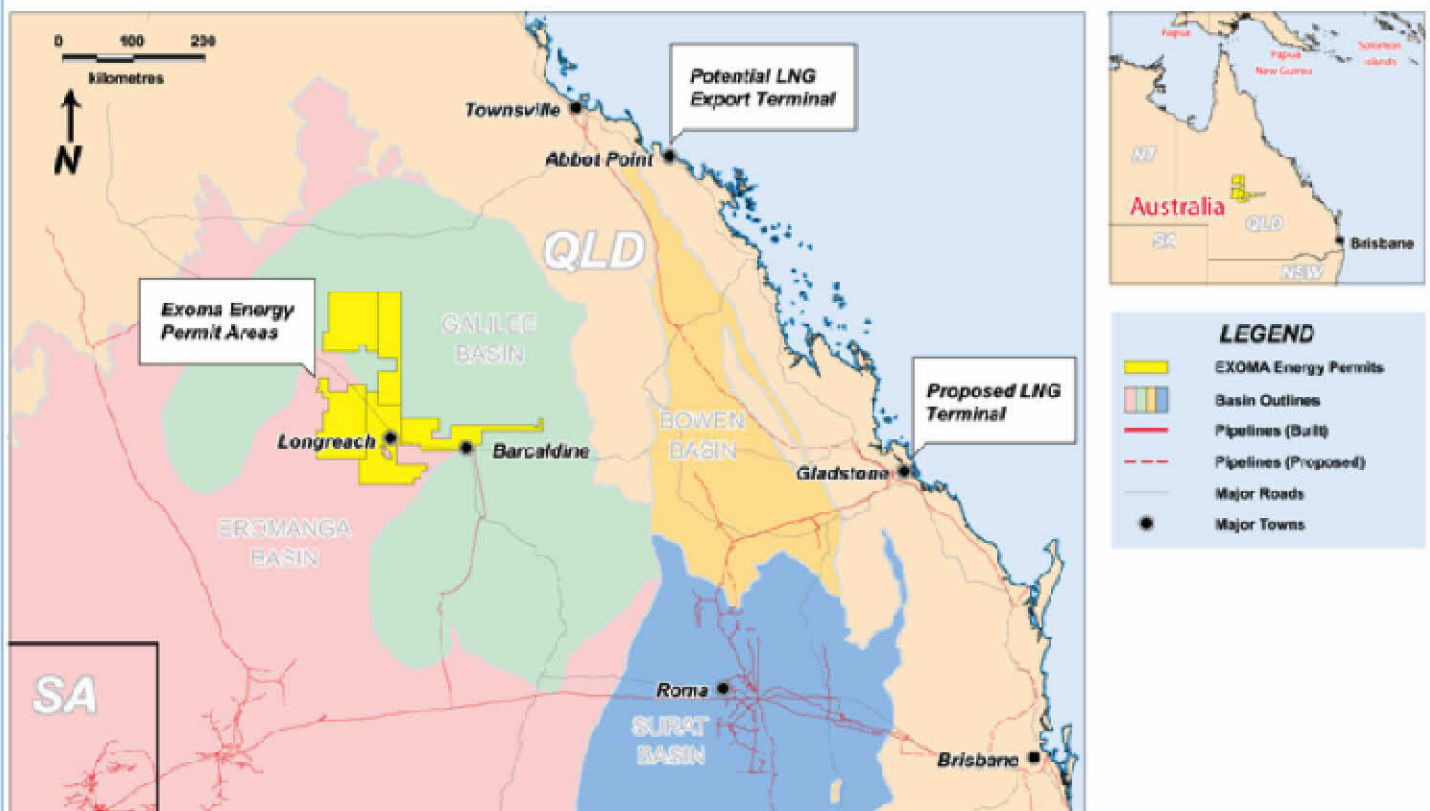


ASX Release

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

QUARTER HIGHLIGHTS

- Oil discovery at Katherine
- Coal cores recovered producing gas on test
- Extensive Toolebuc Shales yield live hydrocarbons



**Figure 1: Location map of Exoma's Galilee Basin permits.
ATP 991P; ATP 996P; ATP 999P; ATP 1005P; ATP 1008P
Approx, 28,000 km²**

OPERATIONS

2011 Drilling Program

During the Quarter, Exoma completed four of the wells planned for the 2011 drilling program. These wells were cored and logged and the core samples have been dispatched for desorption testing and analysis in specialist laboratories in Australia and the US. Locations of the wells drilled during the Quarter are indicated on the attached map.

