EXOMA ENERGY LIMITED
A C N : 1 2 5 9 4 3 2 4 0
NOTICE OF ANNUAL GENERAL MEETING

The General Meeting of the Company will be held at The Kingston Room, The Brisbane Polo Club, Naldham House, 1 Eagle Street, Brisbane, on Wednesday 24 November 2010 at 2.30 pm (EST)

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 (07) 3226 5600.

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EXOMA ENERGY LIMITED
A C N 1 2 5 9 4 3 2 4 0

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of shareholders of Exoma Energy Limited (**"Company"**) will be held at The Kingston Room, The Brisbane Polo Club, Naldham House, 1 Eagle Street, Brisbane, Queensland on Wednesday 24 November 2010 at 2.30 pm (EST) (**"Meeting"**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday 22 November 2010 at 7.00 pm (EDT). Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

Financial Report

To receive the financial report of the Company and its controlled entities for the year ended 30 June 2010 together with a Directors' report in relation to that financial year and the Auditor's report on the financial report.

1. Resolution 1 – Remuneration Report

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

2. Resolution 2 – Re-election of Mr Brian Barker as a Director

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That Mr Brian Barker, who retires, by rotation, in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

3. Resolution 3 – Election of Dr David Mathew as a Director

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

> *"That Mr David Mathew, who retires in accordance with the Constitution and, being eligible, offers himself for election, be elected as a Director."*

4. Resolution 4 – Approval for increase in Director's aggregate fee level.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 10.17, Clause 13.7 of the Company's constitution and all other purposes, the increase in the Director's Aggregate Fee Level to $500,000 be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Directors or any of their associates.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Authorisation of Grant of Options to Mr David Mathew

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

> *"Subject to Shareholders approving Resolution 3, that in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders authorise the Directors to grant 1,000,000 Options to Mr David Mathew or his nominee on the terms in Schedule 2."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr David Mathew or any of his associates.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Ratify the execution of Deeds of Indemnity & Right of Access to Documents

To consider, and if it thought fit, pass as an ordinary resolution with or without amendment the following:

"Pursuant to Chapters 2D.2 and 2E of the Corporations Act and for all other purposes approval be given to the Company, to ratify the execution of deeds which:

(a) *indemnify each Director, during the period of directorship and after the cessation of directorship, in respect of certain claims should any be made against that director whilst acting in his or her capacity as a Director;*

(b) *require the Company to use its reasonable endeavours to procure an insurance policy and pay the premiums of insurance as assessed at market rates applicable from time to time for each such Director in respect of certain claims made against that Director acting in his or her capacity of a Director (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company);*

(c) *require the Company to use its reasonable endeavours to ensure that an insurance policy for the Director is at all times covered under an insurance policy for the period of 7 years from the date a director ceases to be Director (**Insurance Run-Off Period**), which will be on terms not materially less favourable to each Director than the terms of insurance applicable at the date of termination of his or her directorship and to continue to pay those premiums during that Insurance Run-Off Period (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company); and*

(d) *provide the Director with access, upon the cessation for any reason of his directorship and for a period of not less than 7 years following that cessation, to any Company records which are either prepared or provided to the Director during the period of his directorship,*

and on the terms and conditions in the Explanatory Memorandum accompanying this Notice."

7. Resolution 7 – Appointment of Auditors

To consider and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That for the purposes of Section 327B(1)(b) of the Corporations Act PricewaterhouseCoopers, Brisbane, having consented to act as the Company's auditor, be appointed the Company's auditor."

8. Resolution 8 – Section 195 Approval

To consider, and if thought fit, to pass with or without amendment as an ordinary resolution the following:

"That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice of General Meeting."

Dated 7 October 2010
By Order of the Board

………………………………………..
Brian McGillivray
Company Secretary
Exoma Energy Limited

EXOMA ENERGY LIMITED
A C N 1 2 5 9 4 3 2 4 0

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Kingston Room, The Brisbane Polo Club, Naldham House, 1 Eagle Street, Brisbane, Queensland, on Wednesday 24 November 2010 at 2.30 pm (EST).

