

18th December 2014

ASX Announcement

**Exoma to enter the fast growing m-commerce industry
by acquiring The Gruden Group (TGG)**

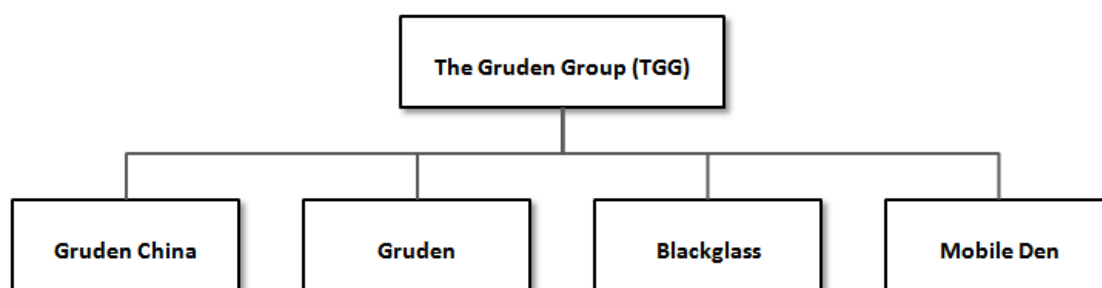
Exoma Energy Limited (**ASX: EXE**) is pleased to announce that it has entered into a heads of agreement to acquire The Gruden Group (**TGG**). TGG is comprised of a number of private companies specialising in fully integrated e-commerce and m-commerce point of sale applications and digital marketing services. The heads of agreement is subject to a number of conditions described below.

Highlights

- Exoma to acquire all of the shares in Rich Sea Pty Ltd, Mobile Den Pty Ltd and Blackglass Pty Ltd (**The Gruden Group** or **TGG**) in exchange for shares in Exoma.
- Gross Revenue for TGG for 2013/14 was \$8.2m. For the first 5 months of 2014/2015 Gross Revenue was \$3.4 million with an estimated EBIT of approximately \$300k (Unaudited).
- Ownership of IP in an award winning Mobile Retail Platform (www.mobileden.com.au) with a potential global focus.
- National and international client list including well known brands and government clients.
- Entry into the fast growing global m-commerce industry and access to China and Asian markets.
- The combined group will have access to approximately \$7m cash to provide working capital and to fund growth.
- Dedicated team of over 60 staff.
- ASX listing to provide access to working capital to fund growth and strategic acquisitions.

About The Gruden Group (TGG)

TGG is a group of specialist technology and digital marketing companies providing an end to end offering for clients wanting to interact and engage with their customers via mobile, web and various digital Channels. TGG is made up of four core key business components, as shown in the chart below, covering a wide range of digital services & products and has over 60 full time staff.



Interim CEO of TGG Mr Warren Barry said:

“m-commerce is accelerating faster than the other IT evolutions. Morgan Stanley predicted that by 2015 that mobile internet will be bigger than desktop internet. Mobile internet growth is particularly strong in emerging regions where mobile phone technology is greater than fixed line telecommunications infrastructure, particularly in Asia and Africa. The Gruden Group is well placed to take advantage of that growth.”

Business Overview

TGG is comprised of four main business lines:

Gruden & Gruden China (www.gruden.com) - Gruden is an award winning specialist web and mobile digital agency. Services provided include business application development, software development, content management systems, creative web design, digital branding, digital campaigns, online advertising & marketing and mobile applications and campaigns. Clients include well known brands, corporate and government agencies. Gruden has also established an office in China (Gruden China). Utilising staff in its China office, TGG plans to leverage its relationship with SmartTrans Holdings Ltd (ASX:SMA) to develop apps for use in the China and South East Asian market. SMA and TGG will enter into a revenue share arrangement for all apps deployed.

Blackglass (www.blackglass.com.au) is a fully integrated online marketing company providing a variety of services including Social Media and Search Engine Marketing. Blackglass utilises state of the art tools and platforms to maximise client return on investment in digital technology. Its

reporting and analysis tools are a core strength that has seen Blackglass selected as the agency of choice for a number of high profile companies and brands.

