

# MENZIES & PARTNERS

## Solicitors

Graeme A Menzies

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14 November 2008

Mr Ian Craig  
Companies Manager  
National Stock Exchange of Australia Limited  
Ground floor  
410 Collins Street  
MELBOURNE VIC 3000  
By email [ian.craig@nsxa.com.au](mailto:ian.craig@nsxa.com.au)

Dear Sir

### EXOIL LIMITED: APPLICATION FOR LISTING ON NSX

In accordance with the provisions of the Listing Rules of the National Stock Exchange of Australia Limited ("NSX") as set out in Appendix 1 as required under Section 11A of the NSX Listing Rules ("the Listing Rules"), Exoil Limited (ABN 40 005 572 798) makes application for admission to the Official List of NSX.

The following information is provided:

#### 1. GENERAL

##### 1.1 Name of the applicant and date and place of incorporation

The name of the applicant is Exoil Limited (ABN 40 005 572 798) ("Exoil"). The applicant was incorporated within Australia and a copy of the Certificate of Registration is provided with this application letter, together with a copy of the Exoil constitution.

##### 1.2 Address of the principal registered office and the address of each office at which a share register is kept

The registered office is Level 21, 500 Collins Street, Melbourne 3000. The registry is maintained by Link Market Services Limited, Level 1, 333 Collins Street, Melbourne 3000. Further details are set out in the corporate directory of the Information Memorandum, a copy of which is enclosed.

##### 1.3 Request for the *listing of the securities* in respect of which application is made, specifying the nature of the *securities* and the amount, class, the voting rights attached and whether they are to be fully paid

Exoil requests that, except for the options that are detailed below, all of the securities on issue as at the date hereof be admitted to quotation. Exoil presently has a total of 101,550,526 ordinary fully paid shares on issue has granted a total of:

- 2,350,000 options exercisable at 15 cents on or before 31 December 2009; and
- 1,950,000 options exercisable at 20 cents on or before 31 December 2009.

A complete list of all options granted will be supplied with the Share Register. A copy of the Option Register is set out below for convenience.

	Options	Expiry Date
<b>Incentive Plan - Series 1 (15 cents)</b>		
Appledore custodians Ltd	400,000	31-Dec-09
Albers EG	200,000	31-Dec-09
Menzies, GA	400,000	31-Dec-09
Albers, PJ	200,000	31-Dec-09
Muzzin, MA	400,000	31-Dec-09
Perugini, F	200,000	31-Dec-09
Sturrock, S	150,000	31-Dec-09
Geary, G * Consultancy Agreement	400,000	31-Dec-09
	2,350,000	
<b>Incentive Plan - Series 2 (20 cents)</b>		
Geary, G	100,000	31-Dec-09
Armitage, P	250,000	31-Dec-09
Muzzin, MA	350,000	31-Dec-09
Perugini, F	150,000	31-Dec-09
Sturrock, S	100,000	31-Dec-09
Geary, G * Consultancy Agreement	400,000	31-Dec-09
Tuohy, J G	600,000	31-Dec-09
	1,950,000	
<b>TOTAL</b>	<b>4,300,000</b>	

Each of Messrs Albers and Menzies are directors. A summary of Director's share and option holdings is set out in clause 10.3.8 of the IM at page 191.

The shares on issue are ordinary shares and carry one vote per share.

**1.4 Proposed method by which the securities are to be brought to listing and details of any proposed distribution of the securities**

Exoil has prepared the Information Memorandum ("IM") provided with this letter in support of the application for listing on NSX. It will also be provided to current holders of Exoil securities. A copy will be placed on Exoil's website so that it may be available to individuals who may propose to invest in Exoil securities via NSX.

Exoil already has a significant shareholder distribution and a spread analysis of existing shareholders is provided with this application letter. Suffice to say that the spread requirements of NSX are met by the existing shareholder base.

**1.5 Estimated market capitalisation of the securities for which a listing is sought**

The securities for which listing on NSX are already issued. Therefore, based on the net assets of the company as reported in its most recently audited financial statements for the year ended 30 June 2008 (included in Section 9 of the IM), the market capitalisation of Exoil at that date would have been approximately \$4.0 million (excluding any market value dilution attributable to the options).

A consolidated unaudited balance sheet of Exoil as at 30 September 2008 is provided in Section 5 (page 23) of the IM and records net assets of approximately \$3.95 million.

**1.6 Estimate of the net proceeds of any proposed issue and the intended use of the proceeds**

This application for listing on NSX is not being sought via an issue of securities. The source and application of funds contemplates a \$1,500,000 capital raising in 2009/2010. Whether this is required will depend on working capital requirements and the results of any sales of interests or farmins.

The statement of the source and application of the funds is provided in Section 5 (page 24) of the IM.

**1.7 Name of any other stock exchange on which any securities of the issuer are already listed and/or traded**

The securities are not listed or traded on any other stock exchange.

**2. SHARE CAPITAL AND OWNERSHIP**

The following information is provided as extracted from the IM.

Required Details	Information
Title of each class of share:	Ordinary
Number of shares issued (all fully paid):	101,550,526
Voting rights attached to each share:	One vote per share.
Shareholdings of directors and officers:	See Section 10.3.8 at page 191 of the IM.
Names of shareholders holding 5% or more:	A schedule of these is provided with this application letter.