Terms and abbreviations used in this Explanatory Memorandum have the meaning given in Schedule 1.

2. Resolution 1 – Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Annual Report for the period ended 30 June 2010 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for specified executives and non-executive Directors.

The provisions of the Corporations Act provide that Resolution 1 need only be an advisory vote of Shareholders.

Therefore, Resolution 1 is advisory only and does not bind the Directors. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report. However, the Board will take the outcome of the vote into consideration when considering the remuneration policy.

The Chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

3. Resolution 2 – Re-election of Mr Brian Barker as a Director

Clause 13.2 of the Constitution requires that one third of the Directors must retire at each annual general meeting. Clause 13.2 also provides that any director who so retires is eligible for re-election at that meeting

Pursuant to Clause 13.2 Mr Brian Barker will retire by rotation and seeks re-election.
Brian Barker was appointed a director on 26 October 2009 and has been Chairman of the Company since 31 March 2010.

Brian Barker has over 35 years extensive experience in the upstream oil and gas industry in Australia, Papua New Guinea, Asia, Europe and Africa. Mr Barker has also had substantial involvement in the contracting side of upstream oil and gas industry and has since 2004 been an adviser to PNG Government owned corporations on their oil and gas interests. Mr Barker has, since 2007, represented the PNG Government owned corporations in the PNG LNG Project operated by Exxon Mobil Corporation.

The Board believes that Mr Brian Barker has performed the duties and responsibilities of a director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the re-election of Mr Brian Barker.

4. Resolution 3 – Election of Dr David Mathew

Clause 13.4 of the Constitution provides that the Directors may appoint any person as a Director and that any director so appointed must retire at the next annual general meeting of the Company and is eligible for election at that meeting

Dr David Mathew was appointed as a Director under Clause 13.4 of the Constitution on 23 April 2010 and accordingly retires and seeks election.

Dr Mathew joined the Board as an independent Director with technical expertise which will complement and strengthen the management team's capacity. Dr Mathew holds a Ph.D. in Coal Geology from the University of South Carolina, USA.

Dr. Mathew has extensive experience in coal and coal seam gas exploration and development. He is a past President of the Australian Coal Seam Gas Council, a founder of CH4 Gas Limited, director of Arrow Energy and is Chairman of the Audit & Risk Management Committee.

The Board believes that Dr David Mathew has performed the duties and responsibilities of a director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the election of Dr David Mathew.

5. Resolution 4 – Approval of increase in Director's aggregate fee level.

Background

Under Clause 13.7 of the Company's constitution a maximum total amount known as the Director's Aggregate Fee Level is determined from time to time by the Company in a general meeting from which all Directors' fees and other emoluments are paid. The Board has the discretion to set the annual amount of each Director's fees and emoluments up to the maximum annual amount of the Director's Aggregate Fee Level and these levels of individual remuneration are reported to Shareholders annually. Currently Directors are not separately remunerated from the Aggregate Fee Level for their work in the Board's Audit and Risk Management Committee.

The Aggregate Fee Level is currently $300,000 a year and Shareholder approval is sought to increase this to $500,000 a year.

Proposed shareholder approval

Under Listing Rule 10.17, a company must not increase the total amount of directors' fees payable without Shareholder approval. Accordingly, the Company seeks Shareholder approval for the purpose of Listing Rule 10.17 to increase the amount of Directors' Aggregate Fee Level by $200,000 to $500,000.

The Board believes that the proposed increase is commensurate with the aggregate remuneration of company directors of companies of similar nature and size to the Company and operating in the same sector as the Company. The increase in Aggregate Fee Level will allow the Board flexibility to add to the number of directors as it moves into the next phase of operations where opportunities arise to recruit individuals with exceptional skills.

While approval is sought to increase the amount of the Directors' Aggregate Fee Level, it is not proposed to increase the individual director's fees or emoluments to any Director other than Committee fees.

Voting exclusion

In accordance with Listing Rule 14.11, the Directors and their associates are excluded from voting on this Resolution.