MobileDen (www.mobileden.com.au) – is an award winning Mobile Cloud Platform that provides brands with a suite of pre-built modules to engage customers via the web and mobile channels. MobileDen extends the Point of Sale and allows its clients to provide tools for their customers to order, pay, be rewarded and entertained through an innovative integrated platform. MobileDen also provides the ability to drive customer loyalty programs.

Why TGG

The combined group intends to drive revenue growth through organic expansion and future acquisitions and by the development and monetization of current and new intellectual property.

TGG's existing intellectual property covers the major revenue generating sectors of the mobile market including:

- financial payments and transaction processing
- mobile coupons
- communications
- digital games
- data mining and data analytics
- loyalty programs
- integration with Point Of Sale (POS) systems
- customer controlled social media interaction and real-time analytics

The IP components can be sold on a stand-alone basis to clients, but TGG's competitive advantage is that it is one of the few application software providers that can provide the full suite as an integrated, multi-functional product.

Why ASX Listing by TGG

An ASX listing through Exoma will allow TGG to:

- Access working capital to continue to grow and develop its Gruden and Blackglass businesses both in Australia and overseas;
- Invest and further develop the MobileDen Platform and expand globally; and
- Identify further acquisitions in key markets and technologies.

Key Clients

TGG clients include:

- Australian Federal Government
- NSW Government
- Accor
- Globus
- QSRH – Red Rooster/Oporto/Chicken Treat
- Ausgrid
- Starbucks
- Sydney Airport
- Woolworths
- Betta Home Living
- Ashley and Martin
- SHCorp
- Micros/Oracle

Key Terms of the Proposed Transaction

Exoma has entered into a heads of agreement with each of the Acquisition Companies set out below and the controlling shareholders of those companies setting out the key terms on which Exoma will acquire all of the shares in those companies. The acquisition of those companies by Exoma remains subject to Exoma entering into a formal acquisition agreement with all shareholders (which includes the controlling shareholders) of those companies.

1. Acquisition Companies – Exoma to acquire the following three holding companies:

Rich Sea Pty Ltd - (ACN 128 437 258)

Mobile Den Pty Ltd - (ACN 159 196 620)

Blackglass Pty Ltd - (ACN 114 807 340)

2. Consideration

The Consideration for the purchase of TGG will comprise:

- (a) The issue of 185 million shares in Exoma upon completion of the sale and purchase of the shares in TGG(**Initial Shares**);
- (b) The issue of additional shares in Exoma as follows:
 - (i) 60 million shares upon satisfaction of Hurdle 1 (**Tranche 1 Shares**) where Hurdle 1 is the combined group earning consolidated revenue of at least \$10 million in any 12 month rolling period within two years of Completion;

- (ii) 60 million shares upon satisfaction of Hurdle 2 (**Tranche 2 Shares**) where Hurdle 2 is the combined group earning consolidated revenue of at least \$16 million in any 12 month rolling period within two years of Completion; and
- (iii) 60 million shares upon satisfaction of Hurdle 3 (**Tranche 3 Shares**) where Hurdle 3 is the market capitalisation of the Company exceeding \$50 million for a period of at least 20 consecutive trading days based on VWAP within two years of Completion. If Hurdle 3 is met, the Tranche 1 Shares and Tranche 2 Shares will also be issued, even if Hurdle 1 and Hurdle 2 are not satisfied.

Exoma will seek shareholder approval pursuant to section 611, item 7 of the Corporations Act for the issue of the Initial Shares and Tranche 1, 2 and 3 Shares.

- (c) A cash payment of \$200,000.

The terms of the hurdles in (b) above must be approved by the ASX and if ASX does not approve them, the parties will negotiate revised hurdles. In addition, the parties may amend the structure of the consideration and other payments to be made regarding the transaction to reflect tax and accounting advice.

