# Information Presentation

- **Exoma Energy Limited**

Acquisition of

Longreach Number 2 Pty Ltd

Galilee Basin:
Coal Seam Gas
Shale Gas

June 2009

# Acquisition & Company Overview

- Exoma Energy Limited (EXE) is an energy exploration company that has settled the sale of its USA based petroleum assets in March 2009.
- Longreach Number 2 Pty Ltd (LN2) is a private Brisbane based exploration company with rights to be granted 5 ATP’s in Queensland’s highly prospective Galilee Basin totaling 26,840 $Km^2$.
- EXE will acquire LN2 following Shareholder approval in July 2009.
- EXE will focus on the development of Coal Seam Gas and Shale Gas projects in the Galilee Basin.
- LN2 ATP’s estimated to potentially host 35+Tcf Gas in Place.
- 3 CSG and O&G experienced executives to join EXE Board.

# Why the Galilee Basin

- The Directors of LN2 recognised that the Galilee Basin provided the only remaining opportunity for sufficient acreage to support large scale Gas and LNG projects in Queensland.

- 26,840 $Km^2$ of contiguous ground.

- Large data set: over 4,000km 2D Seismic & over 100 exploration wells.

- Two play types: Permian Coal Seam Methane
  Cretaceous Toolebuc Shale Gas

- Significant Industry neighbors: AGL, Origin Energy, QER, Pangaea, Blue Energy, Comet Ridge, Galilee Energy.

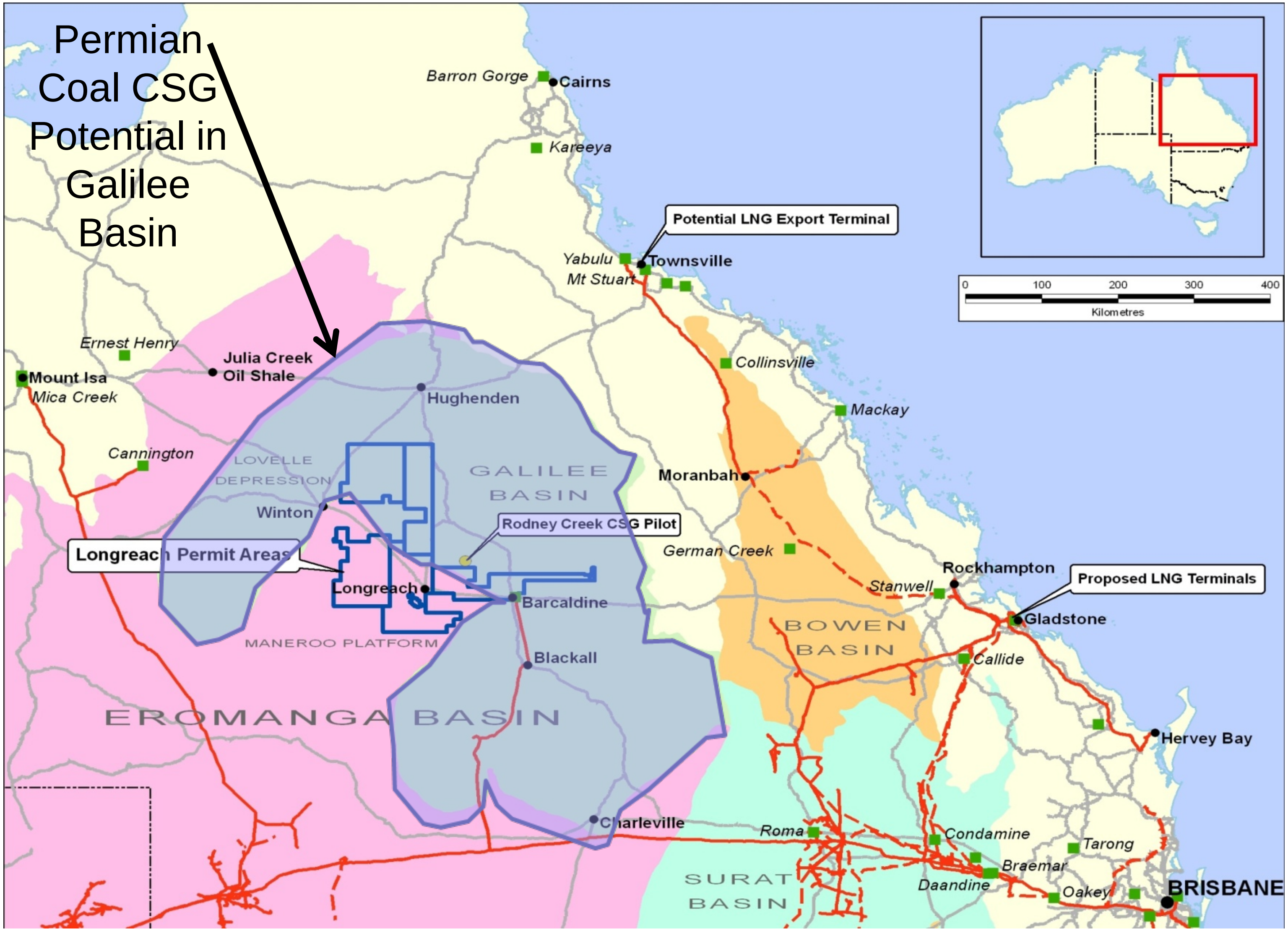
- Significant recent and planned drilling activity & CSG Pilot programs.

# Board & Management

- Following closing the acquisition the three  Longreach Directors will join the Board of EXE:

- **Howard Dewhirst**:
  - Bachelor's degree in Geology, worked primarily in the international petroleum resources sector. Founding member of the Coal Seam Methane Council of Australia and is a Fellow of the Geological Society.
  - technical focus has been on exploration programme management and direction, basin and play evaluation, risk estimation, petrophysical/log analysis, seismic interpretation, geochemical studies
- **Stephen Harrison**:
  - Bachelor of Economics, CPA and Senior Associate of the Financial Planning Association.
  - 30 years in the Financial Services, Funds Management, Private Equity and Accounting fields.
  - Public company directorships and investment committee experience.
- **Brian Barker**:
  - Bachelor of Business degree and an MBA.
  - 36 years of experience in the upstream oil and gas industry, onshore and offshore operations, exploration, development and production activities in Australian, PNG, Asia, Europe and Africa, as well as rig ownership and rig contracting.
  - Currently an adviser to the PNG Government on their interests in the Exxon Mobil operated LNG project.

