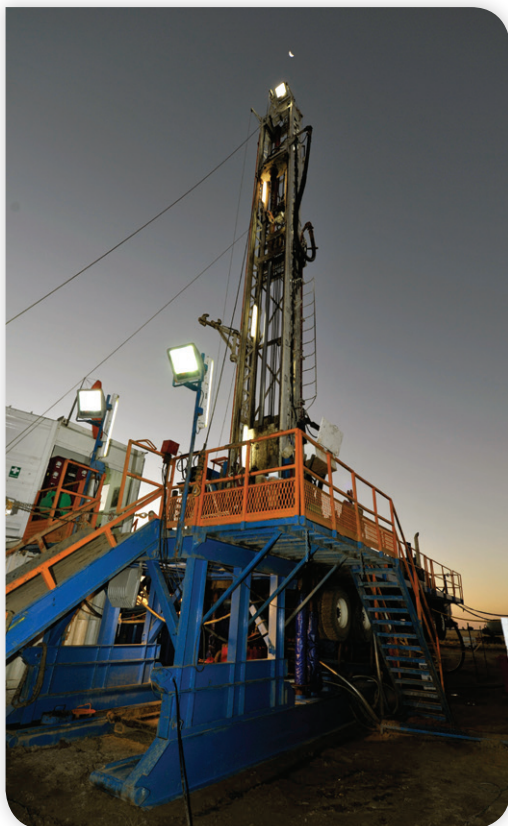
Katherine West-1 provides insight into the source and timing of regional oil migration. This has allowed Exoma to confirm a number of leads and prospects in the Joint Venture areas for inclusion in future drilling programs.

# CONVENTIONAL OIL PROSPECT MAP

Prospect / Lead	P50: OIP
Katherine East	41 mmbbls
Corona North	19 mmbbls
Harmony	53 mmbbls
Hatrick	25 mmbbls
Ffestiniog	12 mmbbls



## NEW VENTURES



Exoma continually evaluates new business opportunities that leverage off the Company's exploration experience, operating capability and broad technical knowledge base. The Company has a senior geosciences team with experience across all the producing Australian basins and a proven capacity to conduct field operations safely and efficiently.

**The Company's new ventures focus is on opportunities in mature basins, onshore Australia.**

In 2012, Exoma was awarded preferred tenderer status for four new permits in the Northern Eromanga Basin, Queensland. The Company is presently conducting the Right to Negotiate process with Native Title claimants.

These permits are prospective for shale oil and conventional oil.

If awarded, Exoma will hold a minimum 40% interest in the new permits in joint venture with CNOOC Gas & Power.

**Exoma is presently examining a number of opportunities to acquire additional conventional and unconventional exploration assets. Exoma is also working collaboratively with CNOOC Gas & Power to assess projects for joint venture participation.**

## 2013 PROGRAM

### **Galilee and Eromanga Basins**

**Subject to confirmation of the 2013 JV Program and Budget:**

#### » **Conventional Oil**

Drill and test two oil prospects:

- Harmony ATP 999P [P50: 53 mmbbls OOIP]
- Katherine East ATP 999P [P50: 41 mmbbls OOIP]

#### » **Shale Oil**

Drill and test up to four shale appraisal wells in ATP 1005P and ATP 1008P (subject to confirmation of maturity in 2012 results).

#### » **CSG**

Evaluate potential for 'local supply' scale CSG

### **New Ventures**

**Extend and diversify the Exoma exploration portfolio**

- » Onshore Australia
- » Mature basins
- » Conventional and unconventional targets

**New ventures opportunities in collaboration with CNOOC**

## CNOOC FARMOUT & PLACEMENT

Announced on 10 September:

- » **CNOOC to increase stake in Exoma's Australian ATP's from 50% to 60% under a supplemental farmout with CNOOC carrying \$12.7 million of Exoma's share of joint venture expenditure;**
- » **CNOOC to subscribe for up to 19.9% of Exoma's issued capital, being 103,726,044 shares, at 17.2c per share to raise approximately AUD\$17.8 million**

Key approvals received:

- » FIRB
- » Queensland Government
- » NDRC

Awaiting final Chinese Government approvals by 31 December