**3. SECURITIES**

The principal terms of the securities Exoil wishes to list on NSX are the ordinary shares as referred to at 1.3 above, together with two classes of options to acquire ordinary shares but for which listing is not being sought. The terms of the ordinary shares are set out in Section 10.2.1 (page 186) of the IM.

The terms of the options to acquire ordinary shares are set out in Sections 10.1.17 (pages 184 – 186) and 10.2.2 (pages 187 & 188) of the IM.

**4. HISTORY AND NATURE OF BUSINESS**

The history and nature of the operations of Exoil are set out in the IM in the Chairman's letter at Section 1 and in Sections 3 and 4, covering the Key Features and Exploration Activities respectively.

The independent expert geologist's report at Section 7 of the IM provides a detailed history of the exploration permits Exoil has interests in, while the "Chairman's Review" in the financial report at Section 9 is a synopsis of the last year's activities.

**5. SUMMARY OF EARNINGS**

Consolidated audited financial statements for the past three (3) years are supplied in the 2007 and 2008 Annual Reports of Exoil provided with this application letter.

**6. TABULATION OF BALANCE SHEET**

Please refer to item 5. The net asset backing per security (undiluted for any options on issue) for the last three (3) financial years ended 30 June 2006, 2007 and 2008 was. approximately \$0.079 (7.9 cents), \$0.080 (8.0 cents) and \$0.079 (7.9 cents) respectively.

Subsequent to 30 June 2008, the ordinary shares have been sub-divided on a '2 for 1' basis.

As noted in 1.5 above, a consolidated unaudited balance sheet of Exoil as at 30 September 2008 is provided at Section 5 (page 23) of the IM. This balance sheet post-dates the sub-division of the ordinary shares and provides a net asset backing of approximately \$0.039 (3.9 cents) per ordinary share.

**7. EMPLOYEES**

Save for Directors and Company Secretary, Exoil does not have any employees. Each of the Directors carries out part-time executive functions as required and secretarial, accounting and administrative support is provided by contractors and various related parties of Exoil, as set out in notes 16 and 17 of the 30 June 2008 audited financial statements included in Section 9 of the IM.

**8. CHILD ENTITIES**

Exoil has one (1) child entity. That entity is Hawkestone Oil Pty Ltd; it is wholly-owned by Exoil and participates in the same activities as Exoil, namely exploration.

**9. DIVIDEND RECORD**

Exoil is an exploration company and has not paid dividends. No dividends are currently foreseeable.

**10. PROPERTIES**

Exoil holds interests in twelve (12) exploration permits. Section 4 of the IM provides details of each of these permits in relation to the percentage interest owned and the activities being carried out within them. Section 7 of the IM describes each permit's geological nature and prospectivity.

**11. LITIGATION**

Save that Exoil is subject to a claim for native title over an area of approximately 202 square kilometres of one its permits covering an area greater than 740 square kilometres (see page 10 of the IM), Exoil has not been subject to any litigation or claims of material importance made against it within the past five years and no such claims are pending or threatened. The Native Title claim covers a wide area and affects a number of parties. There is no reason to believe that it will be in dispute or lead to litigation.

**12. MANAGEMENT**

The details, qualifications, business experience and other relevant directorships of the directors are set out in Section 9 of the IM. Their full names and residential addresses are separately supplied in their individual "Director's Declaration and Undertaking" forms that accompany the complete "Application Checklist".

There are no family relationships between any of the persons named.

None of the directors has, in any jurisdiction, been convicted in any criminal proceeding or had a bankruptcy petition filed against him or otherwise been disciplined by any self-regulatory securities association, nor has he been a member of a firm or partnership in respect of which any such event or proceeding has taken place. Mr Menzies has been a director of a listed entity while that entity (Maple Oil N L) was in administration and receivership. See Mr Menzies' declaration.

**13. SPONSORS, BANKERS, ETC**

These details are contained in the corporate directory in the IM. In particular, the corporate directory details the sponsoring broker and nominated advisor, Pritchard & Partners Pty. Limited (a Participant Broker of NSX), the auditor of Exoil, PKF Chartered Accountants and the share registry, Link Market Services Limited.

The banker to Exoil is National Australia Bank.

**14. STATEMENT OF NON-COMPLIANCE**

Exoil is not aware of any requirement of the Listing Rules which cannot be met by it.

**15. DECLARATION**

To the best of the knowledge, information and belief of Exoil:



The General Manager  
National Stock Exchange of Australia Limited

14 November 2008

- 15.1 all the qualifications for *listing* set out in Chapter 3 of Section IIA of the *Listing Rules* have, in so far as applicable and required to be met and fulfilled prior to application, been met or fulfilled in relation to it and the securities the subject of this application;
- 15.2 the Information Memorandum is not a disclosure document pursuant to Rule 4.8 and the *Corporations Act*; and
- 15.3 there are no other facts bearing on the application by Exoil for *listing* which, in the opinion of Exoil, should be disclosed to NSX.

This application is submitted electronically by email. The original will be despatched to NSX, together with a copy of the IM and the other documents referred to in this application letter.

Finally, the IM refers to material agreements in Section 10.1 and describes and details them over pages 178 to 186. A number of these documents are repetitive in their nature, content and/or details and Exoil seeks your guidance in relation to which of these agreements NSX requires to receive in support of this application for listing.

Yours faithfully,



**GRAEME MENZIES**  
Director and Solicitor  
for Exoil Limited