

## **SECTION 3: KEY FEATURES AND HIGHLIGHTS**

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Exoil carries on oil and gas exploration in the offshore margins of Australia. The Company is managed by the Directors and Company Secretary with the support of outside consultants. See Section 6 for details of the qualifications and experience of these persons.

The Company's petroleum exploration activities are set out in Section 4, while Section 7 contains the Independent Expert's report from the Consultant Geologist. A summary of the Company's financial information is at Section 5 and detailed audited Financial Statements as at 30 April 2008 are contained in Section 9.

The Company carries on high risk activities, with details of the known risks set out in Section 8. General matters, including the Directors' and Officer's interests, are set out in Section 10.

### **STRATEGY - OIL FOCUS**

The Company's strategy is to acquire and control strategic areas prospective for oil in offshore waters within the jurisdiction of Australia. The Board recognises that the Company lacks the resources to fully explore and develop the areas on its own behalf. This is why the Company will seek opportunities that have significant potential to be farmed out and/or developed in conjunction with major industry players.

### **EXPERIENCED BOARD**

The Board has:

- experience in the oil and gas and resource industries.
- a proven track record of creating value for shareholders.
- a commitment to standards of corporate governance.

### **DIVERSITY OF PROJECTS**

Exoil provides the following diversity of activity exposure:

#### **Bass Basin – T/38P – 35% (10% in Spikey Beach Blocks)**

- **Spikey Beach-1 well to be drilled in late December 2008.**
- More than 600 line kms of new, high quality 2D seismic just acquired.
- Various fault block oil plays.
- Nearby to Trefoil-1 gas discovery.
- Close to southeast Victoria gas markets.
- Contains known Pelican gas occurrence (5 wells).
- Rich liquids and gas source seem apparent.

#### **Gippsland Basin – Vic/P45 – 50%**

- **Potential to farm down.**
- Strong oil potential.
- Approximately 1,100 kms<sup>2</sup> of modern 3D seismic shot in 2003.
- More than 10 leads and prospects remaining to be assessed.
- Existing oil/gas discoveries at Archer/Anemone.
- Close to under-utilised oil infrastructure.

#### **Bass Basin – T/37P – 35%**

- **More than 3,000 line kms of new, high quality 2D seismic just acquired.**
- 3 previously recognised leads in the Permit – scope for considerably more with new seismic.
- Adjacent to Yolla Gas/Condensate Development.
- Significant oil shows in Tilana-1 within the Permit.

#### **Gippsland Basin – Vic/P53 – 16.6667%**

- **West Cod oil potential.**
- Multiple oil and gas target potential.
- Heart of prolific oil producing Gippsland Basin, experiencing resurgent development and exploration.
- 3D seismic technology used to provide a new opportunity to uncover 'hidden' prospectivity.
- Pivotal location in eastern Australia, close to established markets and major population centres.
- Growing niche as Gippsland Basin emerges from ESSO/BHP dominance.
- Opportunities of significant scale for smaller entities.
- Nearby to under-utilised oil infrastructure including pipelines and processing plant.
- No well drilled in the Permit area for 18 years.

#### **Browse Basin – Browse Joint Venture Permits (WA-332-P, WA-333-P, WA-342-P) – 35%**

- **Braveheart structure across WA-332-P and WA-333-P defined: planned to be drilled in Q3 2009. See RPS Energy Report in Section 7**
- Slot on the Songa Venus drilling vessel secured to drill Braveheart-1 well.
- Braveheart well 2D infill seismic survey about to be acquired.
- International industry interest in the region.
- Strong oil potential.
- Huge amount of 3D seismic available in Cornea area (in WA-342-P).
- Contains the Cornea oil/gas occurrence, Gwydion oil occurrence immediately to the south.
- Established petroleum province.

#### **Dampier Basin/Rankin Trend – WA-359-P – 20%**

- **MEO Australia Limited Farm-in: by 31 December 2008, MEO must elect to drill a well or assign 30% Permit interest back to Exoil.**
- Both oil and gas potential.
- Only 8 kms from Mutineer/Exeter oil complex.
- Nearby to Hermes, Lambert and Wanaea Oilfields.
- Adjacent to the multi-TCF gasfields of the Rankin Trend: North Rankin, Perseus and Goodwyn.
- Only one well drilled on the fringe of the Permit.
- An unexplored area in close juxtaposition to giant fields.
- Close to both gas and oil infrastructure.

#### **Otway Basin – EPP34 – 15%; EPP35 and EPP36 – 30%**

- **1,100 line kms Tropoca new 2D seismic acquired and more than 1,500 line kms of seismic to be reprocessed, all in EPP34.**
- Troas Deep prospect: gas play in EPP35.
- 325 km<sup>2</sup> of 3D seismic planned for EPP35.
- 1,100 line kms on new 2D seismic planned for EPP36.
- Oil and gas potential.
- Region lightly explored.
- Permits located in proximity to the Adelaide gas pipeline.
- Frontier area with potential for large accumulations in new play types.

#### **Otway Basin – Vic/P61 – 30%**

- **Adjacent to developing infrastructure and new gas developments at Casino, Minerva, Geographe and Thylacine.**
- Located in commercial gas province.
- Potential for oil plays in Cretaceous and Tertiary play fairways.
- Close to markets, population centres and new infrastructure.
- Plans to acquire up to 1,000 line kms of new 2D seismic.