The indicative capital structure of Exoma post acquisition of TGG is set out below:

	Shares
Existing Exoma shareholders	422,846,696
Initial Shares to TGG vendors	185,000,000
Total after Initial Shares	607,846,696*
Additional Shares to TGG vendors if all Hurdles are met	180,000,000
Total	787,846,696

*Exoma is currently in consultation with ASX regarding the requirements for Exoma to re-comply with Chapters 1 and 2 of the Listing Rules following completion of the acquisition of TGG. ASX may require Exoma to raise additional capital through the issue of new Exoma shares at a minimum issue price in connection with the re-compliance with the Listing Rules. If this is the case, further new Exoma shares will be issued at an issue price to be determined to raise this capital.

3. Additional Completion and Post-Completion payments

Upon completion, Exoma will:

- (a) procure that certain payments will be made within TGG of up to \$200,000; and
- (b) procure the payment of a dividend to the vendors, from The Gruden Group, equal to the audited net profit of TGG for the period 1 July 2014 until completion of the

acquisition, provided that the audited net assets of TGG less intangibles is greater than the dividend.

4. Board of the Combined Group

Following completion of the acquisition, the Board of the combined group will comprise of Mr Gary Castledine (non-executive chairman), Mr Stephen Harrison (non-executive director), Mr Warren Barry (executive director) and Mr Todd Trevillion (executive director). Information about these directors is set out below:

About Mr Gary Castledine

Mr Castledine is currently a non-executive Director of Exoma and has over 20 years experience in stockbroking and capital markets. He was a founding director and the head of corporate with Indian Ocean Capital in Perth, Western Australia, a specialist boutique securities dealer and corporate advisory firm. Mr Castledine is currently director/head of corporate with full service boutique stockbroking and investment firm CPS Capital Group Pty Ltd, established in June 2013 through the merger of Indian Ocean Capital and CPS Securities. Mr Castledine is a member of the Stockbrokers Association of Australia and has been Chairman and non-executive director of a number of ASX listed companies.

About Mr Stephen Harrison

Mr Harrison is currently a non-executive Director of Exoma and has over 30 years experience in the financial services, funds management, private equity and accounting fields. He has held director positions with Investec Funds Management and the Australian subsidiary of US based fund manager Sanford C. Bernstein. Previously, he was National Director, Financial Services for BDO Nelson Parkhill, Chartered Accountants. Mr Harrison has been a founder and held directorships in a number of listed companies both in Australia and overseas.

About Mr Warren Barry

Mr Barry has over 18 years Digital Marketing experience and is the Managing Director and Founder of Blackglass (2005) which is a fully integrated Digital Marketing Business. Mr Barry has been actively involved in taking two companies to listing on the ASX. Warren ran one of Australia's largest Digital Agencies (Patts Digital) from 2001-2005 which provided him the opportunity to work with some of Australia's leading Brands. Mr Barry is currently the Interim CEO of The Gruden Group. Mr Barry has a BSC from UNSW and a MBA from UWA.

About Mr Todd Trevillion

Mr Trevillion has over 20 years' experience in developing digital strategies, user-focused websites, mobile apps and campaigns, online business applications and rich interactive experiences for enterprise organisations, world name brands and Australian Government

departments. Mr Trevillion oversaw the development of Mobile Den. He has also been involved in special projects focused on network management, specifically in the planning and roll-out of desktop management software, network performance and security.

5. Management of the Combined Group

The Senior Leadership team for the combined group will be comprised of Mr Warren Barry, Mr Todd Trevillion and Mr Brent Trimmell-Ritchard who will each enter new employment contracts with the group. Mr Warren Barry will be the interim CEO for the combined group, pending appointment of a new CEO within 12 months of completion of the transaction.

6. Other terms and conditions of the formal acquisition agreement

The formal acquisition agreement will contain customary warranties and indemnities regarding TGG including that all material information has been disclosed, that all information provided, including financial accounts and budgets are accurate and an indemnity from the sellers regarding any potential liability arising out of the transfer of certain assets to TGG. If there is a material adverse change to the business of TGG or if any material breach of warranty during the period between exchange and completion of the formal acquisition agreement the parties will renegotiate the consideration and if they cannot agree, the agreement will terminate.

