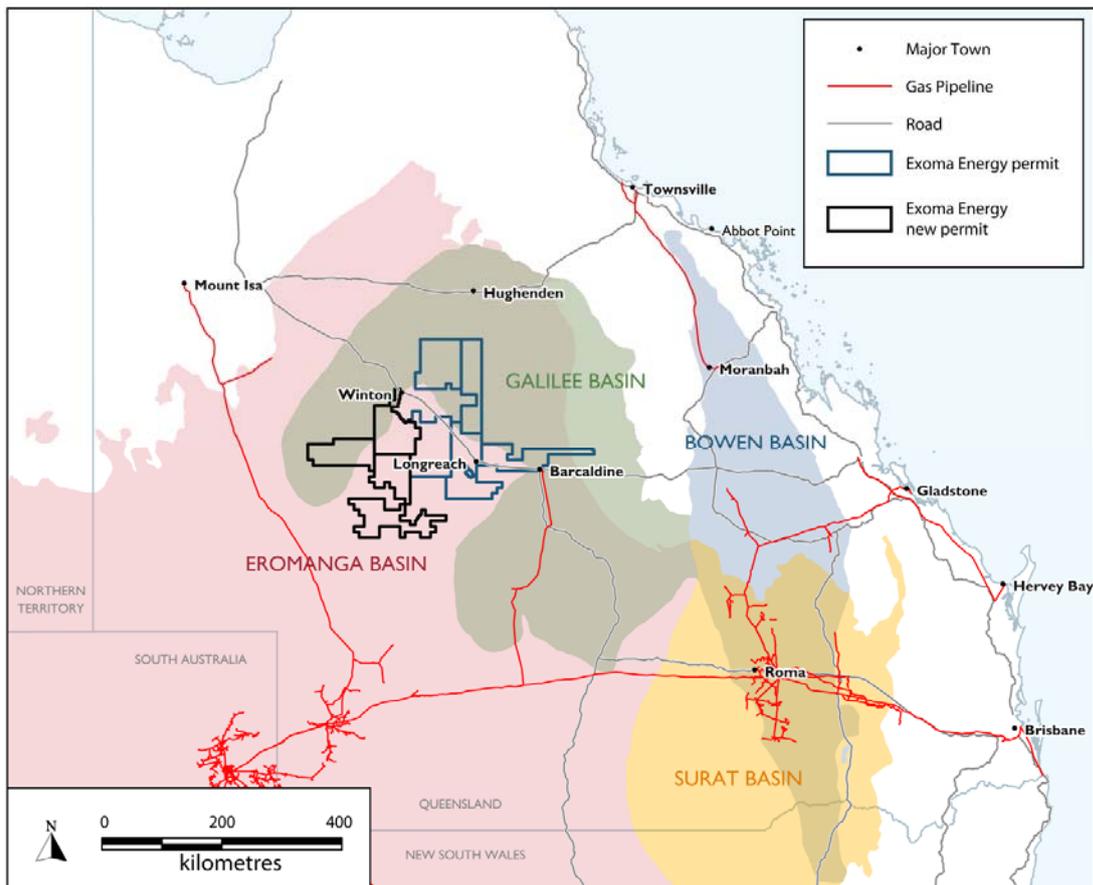


ASX Release

**EXOMA ENERGY LIMITED (EXE)
QUARTERLY ACTIVITIES REPORT
December 2012**

QUARTER HIGHLIGHTS

- **2012 drilling program completed with one further exploration well drilled in the quarter (taking the total wells drilled in 2012 to twelve)**



Location map of Exoma's existing Galilee and Eromanga Basin permits: ATP 991P; ATP 996P; ATP 999P; ATP 1005P; and ATP 1008P – and also showing new ATP's where Exoma is preferred tenderer.

Exoma has a 50% beneficial interest in these permits. CNOOC Galilee Gas Company Pty Ltd, a local subsidiary of leading Chinese integrated energy company China National Offshore Oil Corporation ("CNOOC"), is earning its participating interest via a farm-in whereby CNOOC provide the initial \$50 million of joint venture expenditures on Exoma's five existing Galilee Basin ATP's, and thereafter, 50% of future expenditure (to be agreed by Exoma and CNOOC).

OPERATIONS

2012 Drilling Program

During the quarter, Exoma completed its 2012 drilling program with the drilling of Silverfox-1 Shale Exploration well. The location of the Silverfox-1 well drilled during the quarter is indicated on the attached map. A total of twelve wells were drilled in 2012.

Well	ATP	Target
Silverfox-1	ATP 1005P	Shale oil/gas in the Cretaceous Toolebuc shale (chip sampled interval 4m to 1170m, well logged indicating Toolebuc shale between 424m and 458m); well TD 1170.7m.

The 2012 exploration program addressed three independent plays; conventional oil, shale oil/gas and coal seam gas (CSG).