# Regional Location of ATP's

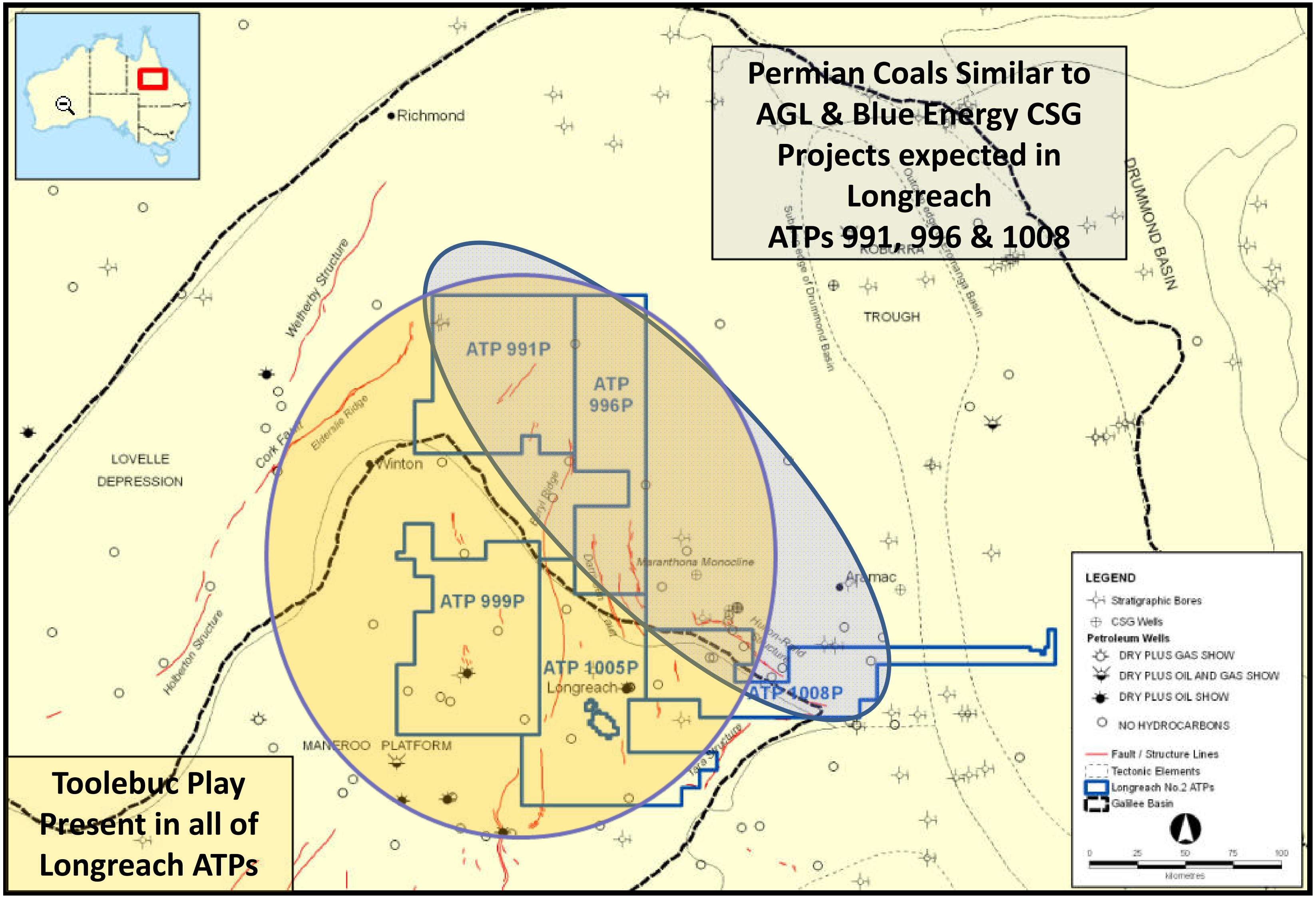


# Two Key Gas Opportunities

- **Permian Coal Seam Gas**: from coals on trend with existing CSG development at Rodney Creek

- **Shale Gas**: previously undeveloped potential in Cretaceous Toolebuc Formation
  - Gas adsorbed onto the carbon found in highly organic shales such as the Toolebuc and Barnet Shale in USA
  - Production relies on application of new CSG technology and fracture stimulation of the shale

