

ASX Release

EXOMA ENERGY LIMITED (EXE)
QUARTERLY ACTIVITIES REPORT
June 2013

OPERATIONS

Galilee Joint Venture

As reported in the March quarterly activities report, Exoma and its 50% joint venture partner CNOOC Gas and Power are reviewing the exploration results in the Galilee Basin to determine the 2014 work programme. These studies have generated new plays and leads for conventional gas, CSG and conventional oil exploration.

The initial four year term for each of the five Authorities to Prospect held by the Galilee Joint Venture (ATP 991, 996, 999, 1005 and 1008) expires on 31 August 2013. The Galilee Joint Venture submitted its proposals in relation to the Later Work Programs for these ATPs on 26 June 2013. The proposals are currently with the Department of Natural Resources and Mines (**DNRM**) for review. Under the terms of the ATPs, 1/3rd of the area of each ATP must be relinquished at the end of the first four year term. Exoma will also be lodging its proposals in respect to the mandatory 1/3rd relinquishments in August.

Exoma will provide further details once the Later Work Programs have been finalised with DNRM.

The joint venture has agreed that the 2014-2017 work programmes will not be finalised until the Later Work Programs and mandatory relinquishments have been settled with DNRM. As reported in the March quarterly activities report, the work program for 2014-2017 is likely to include further consideration of the Gas Plays and Oil Leads set out below.

1. Gas Plays

Conventionally Trapped Gas: Based on gas shows encountered while drilling, Exoma has identified a number of locations where gas may have accumulated in porous sandstone within the coal measures. Several large structures are being mapped and evaluated as conventional gas plays.

CSG: Coal packages at Hollowback-1 are interbedded with impermeable shale that may have prevented gas migration out of the coal. These have the potential to act as localised CSG plays and may provide an exploration play elsewhere in the basin.

2. Oil Leads

The Corona-1 discovery (drilled by Ampolex in 1985) which recovered oil during a drill stem test demonstrated an oil play within ATP 999P. This is further confirmed by oil shows at Exoma's Katherine-1 (2011) and Katherine West-1 (2012) wells.

Exoma is also completing the detailed review of a number of conventional oil leads within ATP 999P and ATP 1005P. These include the Katherine East prospect.

Operational Review

The Board of Exoma continues to carefully manage Exoma's cash resources to ensure the company remains in a position to take advantage of new opportunities and newly identified plays and leads on its existing areas. A number of cost savings measures have been introduced in the first half of 2013 and the Board and management are continuing to review operations to identify further cost reduction measures.. These

cost savings measures have included reducing staff numbers from 21 to 12¹, as well as eliminating other overheads wherever possible. The Company is also actively seeking to assign or sublease some or all of its head office space to further reduce ongoing overhead costs.

NEW PROJECTS

Exoma is continuing its strategy of pursuing new venture opportunities in producing basins in order to expand and diversify its exploration portfolio. Exoma is prioritising opportunities that broadly have the following characteristics:

- Australian or NZ focus;
- Conventional oil and gas plays; and
- Conservative risk profile, focussed on developing/producing basins with access to established markets.

Over the past 12 months, Exoma has undertaken the following activities:

- Reviewed and analysed potential farm-in opportunities in the Bowen, Surat, Cooper, Eromanga, Perth, Amadeus, Canning and NZ Taranaki basins;
- Developed databases in relation to key basins including well data, electric log data, seismic and geological surface data;
- Developed cadastral, tenement and geological maps for key basins;
- Evaluated in excess of 25 potential farm-in or corporate transactions;
- Entered over 20 confidentiality agreements to progress the evaluation of both exploration and production assets.

Exoma has also been carefully evaluating a number of possible corporate transactions with the potential to provide Exoma shareholders with exposure to assets that fit our lower risk criteria as referred to above. These efforts to identify a suitable corporate opportunity are continuing.

Exoma has devoted considerable time and resources to indentifying and progressing new opportunities. We are mindful of the challenging equity market conditions currently prevailing and new venture opportunities are being evaluated bearing in mind the expected ongoing difficulties of capital raisings to support exploration initiatives. While we have been unsuccessful to date in concluding any transactions which meet Exoma's strategic objectives, we are continuing to search for suitable opportunities and this effort will continue. Challenges in closing a deal have included:

- Few opportunities meet our criteria as described above;
- Potential partners with attractive acreage are in no rush to make decisions which makes progressing transactions very slow;
- There are often substantial gaps between buyer/seller expectations regarding value, prospectivity and pricing; and
- In many cases there are substantial outstanding work programmes on the exploration blocks on offer which impacts on cash flow and tenure risk.

Whilst the board recognises the need to expand Exoma's portfolio, there is little merit in entering into a transaction that does not have the potential to deliver long term value or which exposes Exoma to large immediate funding obligations, when equity market conditions are very difficult. Exoma is continuing to investigate opportunities and will make further releases to the ASX as appropriate.

SAFETY & ENVIRONMENT

During the June Quarter, Exoma and its contractors worked a total of 5,352 hours (408 field hours) and recorded no Lost Time Injuries or Reportable Incidents. None of Exoma's operations caused any adverse environmental impact.

¹ As at the date of this report, eight staff members work full time and four staff members work part time

CORPORATE

Cash on hand at 30 June 2013 was \$9.9 million. This includes the sum of \$2.59 million received by the Company from the ATO as a refund for R&D expenditure. The forecast cash expenditure for exploration and evaluation for the September Quarter (note 4.1 to Appendix 5B) is total expenditure before recovery of costs from the Joint Venture partners.

1,000,000 incentive scheme options issued to the CEO, Rob Crook, lapsed on 17 May 2013.

Disclaimer

This report includes forward looking statements that are subject to risk factors associated with the oil and gas and petroleum industry. Exoma Energy Limited believes that the expectations contained in the statements in this report are reasonable, but they may be affected by a range of variables which could cause actual results to vary materially, including, but not limited to geotechnical factors, drilling and production results, development and appraisal progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial market conditions, approvals and cost estimates. This report has been prepared with due care to provide current and potential investors with an informed view of the operations and prospects of Exoma Energy Limited but investors should conduct their own analysis and obtain independent advice before making any investment decision in respect of Exoma Energy Limited shares or options.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

EXOMA ENERGY LIMITED

ABN

56 125 943 240

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(786)	(5,071)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	106	428
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other cash receipts – R&D incentive – JV cost recovery	2,590 1,088	2,800 3,925
Net Operating Cash Flows	2,387	137
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	(110)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	23	23
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	23	(87)
1.13 Total operating and investing cash flows (carried forward)	2,410	50

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	2,410	50
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	15
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	15
	Net increase (decrease) in cash held	2,410	65
1.20	Cash at beginning of quarter/year to date	7,523	9,868
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	9,933	9,933

Payments to directors of the entity, associates of the directors, 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	93
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- | | |
|--------------------------------------|---------------|
| 1. Director fees | \$52 thousand |
| 2. Consulting fees paid to directors | \$41 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

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+ See chapter 19 for defined terms.

- 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

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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	(169)
4.2 Development	
4.3 Production	
4.4 Administration	(600)
Total	(769)

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	1,186	686
5.2 Deposits at call	8,747	6,837
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9,933	7,523

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A		

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)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	417,510,539	417,510,539	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil		
7.5	+Convertible debt securities (description)			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas 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)	3,000,000		<i>Exercise price</i> Incentive options	<i>Expiry date</i> Various dates
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	1,000,000			17/5/2013
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 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 29 July 2013
Company secretary

Print name: Josie King

+ 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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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