Conventional Oil

Katherine West-1 was drilled as a follow-up to the Katherine-1 conventional oil discovery drilled in 2011. The well was a test of a stratigraphic trap in the Hutton Sandstone and a structural test of the overlying Adori Sandstone.

Katherine West-1 cored the reservoir section. The cores contained oil shows in both the Adori and Hutton reservoirs, but were residual and not producible.

This indicates that oil has passed through the sequence at this location; but the oil has been displaced by water rather than retained in the stratigraphic trap. The results of the well are being evaluated with regard to the timing of the oil generation and the formation of the adjacent Katherine East structure, the objective being to confirm whether this present day structure could have retained oil. Based on this work, the Joint Venture will consider the drilling of Katherine East-1 along with a number of other oil prospects in ATP 999P for potential inclusion in the 2013 exploration program.

Toolebuc Shale

The Toolebuc shale was evaluated by a series of five wells in ATP 999P and ATP 1005P (Sancho-1, Scotty Creek-1, Rocky Creek-1, Fittleworth-1 and Silverfox-1) drilled specifically to recover core, or chip samples of shale. In addition chip and/or core samples of the Toolebuc shale were recovered from the CSG wells Culloden, Nora and Wardoo in ATP 991P.

The oil and gas content of the shale is measured by laboratory testing and analysis rather than by well site testing. These are long-duration tests and the results are expected to become available in early 2013. These tests will assess, amongst other things, the thermal maturity of the shale and its capacity to expel oil and gas, the quantity of oil and gas contained in the Toolebuc shale and surrounding rocks, and the geomechanical characteristics of the rock and its capacity as a candidate for an effective hydraulic fracture stimulation. These are critical factors in evaluating the commercial prospects of the shale system.

Indications from the 2012 programs are that the Toolebuc shale is at early stage maturity in the deeper, hotter parts of the permits. The exploration wells in ATP 1005P tested an area that has been influenced by heat from the underlying Maneroo Platform. There is, however, a high risk that the shale will not be sufficiently mature to have generated oil in sufficient volumes to be commercially extractable.

Coal Seam Gas

Three CSG exploration core wells were drilled in ATP 991P: Culloden-1, Nora-1 and Wardoo-1 and a single exploration core well was drilled in ATP 1008P (Brixton-1). These wells evaluated the Betts Creek and Aramac coal measures within the Galilee Joint Venture permit areas.

As reported previously, the gas content and gas saturation of coals in these cores was significantly lower than expected. Furthermore, high permeability sandstones within the coal measures appear to have led to gas generated within coals to have migrated out of the system to a significant extent.

CNOOC TRANSACTION

CNOOC advised Exoma that final Chinese Government approvals were not obtained to the proposed CNOOC Farm-in and Subscription by the due date of 31 December 2012 (see announcement dated 2 January 2013). Both agreements lapsed on 31 December 2012 and CNOOC's investment did not proceed.

CNOOC's historical investment has been a key element of Exoma's strategy of regional exploration for unconventional gas and oil in the Galilee and overlying Eromanga Basin. This level of financial support allowed Exoma and the Galilee Joint Venture to explore the central part of the Basin quickly and efficiently.

The Exoma Board will now review the appropriate level of its future investment in the Galilee Joint Venture areas. The Board expects to secure interests in a broader portfolio of conventional and unconventional exploration plays in eastern Australia.

NEW PROJECTS

During the quarter, Exoma began the public advertising stage of the Right to Negotiate process for the new areas to the west of the Galilee Joint Venture permits (ATP 1127P, ATP 1130P, ATP 1137P, ATP 1150P). This is the necessary first stage in identifying potential claimants preparatory to commencing Native Title negotiations in early 2013.

Funding arrangements for these permits were incorporated in the CNOOC Farm-in and Subscription Agreement. Given that these funding agreements have lapsed, the Exoma Board will review the applications and consider whether to proceed further with the application process.

Exoma is presently reviewing a series of potential new projects, with a particular focus on conventional gas and oil exploration in Queensland.

SAFETY & ENVIRONMENT

During the December quarter, Exoma and its contractors worked a total of 18,199 hours (8,032 hours office; 10,167 hours field operations) and recorded no Lost Time Injuries or Reportable Incidents. None of Exoma's operations caused any adverse environmental impact.

CORPORATE

On 8 October 2012, Dr Robbert Willink joined the Exoma Board as an independent, non-executive director. Dr Willink has an extensive background in oil and gas exploration, recently having retired from the role of Exploration Director for Origin Energy.