# Presence of Permian Coals & Toolebuc Shale



# Seismic & Well Locations

- ~100 petroleum exploration wells

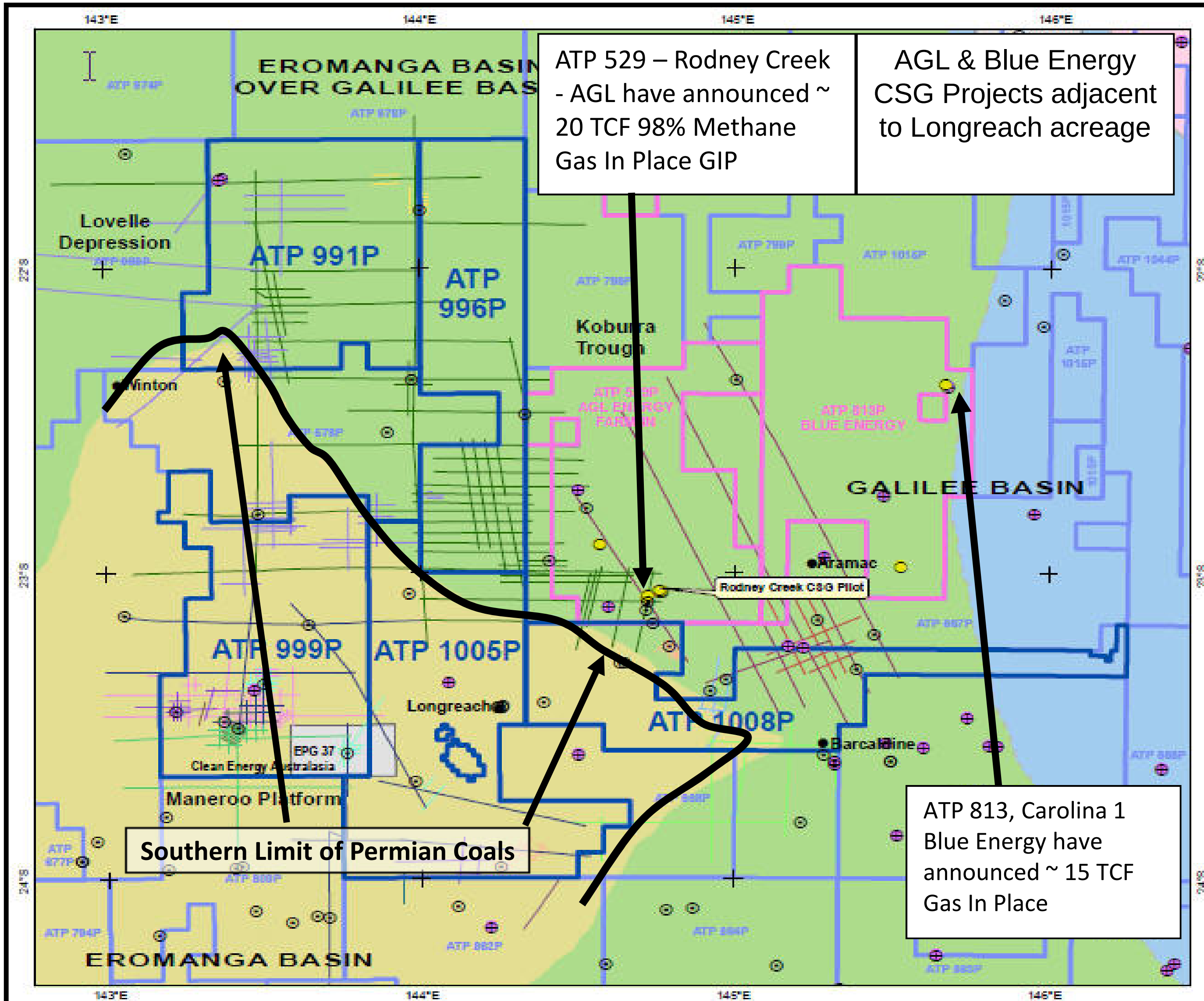
  AND

- ~4,000km plus of 2D seismic in and adjacent to Longreach acreage

- 2 Ongoing CSG Pilot Projects:

  Rodney Creek & Crossmore

- ~50 new CSG wells Planned in and adjacent to Longreach acreage



# Permian Coal – Rodney Creek 8 Results

22 metre net coal with large continuous seams, well cleated & low ash (<7%)

Hi-Permeability
**<150 millidarcies**,

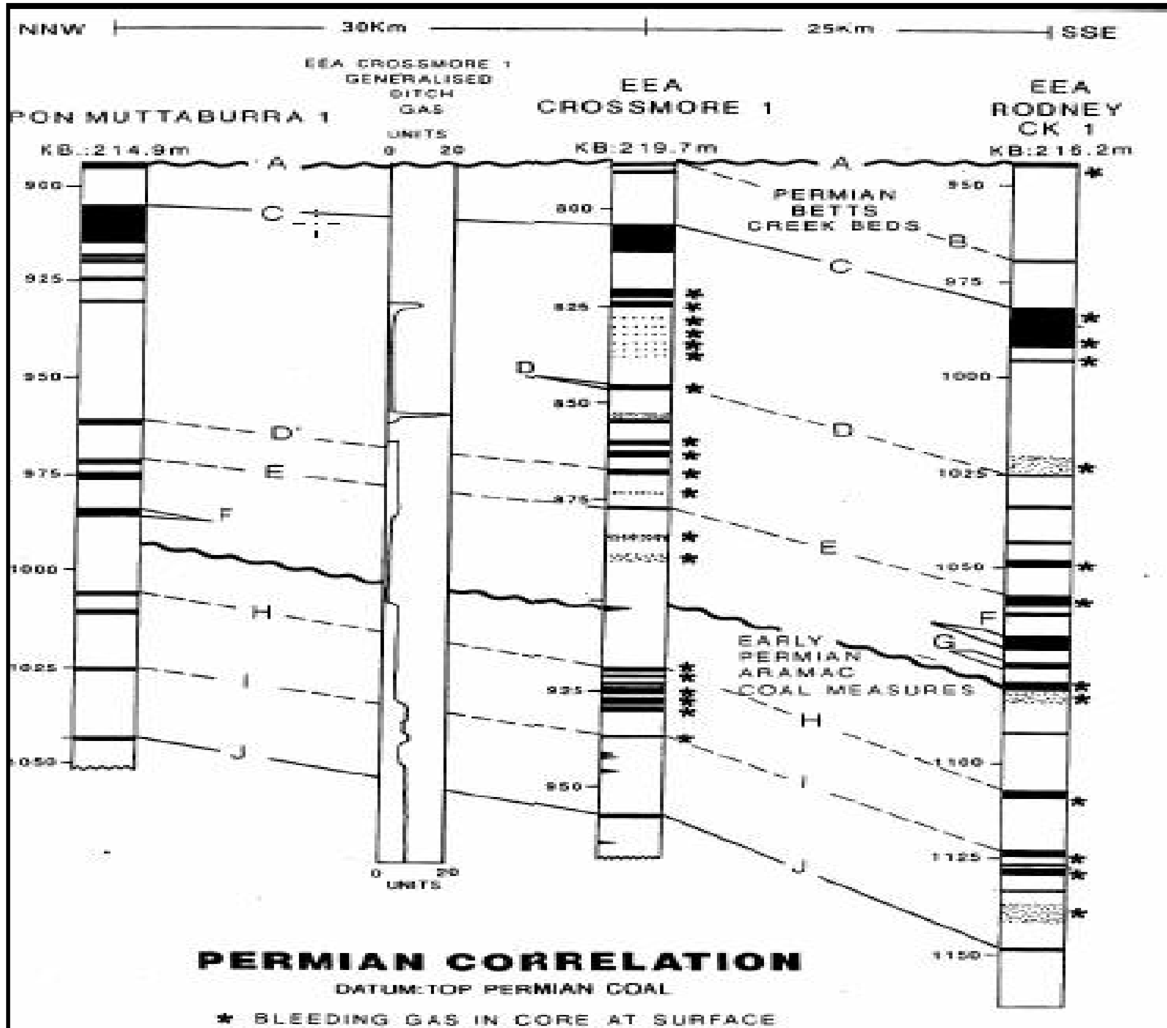
weighted for 24.9m tested interval averaged 30 md