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6. Resolution 5 – Authorisation of Grant of Options to Dr David Mathew

Background

The Board has chosen to issue Options to new Directors as a key component of the incentive portion of their remuneration in order to retain the services of the Director and to provide incentive linked to the performance of the Company. As such, the Board believes that the number of Options to be granted to Dr David Mathew is commensurate with his value to the Company.

Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the Directors and the performance and value of the Company are closely related. As such, the Options granted will generally only be of benefit if the Director performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Options.

The Company acknowledges that the issue of Options to non-executive Directors is contrary to recommendation 9.3 of the Principles of Good Corporate Governance and Best Practice Recommendations. However, the Board considers the issue of Options is reasonable in the circumstances given the Company's size, stage of development, and the need to attract and retain directors of high calibre while still maintaining a cash reserve.

Proposed shareholder approval

Shareholder approval is sought for the issue of 1,000,000 Options to Dr David Mathew.

Dr David Mathew is a related party for the purpose of Chapter 2E of the Corporations Act and Listing Rule 10.11 because he is a director of the Company.

The issue of Options to a Director will constitute the giving of a financial benefit to a related party under section 229(3)(e) of the Corporations Act and consequently, approval under section 208 of the Act is sought.

Listing Rule 10.11 also requires the approval of shareholders before securities (which include options to acquire shares) can be issued to a related party.

If Resolution 5 is approved, then under exception 14 of Listing Rule 7.2, Shareholder approval to issue the Options is not required under ASX Listing Rule 7.1.

Information required by Listing Rule 10.13 and section 219 of the Corporations Act

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act information regarding the issue of the Options is provided as follows:

Terms and conditions for Options

The Options will vest in three Tranches;

- Tranche 1: 333,333 Options, 12 months from commencement, at an Exercise Price of 24.8 cents per Option;
- Tranche 2: 333,333 Options 24 months from commencement, at an Exercise Price of 29.8 cents per Option; and
- Tranche 3: 333,334 Options 36 months from commencement, at an Exercise Price of 34.7 cents per Option.

Each of the Options expires 2 years after the relevant vesting date.

The terms and conditions of the Options are detailed in Schedule 2. The Options are only exercisable if the Qualifying Price Milestones are reached. The Qualifying Price Milestones are the price of the Company's ordinary shares quoted for five consecutive days on the ASX during the Qualifying Period for each Tranche as follows:

- Tranche 1: 40 cents per share;
- Tranche 2: 50 cents per share; and
- Tranche 3: 60 cents per share.

Maximum number of Options to be issued

1,000,000 Options will be issued to Dr David Mathew (or to his nominees).

Consideration paid for Options

The Options would be issued for nil consideration and as such, no funds will be raised by the issue of the Options. If all the Options are approved by Shareholders, and all the Options are exercised, the Company will raise $297,666 from the exercise of the Options.

Issue of Options

If Resolution 5 is passed, the Company will issue the Options no later than one month after the date of the Annual General Meeting (or such longer period of time as ASX may in its discretion allow).

Directors' remuneration

The total annual remuneration of each Director, inclusive of Director's fees, is as follows:

Name of Participating Director	Total remuneration
Dr David Mathew	$ 60,000

The Director is also entitled to reimbursement of all reasonable travelling, accommodation and other expenses that a Director or alternate Director properly incurs in attending meetings of Directors or any meetings of committees of Directors, in attending any meetings of members and in connection with the business of the Company. Non-executive directors are entitled to a fee of up to $2,000 per day for specific consulting work undertaken for the Company. Other than as set out in this Notice, the Director does not receive any other emoluments.

The current holding of each Director is as follows:

Directors' current shareholding

Name of Participating Director	Total securities held directly or indirectly
Dr David Mathew	Nil

Valuation of Options

A valuation of the Options has been obtained and, on the basis of the assumptions set out below, the technical value of the Options is as follows:

Name of Participating Director	Value per Tranche 1 Option	Number of Tranche 1 Options	Value per Tranche 2 Option	Number of Tranche 2 Options	Value per Tranche 3 Option	Number of Tranche 3 Options
Dr David Mathew	$0.130	333,333	$0.141	333,333	$0.167	333,334

This valuation imputes a total value of $ 146,000 to the Options. This value may go up or down after the date of valuation as it will depend on the future price of a Share. Black & Scholes and Binomial methodology has been used, together with the following assumptions:

- the risk free rate is the Australian Government securities rate with a maturity date approximating that of the expiration period of the Options (4.71% for Tranche 1 Options, 4.75% for Tranche 2 Options and 4.83% for Tranche 3 Options);
- the underlying security spot price used for the purposes of this valuation is based on the price of the Shares as at 6 October 2010 being $0.25;
- for the purposes of the valuation, no future dividend payments have been forecast;
- for the purposes of the valuation it is assumed that the Options will not be exercised any earlier than the Expiry Dates as described in Schedule 2;
- the volatility factor is set as 85%; and
- for the purposes of the valuation it is assumed there is a 100% probability that the Options will vest and be exercised.

Dilutionary effect

The following tables demonstrate the dilution of all other Shareholders' holdings in the Company upon exercise of all Options issued under Resolution 5:

Shares on issue at date of this Notice	317,671,665
Shares issued assuming exercise of all Options under Resolution 5	1,000,000
Total Shares on issue assuming exercise of all Options under Resolution 5	318,671,665
Dilutionary effect (approximately)	0.314**%**

Other information

Under the accounting standard AASB Share based Payments, the Company would recognise the fair value of options granted to each of the Directors as an expense of $146,000 in its income statement with a corresponding adjustment to equity.

The market price of Shares would normally determine whether the Director will exercise the Options or not. If the Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.

Historical share price information for the last twelve months is as follows:

	Price per Share	Date
High	$0.325	16 April 2010
Low	$0.15	26 February 2010

The share price at 6 October 2010 was $0.24.
The exercise price of the Options compare to the volume weighted average price of the Company's shares on ASX of $0.234 for the 60 days prior and $0.228 for the 30 days prior to 7 October 2010.

Voting exclusion

In accordance with Listing Rule 14.11, Dr David Mathew and his associates are excluded from voting on Resolution 5;

Recommendation

No Director, other than Dr David Mathew, has an interest in the outcome of Resolution 5. The Board, other than Dr David Mathew recommends that Shareholders vote in favour of Resolution 5.

7. Resolution 6 – Ratify the execution of Deeds of Indemnity & Right of Access to Documents

7.1 Background

The Company has executed Deeds of Director Indemnity, Insurance and Access with each Director. The purpose of the resolution is to ratify the execution of the Deeds of Director Indemnity, Insurance and Access to enable the Company, to provide each Director with a reasonable level of protection in relation to claims made against a Director acting as a director of the Company, effective from the date of the Directors' appointment. The operation of the Deeds of Director Indemnity, Insurance and Access are subject to shareholder approval to the extent that such Shareholder approval is required.

Given their duties and responsibilities as directors of a public company and their potential liabilities, the Directors consider it appropriate that they be suitably protected from certain claims made against them. The proposed protection will not extend to the extent it is prohibited by the Corporations Act.

As a person may be called to account for his or her actions several years after ceasing to be a director of a company, it is considered reasonable that suitable protection should extend for a period of time after a Director has ceased to be a director of the Company.

It is generally recognised that a director or former director of a company may face considerable difficulty in properly answering or defending any claim made against him or her, particularly, as is often the case, where the claim is brought after the director ceases to hold office. Difficulties may arise by reason of the following:

(a) No indemnity after directorship ends

While a company's constitution provides directors with an indemnity in respect of claims made while they remain directors, arguably, that indemnity ceases when the directorship ends. Without the benefit of an indemnity, the cost of defending such a claim in respect of the actions of a director or former director, even if the claim is ultimately proven to be without merit, can be considerable and beyond the financial resources of the individual director.

(b) Maintenance of insurance policies

Directors' and Officers' insurance policies generally only provide cover for claims made during the currency of the insurance policy, i.e. while insurance premiums continue to be paid on the policy. Generally, unless insurance premiums continue to be paid after the time a person ceases to be a director, claims made after cessation of the directorship will not be covered by the insurance policy. The cost to a former director of personally maintaining insurance cover after ceasing to be a director can be prohibitive, particularly given the number of years for which insurance must be maintained and given the former director will no longer be receiving any income from the Company.

