

## SECTION 1: CHAIRMAN'S LETTER

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### Exoil Limited

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Dear Member

This Information Memorandum is issued in support of an application by Exoil Limited for listing on the National Stock Exchange of Australia Limited ("NSX"). It contains detailed information about the Company's financial position, petroleum exploration permits and operations. While this is not a capital raising document, Members and Proposing Investors are encouraged to read this Information Memorandum in full and to seek professional advice before deciding whether to invest or trade in the shares of the Company following its admission to the Official List of NSX.

The Board foreshadowed seeking this listing last year and confirmed the exercise was well advanced via my "Chairman's Review" within the latest annual report. A copy of that annual report is included as Section 9 of this Information Memorandum. As that annual report was so recently released, it contains an up-to-date commentary on the current status of the Company's operations within the 12 Permits in which it has an interest. You are thus pointed to my Review and to the Directors Report for that commentary.

Operations continue at a pace, with the next milestone being the Spikey Beach 1 well to be drilled in T/38P in the Bass Basin, offshore Tasmania. That well is now due to spud in late December, having been delayed due to minor rig damage when moving off a recently completed well.

There may also be a well drilled during the first quarter of 2009 (in WA-359-P, Dampier Basin, offshore Western Australia), should MEO Australia Limited commit to this as provided in the farmout to that company of part of Exoil's interest in that licence.

The Braveheart 1 well is planned for later in 2009 within WA-333-P, Browse Basin, offshore Western Australia.

As well as these planned wells, there is a significant amount of work being progressed across other of the Company's 12 Permits and this is described in this Information Memorandum in Section 4.

To reiterate, Members and Proposing Investors should read this Information Memorandum in full and take professional advice if you are considering investing in the Company's shares.

Yours sincerely

A handwritten signature in black ink, appearing to read "James Willis".

**James Willis**  
Chairman

12 November 2008