Gas Content
**4 - 7.5 $m^3$/ ton**
(~225 scf/tonne)

Potential **GIP ~>20 TCF**

pipeline quality

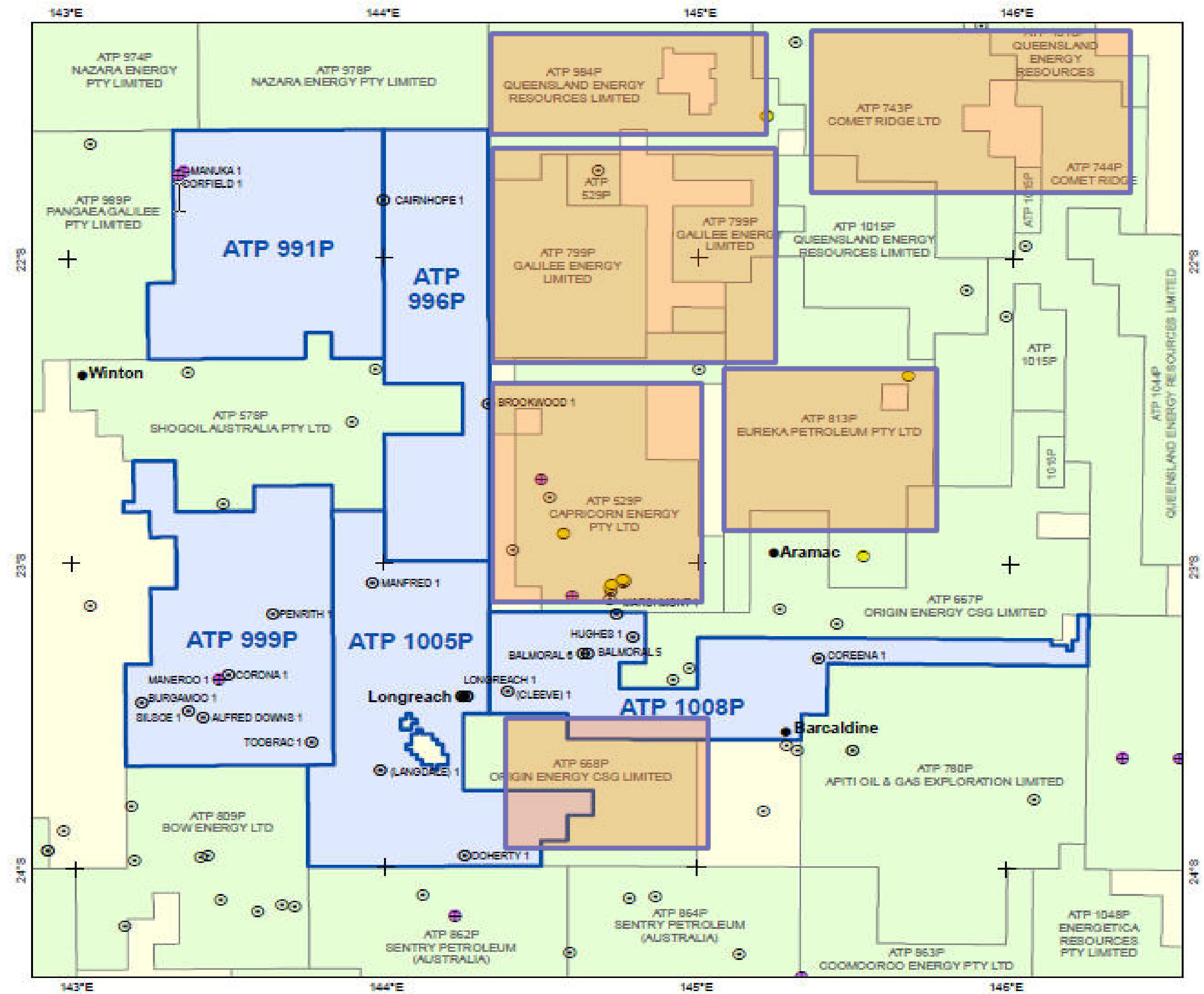
98% methane



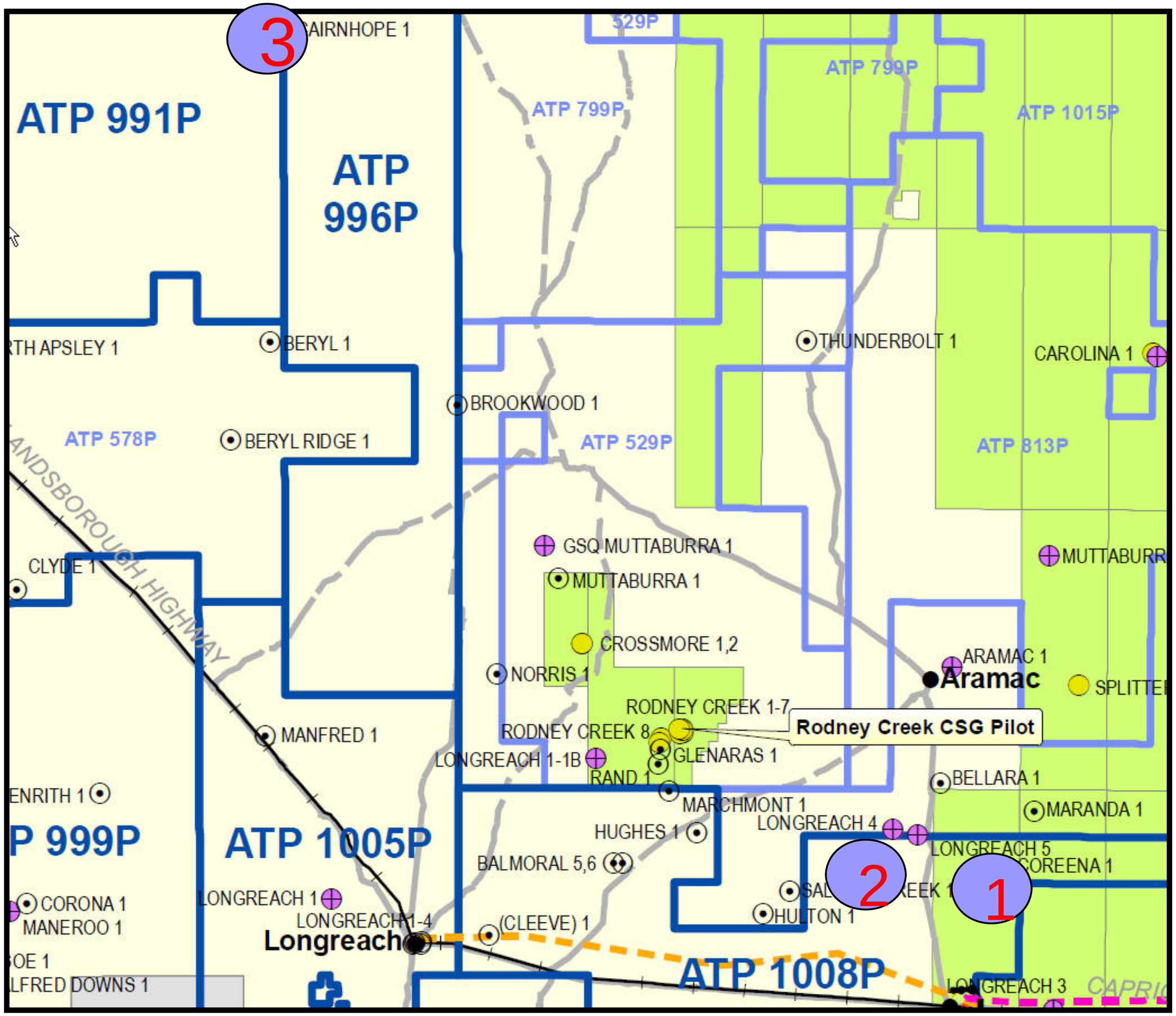
# Galilee Basin Planned Wells

~50 CSG wells planned in adjacent permits during the coming year by

QER,
Comet Ridge,
Galilee Energy
AGL,
Blue Energy,
Origin Energy.



