

27 September 2011

## **ASX Announcement**

### **Exoma's Katherine-1 – Well Completion**

- **Thick Shale with Hydrocarbons**
- **Discovery of an Oil Play**

**Exoma Energy Limited (ASX:EXE)** is pleased to report on the Katherine-1 well which was spudded on 22 August to test the Toolebuc Shale for shale gas/liquids and a secondary deeper, conventional oil play. The well is located some 60 km SSW of Longreach, Central Queensland (see attached map).

#### **Shale**

The well recovered 42 metres of core through the Toolebuc Shale from 549 metres. This is thicker than the pre-drill prediction of 38 metres. Similarly to the shale cores retrieved from Bessies-1 and Euston-1 wells, the core from Katherine is being tested and is currently liberating hydrocarbons during desorption testing.

The results from Bessies-1, Euston-1 and Katherine-1 now confirm the presence of live hydrocarbons in the Toolebuc Shale across a large area of ATP 999P (for reference, ATP 999P has a total area of approximately 6,180 sq km).

The results of specialist core testing and analysis, currently underway in two independent laboratories, will provide the basis of design of an appraisal and production-testing program for 2012. Exoma is currently in discussion with a number of specialist US shale consultancies regarding appraisal design.

#### **Oil Play**

Following the shale coring operation, the Katherine well was deepened to a total depth of 1,207 metres to test an extension of the 1989 oil discovery at Toobrac-1, approximately 1 km to the west.

Oil shows were detected in Katherine while drilling through the Jurassic Adori, Birkhead and Hutton sandstones. The well was logged and log analysis indicates the presence of a number of oil zones, totalling approximately 10 metres of potential net oil pay.

The well was cased and cemented to control washouts of friable sands in the oil zones and a series of drill stem tests were performed through the casing. Gas-cut drilling fluid was recovered during the tests, however due to drilling/cement damage to the reservoir it was not possible to recover a representative hydrocarbon sample using equipment available on the exploration rig.

The well has been suspended pending a workover with a specialist rig and comprehensive production testing of the oil zones. This work is planned for early 2012 following the end of the 2011/12 wet season.

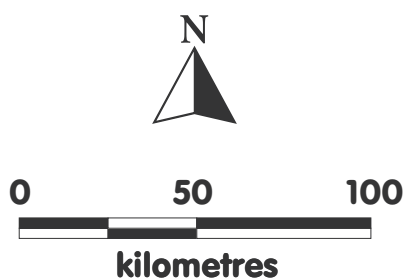
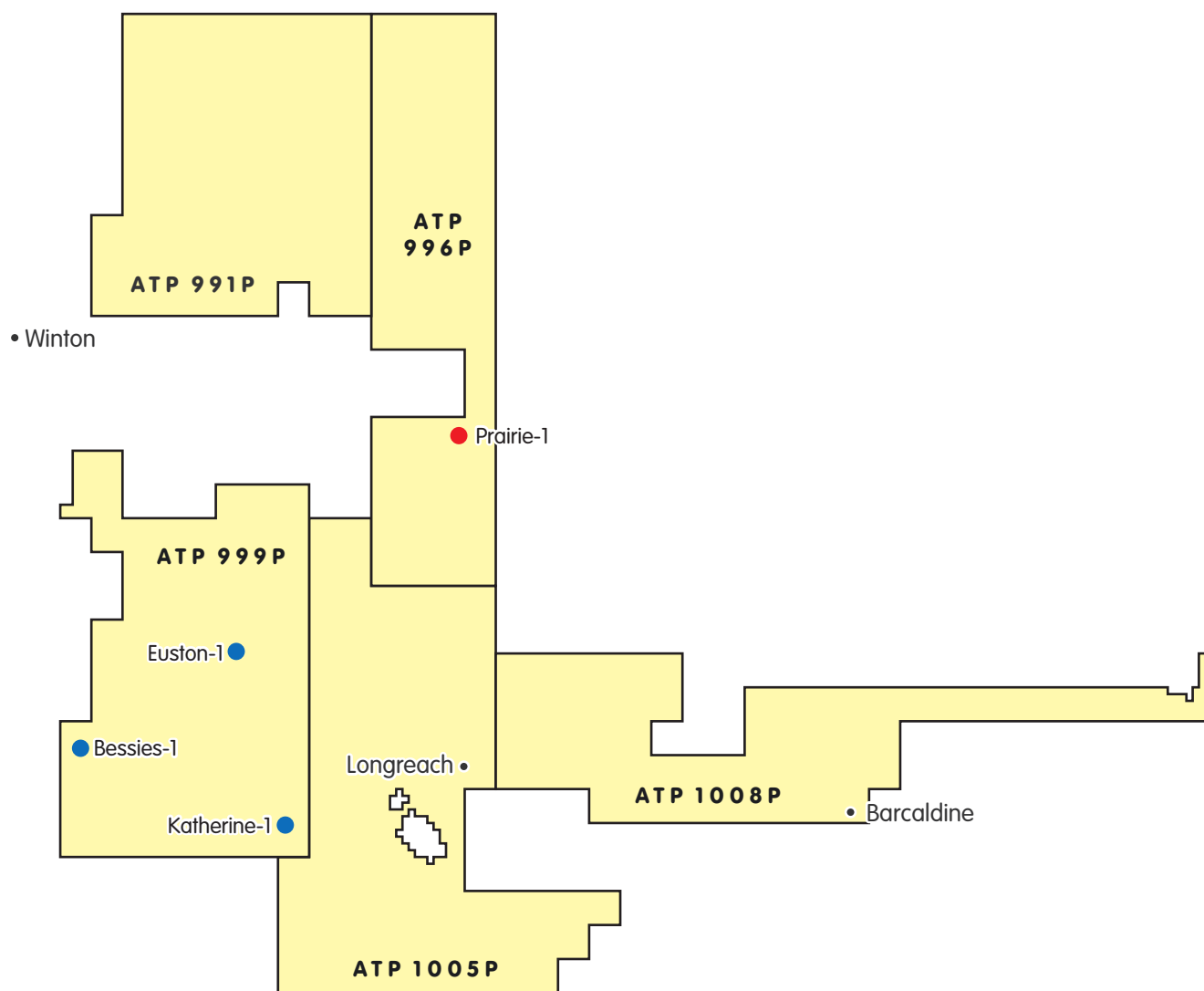
The Atlas-1 rig has been released and will be mobilized to the Prairie-1 CSG well.

Exoma has a 50% beneficial interest in both ATP 999P and the Katherine-1 well. CNOOC Galilee Gas Company Pty Ltd is earning its participating interest by a farmin whereby CNOOC provide the initial \$50 million of joint venture expenditures on Exoma's five Galilee Basin ATP's.

#### **FURTHER INFORMATION**

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