Wonganella-1

- Permit: ATP 1008
- Primary Target: Betts Creek and Aramac Coal Measures for CSG
- Secondary Target: Toolebuc Shale Formation
- Depth: 1,303 metres

The well intersected and cored 26 metres of coal, of which a representative sample of 17.5 metres was put on desorption test to measure gas content and saturation.

A 7.5 metre intersection of Toolebuc Shale was also encountered with samples taken for laboratory analysis. This shale section is thin because Wonganella-1 is located close to the Toolebuc outcrop.

The Well was suspended for future testing.

Bessies-1

- Permit: ATP 999
- Primary Target: Toolebuc Shale
- Depth: 985 metres

The well intersected and cored 40 metres of Toolebuc Shale. Oil was recovered from the Allaru shale section immediately overlaying the Toolebuc Shale. The oil sample tested was reported as light oil. Core samples were put on desorption testing and produced gas; additional core samples were sent to Global Weatherford and Core Labs in USA for specialist geochemical, mineralogical and mechanical analysis.

Euston-1

- Permit: ATP 999
- Primary Target: Toolebuc Shale
- Depth: 632 metres

The well intersected and cored 31 metres of Toolebuc Shale. Core samples were put on desorption testing and produced gas; additional core samples were sent to Global Weatherford and Core Labs for specialist geochemical, mineralogical and mechanical analysis.

Katherine-1

- Permit: ATP 999
- Primary Target: Toolebuc Shale
- Secondary Target: Conventional Oil in Hutton and Adori sandstones
- Depth: Shale at 549 metres; Total Depth 1,207 metres.

The well intersected and cored 42 metres of Toolebuc Shale. Core samples were put on desorption testing and produced gas; additional core samples were sent to Global

Weatherford and Core Labs for specialist geochemical, mineralogical and mechanical analysis.

Oil shows were observed in cuttings from the Adori and Hutton sandstones. Geophysical logging of the well indicates approximately 10 metres of oil pay in two equal sections in these formations. The well was drill stem tested however no representative fluid sample was recovered because of formation damage across both oil zones.

The well was suspended for recompletion and testing in 2012 as a potential production well.

The first Well for the current quarter, Prairie -1, spudded on 1 October and the results confirmed the presence of gaseous coals and Toolebuc Shale.

Prairie-1

Permit: ATP 996

Primary Target: Betts Creek and Aramac Coal Measures for CSG

Secondary Target: Toolebuc Shale

Depth: 1,331 metres

The well intersected and cored a total of 16 metres of coal. Samples totalling 11 metres were put on desorption testing to measure gas content and saturation.

In addition, 31 metres of Toolebuc Shale were intersected. This shale section was not cored, however representative chip samples have been taken for geochemical analysis.

CSG Interim Results

Desorption results from Wonganella-1 indicate that the coal in the Wonganella prospect area has gas contents typical of that part of the Galilee Basin confirming its production potential.

Shale Interim Results

Core wells drilled at Bessies, Euston and Katherine delivered direct evidence of live hydrocarbons from the Toolebuc Shale. Oil was recovered from Bessies-1 during the coring operations and core samples from all three wells produced gas on desorption testing. This work reinforces anecdotal evidence from previous conventional and water bore drilling throughout the permit areas that the Toolebuc Shale has generated hydrocarbons as a productive system.

The well results in ATP 999 and ATP 996 and seismic data confirm that the Toolebuc is a consistent formation, between 30 and 40 metres thick, continuous over a very large area. This provides the fundamental support for a very large scale potential resource.