# EXE Planned Location of First 3 Wells



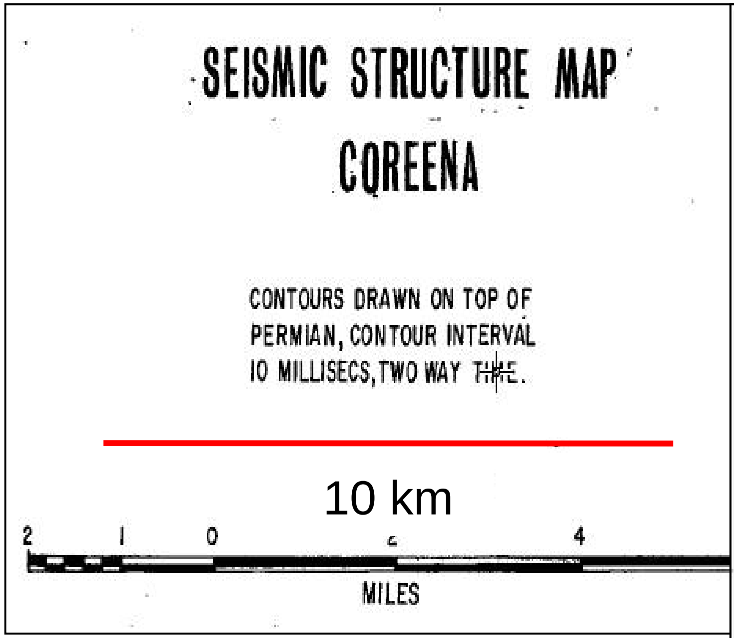

Planned Location of First 3 Longreach wells

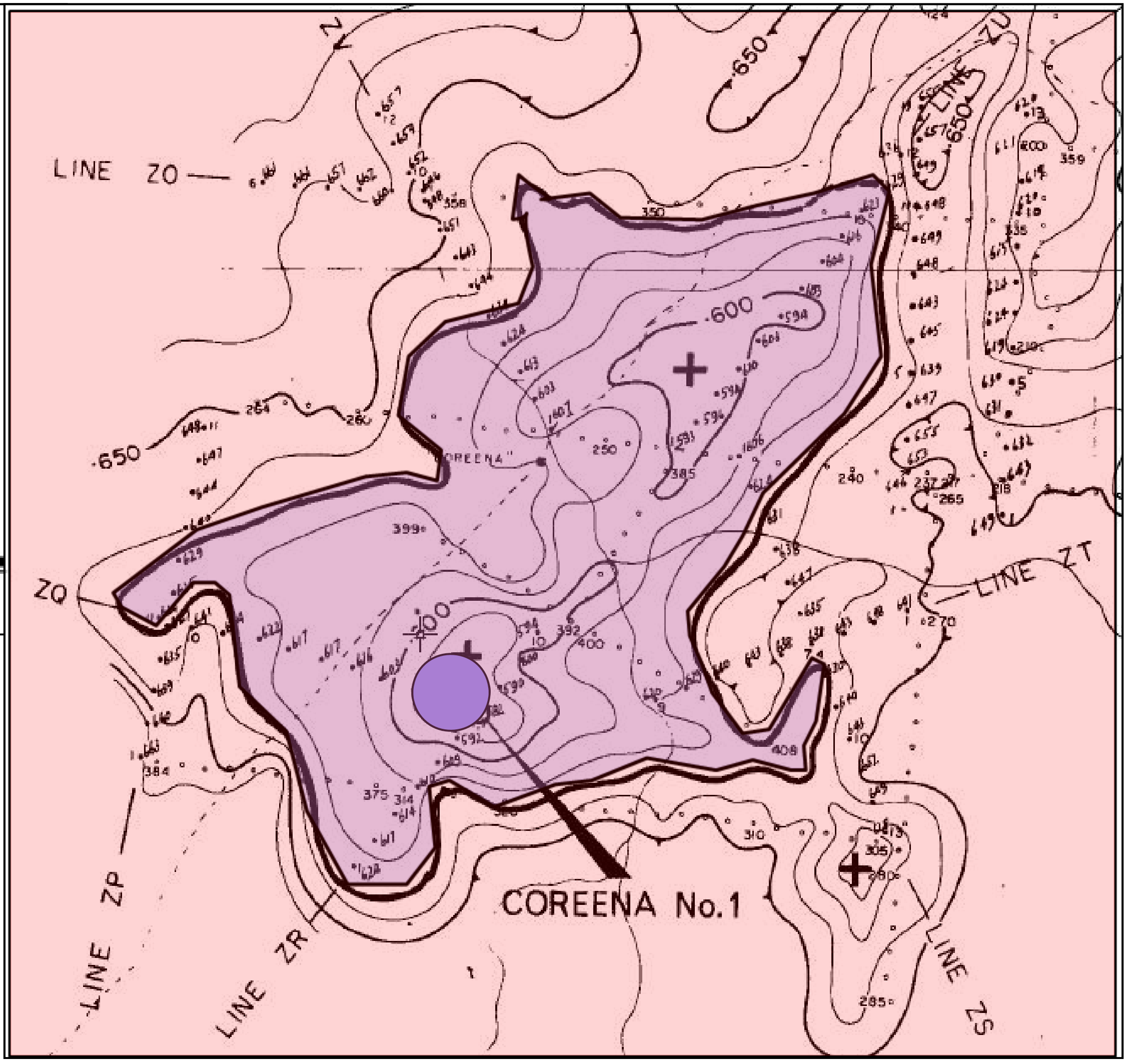