(c) Access to board papers

Directors have a statutory right to inspect the books of the Company:

(i) whilst they hold office; and

(ii) for a period of 7 years after the director ceases to hold office, at all reasonable times for the purpose of a legal proceeding to which the director is a party, that the director proposes in good faith to bring or that the director has reason to believe will be brought against him or her.

Despite this statutory right, Directors may require access to company documents which are relevant to the director's holding office as a director of the Company and not strictly required for the purpose of anticipated, threatened or commenced legal proceedings. Furthermore, although a proceeding may be instituted within six years after a cause of action arises, that six year period is calculated from the date the damage is found to have occurred – this may be long after the conduct in question, from which the later damage arose, actually occurred.

Given these difficulties a person may be unwilling to become or to remain as a director of a public company without suitable protection being provided by the Company. The benefit to the Company in providing such protection is that it will continue to be able to attract persons of suitable expertise and experience to act as Directors.

7.2 Summary of the Directors' Indemnity, Insurance and Access Deed

The Director Indemnity, Insurance and Access Deeds require:

(a) the Company to indemnify each Director during the period of his or her directorship and after the cessation of his directorship, in respect of certain claims made against that director in his or her capacity as a director of the Company to the extent allowable under the Corporations Act;

(b) the Company to use its reasonable endeavours (subject to cost and availability) to maintain an insurance policy and pay the premiums of insurance as assessed at market rates applicable from time to time, to the extent available under the Corporations Act, for each Director in respect of certain claims made against him or her in his or her capacity as a director of the Company and to continue to pay those premiums for a period of up to 7 years following the termination of his directorship;

(c) that if the Company cannot procure an insurance policy for a Director at a reasonable cost it shall advise such Director who may refer the matter to an expert (whose decision shall be final and binding on the parties) for determination that the Company has not used its reasonable endeavours and the expert may direct the Company to obtain an insurance policy on the best available terms; and

(d) the Company to provide each Director with access, upon ceasing for any reason to be a director of the Company and for a period of up to 7 years following that cessation, to any the Company records which are either prepared or provided to the Director during the period during which the person was a director of the Company.

The Deeds will also require each Director to maintain confidentiality and to protect the Company's intellectual property.

7.3 Summary of indemnity and insurance provisions in the Corporations Act

In considering the resolution, members should be aware of the following limitations in the Corporations Act concerning the provision of indemnities and insurance to the Company's officers. The deeds for which member approval is sought under the resolution, complies with these limitations.

(a) Section 199A of the Corporations Act

The Corporations Act now sets out specific prohibitions to the Company's ability to grant indemnities for liabilities and legal costs.

The Company is prohibited from indemnifying its officers against a liability if it is a liability:

(i) to the Company or any of its related bodies corporate;

(ii) to a third party that arose out of conduct involving a lack of good faith; or

(iii) for a pecuniary penalty order or a compensation order under the Corporations Act (such orders being made for breaches such as breaches of director's duties, the related party rules and insolvent trading rules).

the Company is also prohibited from indemnifying its officers against legal costs incurred:

(iv) in defending actions where an officer is found liable for a matter for which he or she cannot be indemnified by the Company as set out immediately above;

(v) in defending criminal proceedings where the officer is found guilty;

(vi) in defending proceedings brought by the ASIC or a liquidator for a court order if the grounds for making the order are found by the court to be established; or

(vii) in connection with proceedings for relief to the director under the Corporations Act where the court denies the relief.

(b) Section 199B of the Corporations Act

If the Company, or a related body corporate of the Company, pays the premium on an insurance policy in favour of a Director, then section 199B of the Corporations Act requires the Company to ensure that the relevant contract of insurance does not cover liabilities incurred by the officer arising out of conduct involving either:

(i) a wilful breach of duty in relation to the Company; or

(ii) contravention of the provisions relating to an officer making improper use of information or improper use of his or her position for his or her advantage or gain, or to the detriment of the Company.