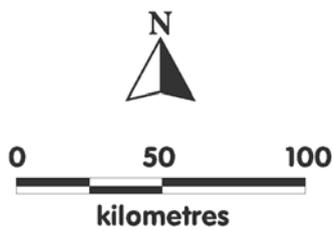
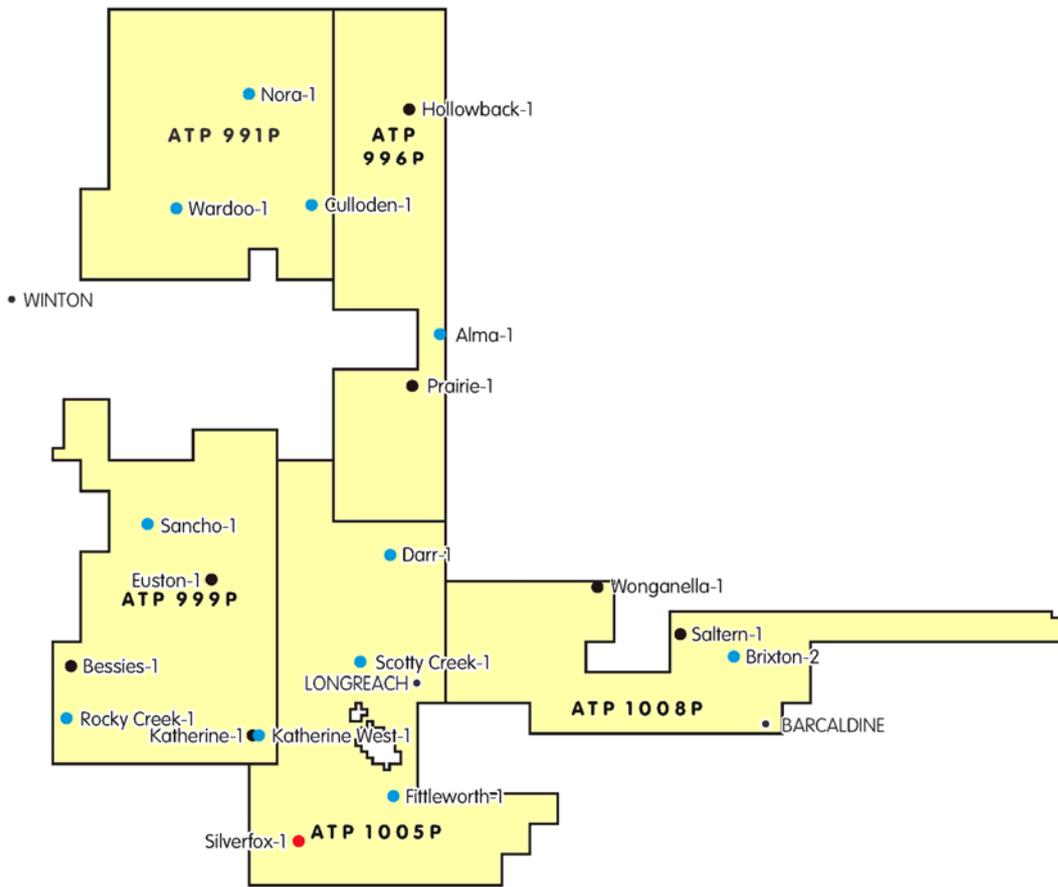
The Company held its Annual General Meeting on 29 November 2012. All resolutions put to the meeting were passed (see announcement dated 29 November 2012). Mr Howard Dewhirst retired as a director of the Company at the conclusion of the AGM on 29 November 2012.

During the December quarter, no shares were issued. Two million unlisted incentive options lapsed on 31 December 2012.

Cash on hand at 31 December 2012 was \$9.2 million

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.



- Town
- 2011 Well
- 2012 Well
- December Quarter 2012 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")

31 Dec 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 12..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	(1,196)	(2,443)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	109	232
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	0 855	210 2,102
Net Operating Cash Flows	(633)	(581)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) other fixed assets	(58)	(102)
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	(58)	(102)
1.13 Total operating and investing cash flows (carried forward)	(691)	(683)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(691)	(683)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	0	15
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	0	15
	Net increase (decrease) in cash held	(691)	(668)
1.20	Cash at beginning of quarter/year to date	9,891	9,868
1.22	Cash at end of quarter	9,200	9,200

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	109
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 \$55 thousand
2. Consulting fees paid to directors \$54 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	(3,032)
4.2 Development	
4.3 Production	
4.4 Administration	(540)
Total	(3,572)

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	1,363	567
5.2 Deposits at call	7,837	9,324
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9,200	9,891

+ 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	NA		
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	417,510,359	417,510,359	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil		
7.5	+Convertible Performance Shares (description)			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7	Options - <i>(description and conversion factor)</i>	6,800,000		Exercise price Incentive Options	Expiry date Various dates
7.8	Issued during quarter			<i>Incentive Options</i> <i>Various prices</i>	<i>Incentive Options</i> <i>Various dates</i>
7.9	Exercised during quarter				
7.10	Expired during quarter	2,000,000	2,000,000	31.5 cents	31/12/2012
7.11	Debentures <i>(totals only)</i>	Nil			
7.12	Unsecured notes <i>(totals only)</i>	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 ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: 

Date: 31 January 2013

(Director/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 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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