The cores cut from the Toolebuc Shale and other samples taken, are presently being tested by third party laboratories. Initial Results from these testing programs are expected to be available in November/December 2011 and will form the technical basis for a 2012 appraisal program to establish the scale and delivery characteristics of the hydrocarbon resource.

Katherine Conventional Oil

Katherine-1 was a successful test of a clearly defined seismic closure and stratigraphic prospect surrounding the old Toobrac -1 well drilled in 1989 by Ampolex in which oil shows were recorded in a very thin sand sitting on granite basement. Exoma's play concept is based on a geological model that has the Hutton Sandstone as a stratigraphic oil trap around the Toobrac High, with the additional potential for oil to be trapped in sands lying above.

Katherine-1 was drilled as a core well through the Toolebuc Shale and as a rotary hole through the predicted oil sands. Oil shows were observed and tested in the drill cuttings through the Adori and Hutton sandstones and in the drilling mud returns. Subsequent geophysical logging of the well indicates two oil/water contacts and approximately 10 metres of net oil pay; 5 metres in the Hutton Sandstone and 5 metres in the overlying Adori sandstone.

The reservoir sands are friable and unfortunately the well bore was badly damaged during drilling, to the extent that it was not possible to test the oil zones with an open hole drill stem test (DST). The well was cased and cemented and a series of DST's were run through perforations in the casing. The results of these DST's confirmed that the drilling and cementing process caused severe damage to the reservoir rocks. Because of this damage there was almost no fluid flow into the well during testing other than a small amount of filtrate from the drilling mud.

The well has however, confirmed Exoma's geological model of the Katherine prospect and the presence of oil within a large structural closure. Exoma is presently reinterpreting the seismic and log information from Katherine-1 and Toobrac-1 in order to determine the optimum location and program for a follow-up well to be drilled in early 2012.

SAFETY & ENVIRONMENT

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

During the Quarter, Exoma and its contractors worked 34,260 hours (6,600 hours Office; 27,660 hours Field Operations) and recorded no Reportable Incidents.