1 Coreena 2

2 Coreena Stepout

3 Cairnhope 2

# Longreach First Target- Coreena-1- 250Bcf



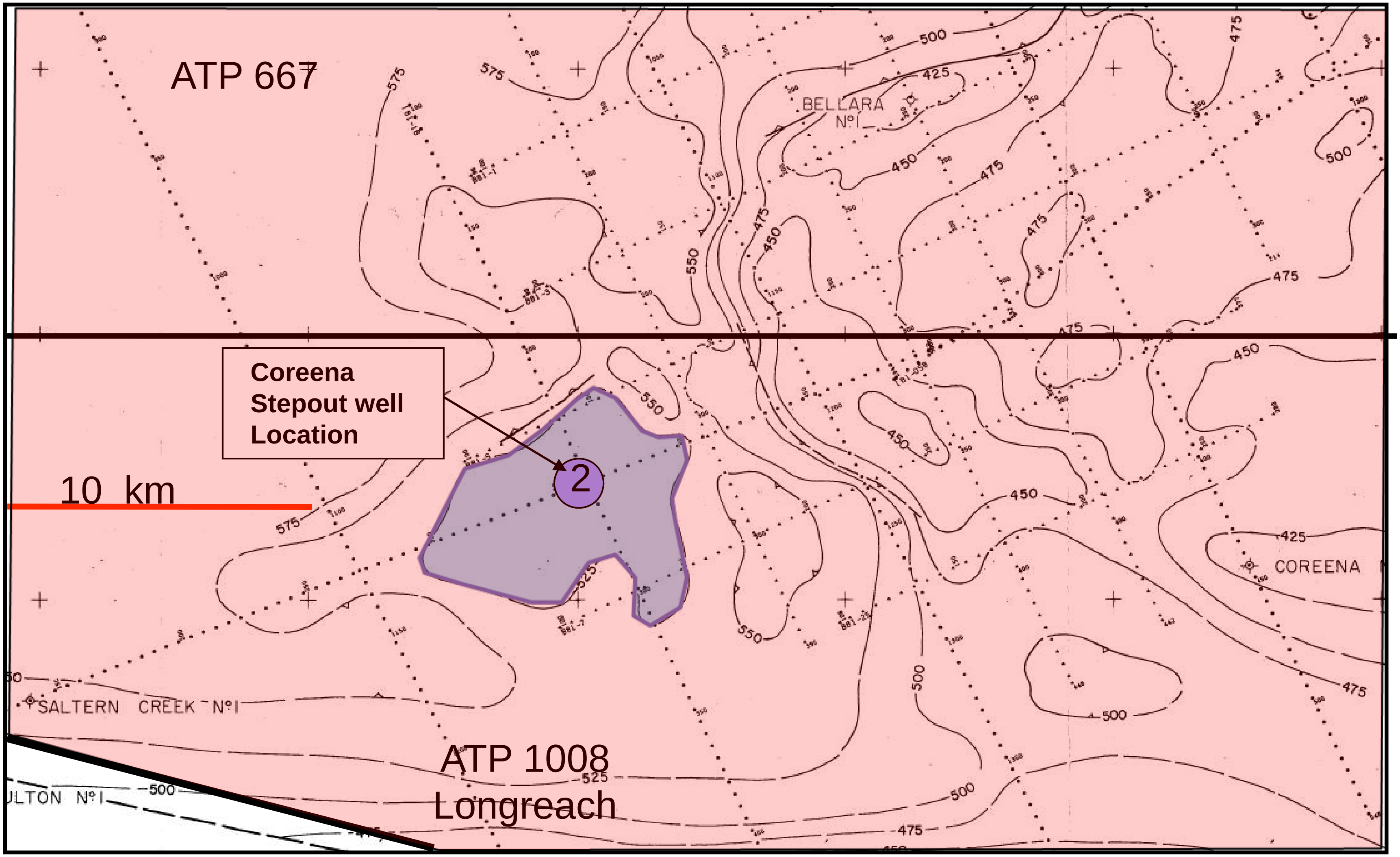

Closure approx 130 sq km