7.4 Member approval

To enable the Company to ratify the execution of Deeds with each Director, the resolution seeks member approval in accordance with the following provisions of the Corporations Act:

(a) Section 200B of the Corporations Act

Section 200B of the Corporations Act relevantly provides that the Company cannot give a benefit to a Director in connection with the retirement of that Director from his or her office, without member approval of the Company.

The Directors consider that as the:

(i) proposed payment of insurance premiums;

(ii) benefit of the indemnity in relation to liabilities incurred during the period a Director holds office; and

(iii) Director's access to Company records,

continues for a period of up to 7 years after the Director ceases to hold office, this may be viewed as the provision of a benefit given 'in connection with' the Director's retirement from the Board for the purposes of section 200B of the Corporations Act.

The insurance premiums under each Deed will be calculated at the market rates applicable from time to time.

A copy of all company documents will be kept at the Company's registered office and made available for inspection and copying by each Director for a period of 7 years after he or she ceases to hold office, for whatever reason.

(b) Section 208 of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company, or an entity that the public company controls, from giving a financial benefit to a related party of the public company unless either:

(i) the giving of the financial benefit falls within one of the nominated exceptions to the provision (e.g. section 212); or

(ii) prior shareholder approval of the public company is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, each of the Directors of the Company is considered to be a related party of the Company.

The provision of insurance and indemnity to existing Directors may involve the provision of a financial benefit to related parties of the Company within the prohibition provided by Chapter 2E of the Corporations Act. The Directors consider that, although the payment of insurance premiums and the provision of indemnities by the Company are 'reasonable in the circumstances' of the Company and therefore are exceptions from the prohibition in Chapter 2E of the Corporations Act, consideration of the reasonable nature of the provision of any indemnity or insurance is an appropriate matter for the Shareholders of the Company.

(c) In accordance with section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed resolution:

the Company has taken out an insurance policy which will provide insurance cover for Directors against all permitted liabilities incurred by Directors acting as a director of the Company.

(i) the insurance premiums payable each are calculated at market rates applicable from time to time, if insurance is available, with an indicative range of $5,000 - $10,000 per Director per annum.

(ii) the following Directors, who became Directors since the last Shareholder approval are each related parties of the Company to whom the proposed resolutions would permit the giving of benefits:

(A) Brian Barker;

(B) Howard Dewhirst;

(C) Stephen Harrison;

(D) David Mathew.

(iii) the nature of the benefit to be given to each of the Directors is the benefit under the Deed, the terms of which are summarised in Section 7.2.

(iv) Remuneration paid to Directors during the year to 30 June 2010 was:

Director	Salary & Fees	Post Employment Benefits	Equity Benefits	Total $
Brian Barker	34,652	-	-	34,652
Howard Dewhirst	34,652	-	-	34,652
Stephen Harrison	34,652	-	-	34,652
David Mathews	11,167	-	-	11,167

Non-executive Directors who provide specific services to the Company, either directly or through their services companies, are remunerated at the rate of $2,000 per day for days actually worked. Directors are reimbursed for their reasonable out of pocket travelling and related costs while on Company business.

(v) none of the Directors are entitled to or wish to make a recommendation to shareholders about the proposed resolution as each holds an interest in the benefit proposed to be given by the Company to each of them, as each is a proposed party to the Deed.

(vi) neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the benefits contemplated by the proposed resolution.

(vii) the reasons and basis for the benefit are set out in Section 7.1.

8. Resolution 7 – Appointment of Auditors

As the Company's operations and head office are now established in Queensland the Company has held discussions with its Perth based Auditors concerning the most cost effective and efficient manner in which to conduct future external audit of the Company's affairs.

Pursuant to section 329(5) of the Corporations Act the Company's Auditors, HLB Mann Judd, Perth resigned with effect from 31 August 2010 following receipt of consent from ASIC. The Board resolved to appoint PricewaterhouseCoopers Brisbane the Company's new Auditors from that date to hold office pursuant to section 327C(2) until the Annual General Meeting.

PricewaterhouseCoopers Brisbane has consented to act in this capacity and all other requirements of the Corporations Act in relation to the appointment of auditors have been, or, at the date on this Notice, are being met.