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

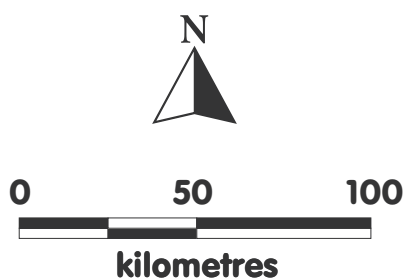
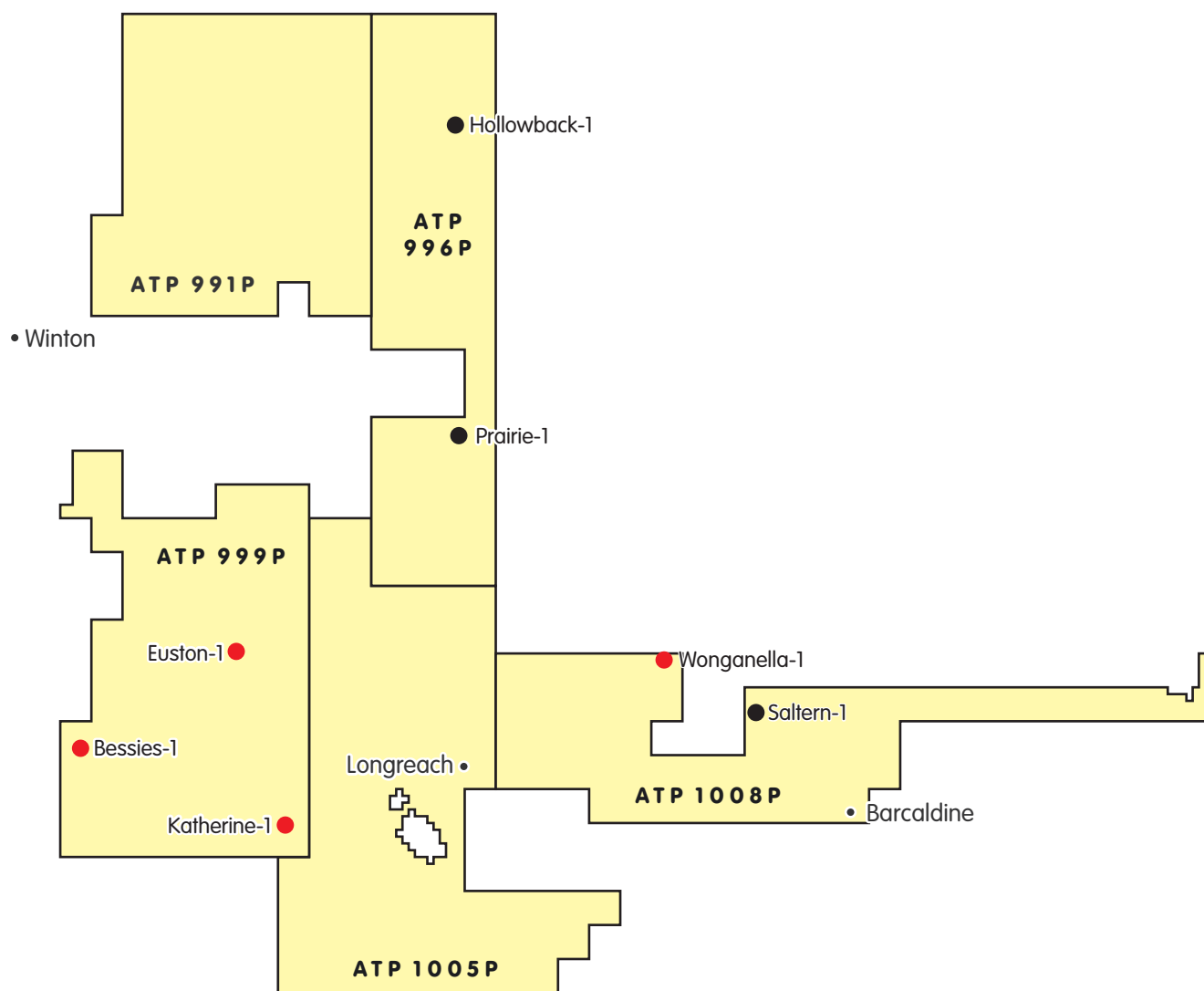
CORPORATE

The following transactions have taken place since in the quarter.

- Issue of 5,000,000 Employee Incentive Share Options exercisable between 11.5 cents and 25 cents, expiring up to 60 months from employment dates.
- Exercise of 500,000 Employee Incentive Share Options at an exercise price of 11.5 cents resulting in the issue of 500,000 ordinary listed shares.

Cash on hand at 30 September was \$11.051 million.

Brisbane: 28 October 2011



- Town
- 2011 Well
- September Quarter Well
- Exoma Permit

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")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date 3 ..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	(769) (382)	(769) (382)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	157	157
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	27 769	27 769
	Net Operating Cash Flows	(198)	(198)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) other fixed assets	(75)	(75)
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)	(273)	(273)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(273)	(273)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	58	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	58
	Net increase (decrease) in cash held	(215)	(215)
1.20	Cash at beginning of quarter/year to date	11,266	11,266
1.22	Cash at end of quarter	11,051	11,051

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	128
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 \$60 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)	693
4.2 Development	
4.3 Production	
4.4 Administration	599
Total	1,292

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	2,051	1,818
5.2 Deposits at call	9,000	9,448
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	11,051	11,266

+ 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 (description)	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	500,000	500,000	11.5 Cents	Exercise Options of
7.5 *Convertible Performance Shares (description)				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7	Options - (description and conversion factor)	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	5,000,000		<i>Incentive Options</i> <i>Various prices</i>	<i>Incentive Options</i> <i>Various dates</i>
7.9	Exercised during quarter	500,000			11.5 cents
7.10	Expired during quarter				
7.11	Debentures (totals only)	Nil			
7.12	Unsecured notes (totals only)	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: 28 October 2011

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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