Net coal ~15m

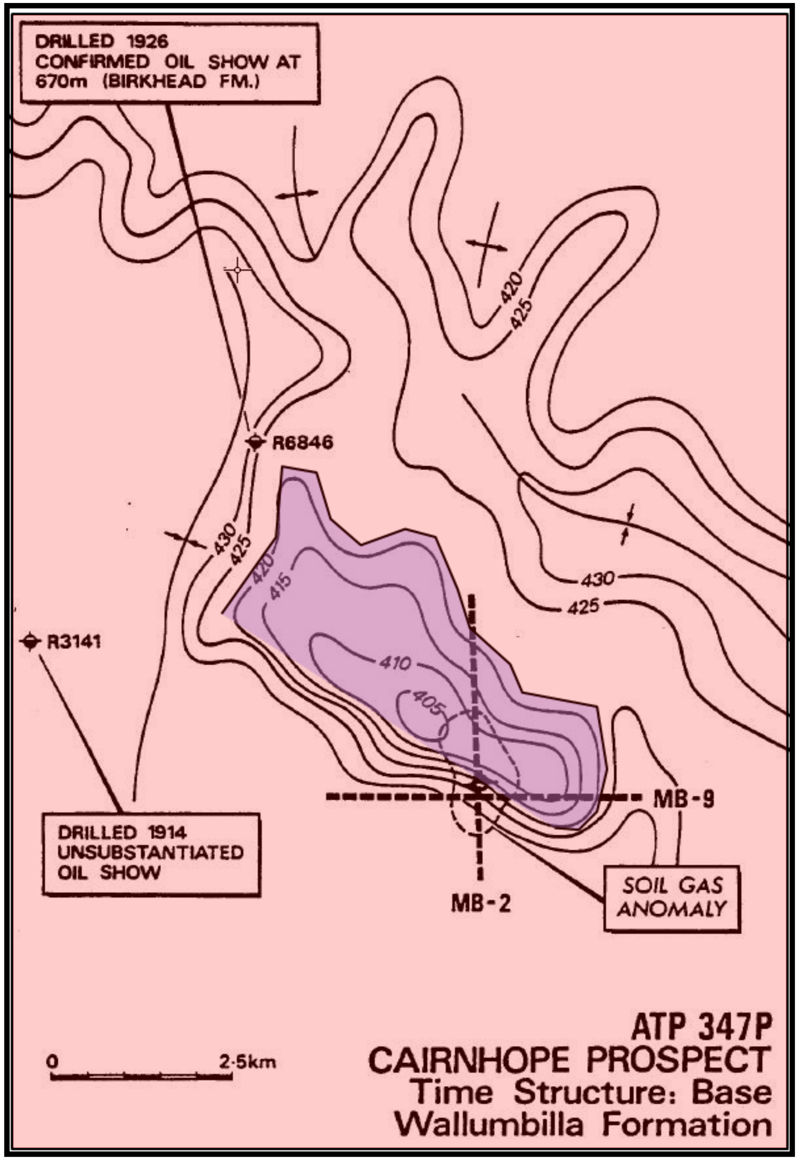
Gas Content 4.5m$^3$/t

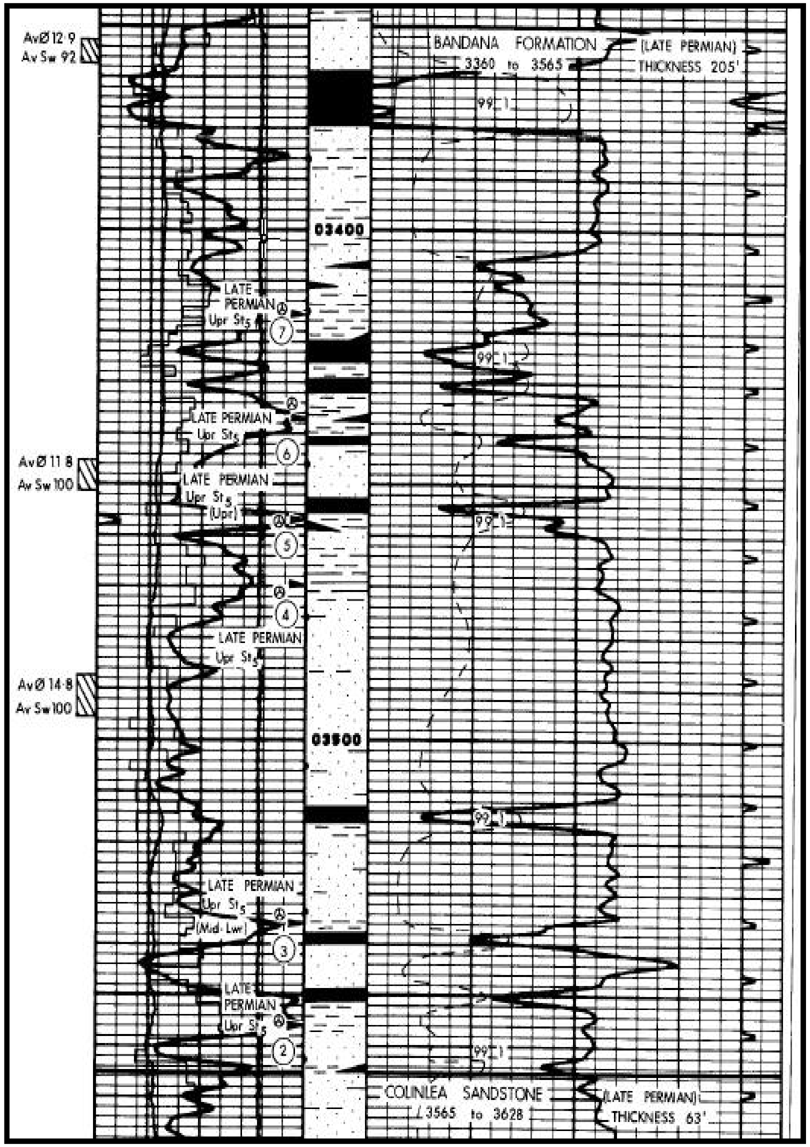
**OGIP~250bcf**
**Just to mapped closure**

