

Drilling Report – 8 August 2011

Highlights:

- **40 metres of Toolebuc Shale with gas shows**
- **Liquid hydrocarbon & gas shows in the overlying shale formation**

Exoma Energy Limited (ASX:EXE) is pleased to release this Drilling Update for the Bessies-1 shale gas core well. The well reached a total depth of 985 metres and intersected 40 metres of Toolebuc Shale, the well's primary target.

Shales immediately above the Toolebuc Shale were also cored and a sample of free liquid hydrocarbons was recovered from the core barrel in this shale and was also observed to be smeared over the surface of the shales in the core barrel. Initial analysis of the hydrocarbon liquid indicates that it is naturally occurring. Gas shows were also recorded in both shales. Cores from both formations are currently being desorbed.

Chairman Brian Barker said "We are extremely pleased with the results of this well. In addition to intersecting 40 metres of Toolebuc Shale with gas shows, the well recovered a small quantity of free liquid hydrocarbons and also had gas shows from the overlying shale formation. We will conduct extensive laboratory analysis on the recovered samples to assess the significance of this find."

Well Name:	Bessies-1
Permit:	ATP 999P
Location:	Eromanga Basin, approximately 100km west of Longreach, Queensland. Details are shown on the attached map.
Target:	Primary Target: shale gas in the Toolebuc Formation. The organic rich Toolebuc Shale will be cored and the well logged. The shale core will be subject to laboratory analysis to identify source maturity, hydrocarbon type and content, detailed mineralogy, rock properties and permeability.
Planned Depth:	960 metres
Progress:	98 metres of core has been recovered to a depth of 931 metres accompanied by gas and live liquid hydrocarbon shows. The Toolebuc Shale made up 40 metres of the cored section across the interval 883 to 923 metres. Free liquid hydrocarbons was recovered from the coring operations and from the drilling mud returns. Preliminary laboratory testing indicates that this liquid is naturally generated. Core samples from the zones of interest have been preserved for shipment to two independent laboratories for analysis. The well was drilled to a total depth of 985 metres and was logged and abandoned as a water well as originally planned.
Planned Operations:	The Atlas-1 rig was released and has mobilized to the Euston-1 shale well.

Exoma has a 50% beneficial interest in both ATP 999P and the Bessies-1 well. CNOOC Galilee Gas Company is earning its participating interest by a farmin whereby CNOOC provide the initial \$50 million of joint venture expenditures on ATP's 991, 996, 999, 1005 and 1008.

FURTHER INFORMATION

Rob Crook
Chief Executive Officer
+61 7 3226 5600
Email: rcrook@exoma.net

Media Contact: David Tasker
Professional Public Relations
+61 8 9388 0944/0433 112 936
Email: David.Tasker@ppr.com.au