7. Payment upon execution of the heads of agreement

Upon execution of the heads of agreement, Exoma has agreed to pay TGG the sum of \$50,000. This is in addition to the sum of \$50,000 previously paid in order to secure a period of exclusivity to negotiate the heads of agreement.

8. Exclusivity

Exoma will have continued exclusivity to negotiate the transaction documents with TGG. If TGG does not comply with their obligations in this regard, Exoma is entitled to be paid a break fee of \$100,000.

Conditions

The heads of agreement is subject to a number of conditions, including mutual legal, financial and technical due diligence, agreeing the terms of the transaction documents and shareholder and regulatory approvals (including ASX approvals).

The terms of the heads of agreement may be renegotiated if there is a material change in circumstances from the position of the parties understood at the date of the heads of agreement.

The finalisation of the formal acquisition agreement is subject to the following conditions:

- (a) Agreement being reached between the parties as to the business plan and strategy for the combined group and the management personnel and structure of the combined group including the appointment of a financial controller; and
- (b) Completion of the transfer of certain assets from Gruden Holdings Pty Ltd (which is not included in the Gruden Group) to Gruden Pty Ltd.

In addition, the proposed transaction will be subject to the following conditions:

- (a) Each party being satisfied with the outcome of their due diligence investigations;
- (b) Execution of Escrow Agreements restricting trade of the consideration shares for up to two years, if required by the ASX;
- (c) Exoma receiving an investigating accountants report satisfactory to Exoma and an independent expert's report confirming that the proposed transaction is fair and reasonable to Exoma shareholders;
- (d) Exoma obtaining all necessary consents, waivers and approvals from ASIC and ASX and, if required by ASX, raising any additional capital required by ASX to satisfy any obligations to re-comply with Chapters 1 and 2 of the Listing Rules. If ASX does require additional capital to be raised, the sellers of TGG will be entitled to subscribe for additional shares in Exoma to maintain the level of shareholding they would have had if no capital raising was required;
- (e) Approval by Exoma's shareholders of the proposed transaction, the change in nature and scale of Exoma's activities (if required by the ASX), the issue of shares to directors or their related parties, any necessary share consolidation and any proposed change of name;
- (f) Exoma having at least \$7 million net cash and receivables after taking into account any deal costs but excluding any payments to be made to the sellers or TGG; and
- (g) ASX having provided written advice that it will relist Exoma on ASX and grant official quotation to the Consideration Shares and all shares on issue in Exoma following completion of the proposed transaction.

Change of Name

Exoma will change its name on completion of the proposed transaction. Details of the name change will be provided in the Notice of Meeting, which will require approval from Shareholders.

Change to Nature and Scale of Activities

The acquisition of TGG will constitute a change to the nature and scale of Exoma's activities. Exoma will therefore need to re-comply with Chapters 1 and 2 of the ASX Listing Rules. As part of

satisfying its requirements to re-comply, the acquisition must be approved by Exoma shareholders. Shareholders will receive a Notice of Meeting setting out various resolutions relating to the acquisition. A detailed explanatory statement will accompany the Notice of Meeting and will be distributed to all Shareholders prior to the meeting.

ASX may impose some further conditions and requirements, in addition to the Notice of Meeting, for Exoma to meet in order to comply with Chapters 1 and 2 of the ASX Listing Rules.

Timetable

Following execution of the heads of agreement, the parties will negotiate in good faith for 90 days (or longer, if agreed) to agree the documentation necessary to give effect to the proposed transaction. If the documentation is not agreed within this time period, the heads of agreement will lapse, and no party will have any further obligation to proceed with the transaction.

Further details of the transaction and its effect on Exoma as required under ASX Listing Rule 11.1 and ASX Guidance Note 12 will be provided as and when negotiations are progressed.

FURTHER INFORMATION

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