# Top Bandana Structure Map Location 2

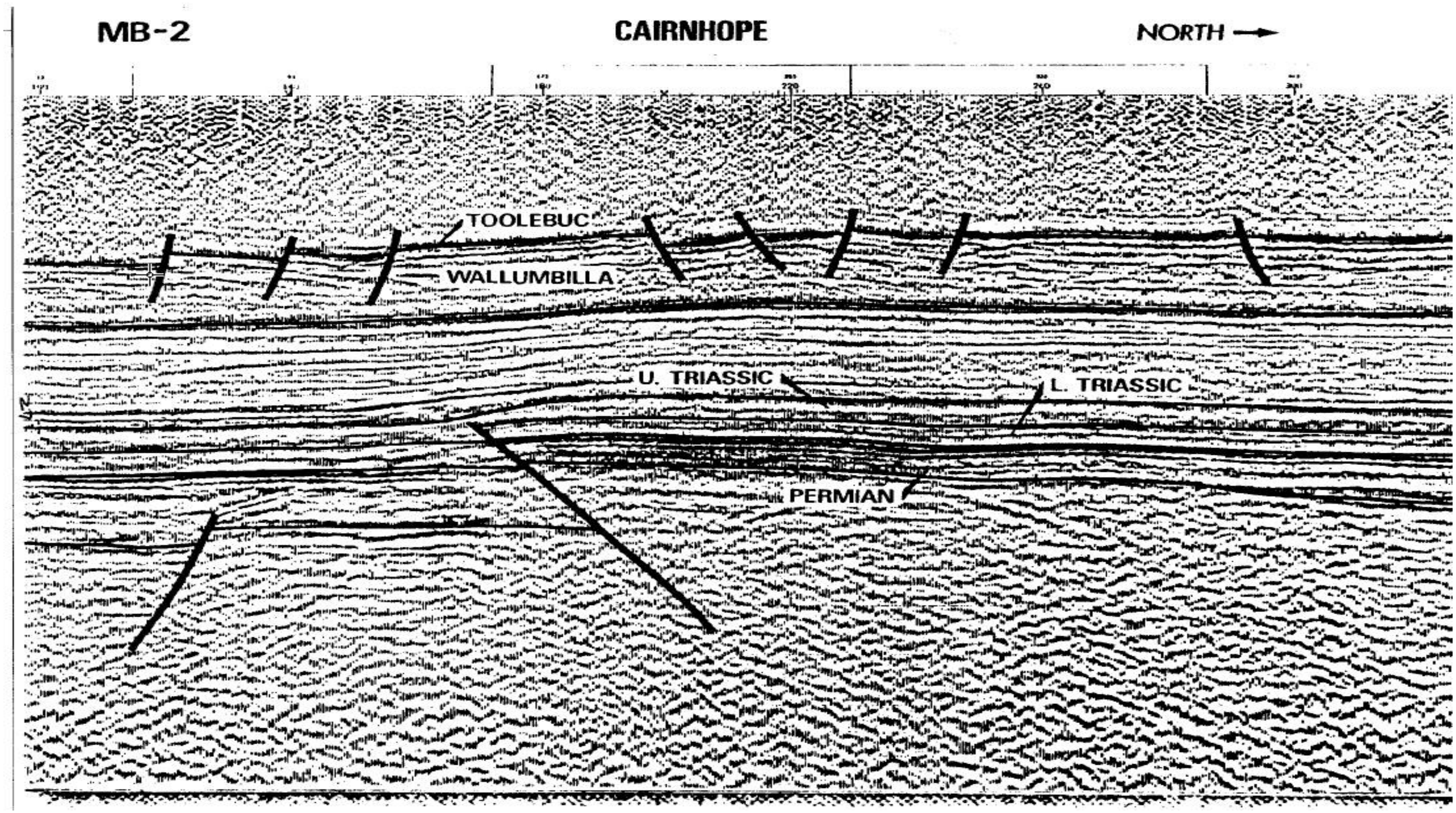


# Cairnhope 1 Location 3



# Cairnhope-1 Presence of Permian Coals & Toolebuc



# Toolebuc Shale Gas Potential

- The Toolebuc shale gas may have ~25 TCF potential
- Cretaceous aged, organic rich shale (TOC <18%) found at <600m **in all 5 ATPs**
- The Toolebuc **always has gas** when drilled, but previously ignored because of perceived lack of 'reservoir'.
- The gas (primarily methane) is adsorbed onto the organic-rich kerogen/carbon and can be desorbed from the shale in exactly the same way that methane is obtained from coal seams.
- The Barnett Shale in USA has only 4.5% TOC.
- Until recently, the Barnett Shale was the principal Shale Gas Play but now there are many shales in different basins with different characteristics all producing gas commercially
- Many new production methods in USA now proved .
- Potentially cheaper development than CSG as 300m shallower than coals

# Commercialisation Opportunities

- Targeting a large scale gas resource and pipeline to Townsville, Abbot Point (or Gladstone) for LNG and export into Asia.

- Other opportunities include:
  - Sales into the Queensland pipeline grid
  - Power Generation
  - Industrial Usage
  - Fertiliser & Explosives production
  - Gas to Liquids

# Capital Structure & Work Program Post Acquisition

- **EXE**: Shares on issue Post acquisition: 228 million
  - Options 228 million
  - **Cash** **$ 5 million**
- **Stage 1 Work Programme from Funds on Hand:**
- Drilling Minimum 3 cored & tested CSG/shale gas wells to gather gas content & permeability data. Each well would core the shallower Toolebuc as well as the coals:
  - Drilling & Testing Program $3.5
  - EPA Bonds $0.3
  - Geological & Geophysical $0.4
  - Working Capital $0.8
  - **Total Stage 1 Programme Funded:** **~$ 5 million**

# Stage 2 Work Programmes

Stage 2 Work Programme:

- 12-15 Wells, 1-3 Pilots
- Results Driven, priority to achieve Gas Reserve Certification
- Funding from Farmout of selected areas: Potential $20m-$40m
- Capital Raising to focus on Pilots and Target Reserves 1-2 Tcf

| | **Completed Stage 1 Wells** | **Remaining Stage 2 Programme** |
|---|---|---|
| ATP 991 | | 3 CSG/Shale Gas wells (or 5 – spot pilot) |
| ATP 996 | 1 well | 2 CSG/Shale Gas wells (or 5 – spot pilot) |
| ATP 999 | | 3 Toolebuc Shale Gas wells |
| ATP 1005 | | 3 Toolebuc Shale Gas wells |
| ATP 1008 | 2 wells | 1 CSG or Toolebuc wells (or 5 – spot pilot) |

# Highlights

- **EXE will have largest acreage in Galilee Basin**
- **EXE Galilee Basin permits have promise of multiple TCF projects**
- **CSG Companies have Large Exploration Programmes in Galilee over next 24 months to define reserves**
- **EXE has Gas Reserve potential from CSG in near term**
- **EXE has huge upside medium term from Shale Gas**
- **EXE has 100% of ATP's allowing Farmouts**
- **EXE could have multiple Gas Reserve Certification projects within 12 – 18 months**

# Disclaimer

- *The information presented herein contains predictions, estimates and other forward looking statements that are subject to risk factors that are associated with the oil and gas business.*

- *Certain information in this presentation has been derived from third parties and, although EXE has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by EXE. Although the company believe that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved.*

- *Important factors that could cause actual results to differ materially from those included in the forward-looking statements include the timing and extent of changes in commodity prices for oil and gas, the need to develop and replace reserves, environmental risks, drilling and operating risks, risks related to exploration and development, uncertainties about the estimates of reserves, competition, government regulation and the ability of the company to meet its stated goals.*

- *The technical information contained herein is based on information compiled by Longreach Director, Howard Dewhirst, who has more than 35 years experience in petroleum exploration. The potential gas in place estimates are conceptual in nature and additional work is required to report a contingent gas resource.*