In accordance with section 328B(1) of the Corporations Act, a Shareholder has nominated PricewaterhouseCoopers Brisbane, a copy of which is attached to this Notice in Schedule 3.

9. Resolution 8 – Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolution 6. In the absence of this Resolution, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolution 6.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

10. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Proxy close off will be 48 hours prior to commencement of the meeting, being 2.30 pm (EST) on Monday 22 November 2010.

Schedule 1 – Definitions

In this Explanatory Memorandum and Notice:

“Annual Report” means the Director’s report, the Company’s financial report and the Auditor’s report thereon, in respect to the financial year ended 30 June 2010.

"ASX" means ASX Limited ACN 008 624 691.

“Board” means the board of Directors of the Company.

"Company" means Exoma Energy Limited ACN 125 943 240.

"Corporations Act" means the *Corporations Act 2001* (Cth).

“Director” means a director of the Company.

“Director’s Aggregate Fee Level” means the funds allocated by the Company for payment of Directors’ fees and other emoluments.

“EDT” means Eastern Daylight Time, being the time in Sydney, NSW.

“EST” means Eastern Standard Time, being the time in Brisbane, Queensland.

"Explanatory Memorandum" means the explanatory memorandum to this Notice.

“Listing Rules” means the Listing Rules of ASX.

“Meeting” has the meaning given in the introductory paragraph of this Notice.

"Notice" means this notice of meeting.

"Proxy Form" means the proxy form attached to the Notice.

“Related Party” has the meaning set out in section 228 of the Corporations Act.

“Remuneration Report” means the remuneration report of the Company contained in the Director’s report.

"Schedule" means a schedule to this Notice.

“Share” means a fully paid ordinary share in the capital of the Company.

“Shareholder” means a registered holder of a Share.

“VWAP” means volume weighted average price.

Words importing the singular include the plural and conversely.

In this Notice, words importing the singular include the plural and visa versa.

Schedule 2 – Terms and Conditions of Options

(a) The terms used in this Schedule 2 shall have the following meaning:

(1) **ASX** means the Australian Securities Exchange Limited;

(2) **ASX Listing Rules** means the listing rules of the ASX;

(3) **Exercise Price** means:

(A) with respect to the First Tranche Options – 24.8 cents;

(B) with respect to the Second Tranche Options – 29.8 cents; and

(C) with respect to the Third Tranche Options – 34.7 cents;

(4) **First Tranche Options** means one third of the total granted Options;

(5) **Option Holder** means the Director;

(6) **Qualifying Period** means the period commencing on the Vesting Date and ending on the Expiry Date;

(7) **Qualifying Price** means:

(A) with respect to the First Tranche Options – 40 cents;

(B) with respect to the Second Tranche Options – 50 cents; and

(C) with respect to the Third Tranche Options – 60 cents;

(8) **Second Tranche Options** means one third of the total granted Options;

(9) **Third Tranche Options** means one third of the total granted Options;

(10) **Vesting Date** means:

(A) with respect to the First Tranche Options – twelve (12) months from date of commencement;

(B) with respect to the Second Tranche Options – twenty four (24) months from date of commencement; and

(C) with respect to the Third Tranche Options – thirty six (36) months from date of commencement; and

(11) **VWAP** means the volume weighted average price of the Company's shares quoted on the ASX;

(b) The Company agrees to issue the Options subject to:

(1) approval by the shareholders of the Company; and

(2) the issue of the Options being in compliance with the ASX Listing Rules or the Company otherwise obtaining approval from the ASX;

(**Conditions**);

(c) The Options will be issued to the Option Holder as soon as practicable following the satisfaction of the Conditions and will vest and be capable of exercise upon the respective Vesting Dates provided that the milestone in paragraph (d) below is satisfied;

(d) The Options become exercisable during the Qualifying Period upon the VWAP of the ordinary shares in the Company being equal to or exceeding the Qualifying Price for not less than five (5) consecutive trading days during the Qualifying Period;

(e) The Options are exercisable at the Exercise Price;

(f) The Options will expire on the earlier of:

(1) the date being twenty four (24) months from the respective Vesting Date unless earlier exercised after that Vesting Date; or

(2) the Business Day after the expiration of two (2) months, or any longer period which the Board may determine, after the Option Holder ceases to be a director of the Company ;

(**Expiry Date**);

(g) The Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option Holder's death, by his or her legal personal representative);

(h) During the Qualifying Period and subject to the milestones in paragraph (d) above being satisfied, the Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Option to the Company at any time on or after the Vesting Date of the Options and on or before the Expiry Date;

(i) The number of Options that may be exercised at one time must be not less than 100,000;

(j) Upon the valid exercise of the Options and payment of the Exercise Price for each of the tranches set out in paragraph (a) above, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares;

(k) The Option Holder will not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;

(l) While the Option Holders do not have any right to participate in new issues of securities in the Company to shareholders generally prior to the exercise of the Options, the Option Holders will be afforded the period of six (6) Business Days' notice (or as otherwise agreed between the Company and Option Holder) prior to and inclusive of the books record date (to determine entitlements to the issue) to exercise the Options;

(m) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

(1) The number of Options, the Exercise Price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the Option Holder which are not conferred on shareholders; and

(2) Subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged;

(n) If there is a pro rata issue (except a bonus issue), the Exercise Price of the Options set out in paragraph (b) above may be reduced according to the following formula:

$$O^n = O - \frac{E\,[P-(S + D)]}{N + 1}$$

Where:

O^n = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying securities into which one Option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(o) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue;

(p) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options; and

(q) The Company:

(1) does not intend to apply for listing of the Options on the ASX; and

(2) will apply for listing of the resultant shares of the Company issued upon exercise of any Option.

(r) In the event there is a change in control of the Company resulting from a Takeover and following the Takeover it is intended to delisted the Company from the ASX then;

(1) If the Takeover occurs after commencement as a director and prior to expiry of the first 12 months or appointment as a director then the first and second Tranche Options will vest 10 days prior to the closing date of the Takeover Offer.

(2) If the Takeover occurs after the first 12 months of commencement as a director then all the unvested Options will vest 10 days prior to the closing date of the Takeover Offer.

Schedule 3 – Nomination of Auditor

6 October 2010

The Directors
Exoma Energy Limited
Level 7, 12 Creek Street
Brisbane Queensland

Dear Sirs

NOMINATION OF AUDITOR

For the purposes of section 328B(1) of the Corporations Act 2001, and being a member of Exoma Energy Limited, we nominate PricewaterhouseCoopers Brisbane, of Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000, for appointment as auditor of Exoma Energy Limited at the Company's next Annual General Meeting.

Yours faithfully
Blueseas Investments Pty Ltd

Kris J McGillivray
Director

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exoma ENERGY

Exoma Energy Limited
ABN 56125943240

000001 000 EXE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 552 270
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 2.30pm (EST) Monday 22 November 2010

How to Vote on Items of Business
All your securities will be voted in accordance with your directions.

Appointment of Proxy
Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions
Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting
Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate “Certificate of Appointment of Corporate Representative” prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →

View your securityholder information, 24 hours a day, 7 days a week:
www.investorcentre.com

☑ **Review your securityholding**
☑ **Update your securityholding**

Your secure access information is:

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Exoma Energy Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ____________________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Exoma Energy Limited to be held at The Kingston Room, The Brisbane Polo Club, Naldham House, 1 Eagle Street, Brisbane on Wednesday 24 November 2010 at 2.30pm (EST) and at any adjournment of that meeting.

Important for Items 4 and 5: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Items 4 and 5 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 4 and 5 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 4 and 5 of business.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
1.	Remuneration Report	☐	☐	☐
2.	Re-election of Mr Brian Barker as a Director	☐	☐	☐
3.	Election of Dr David Mathew as a Director	☐	☐	☐
4.	Approval for increase in Director's aggregate fee level	☐	☐	☐
5.	Authorisation of Grant of Options to Mr David Mathew	☐	☐	☐
6.	Ratify the execution of Deeds of Indemnity & Right of Access to Documents	☐	☐	☐
7.	Appointment of Auditors	☐	☐	☐
8.	Section 195 Approval	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ____________________ Contact Daytime Telephone ____________________ Date ___/___/___