

**Exoil Limited**

ABN 40 005 572 798

Level 21
500 Collins Street
Melbourne Victoria 3000 Australia

Tel: (+61 3) 8610 4700
Fax: (+61 3) 8610 4799
Email: admin@exoil.net

RELEASE**EXTENSION OF STUART'S VIC/P53 DRILLING ELECTION DATE**

Exoil Limited (NSX Code: EXX) advises that it has granted to Stuart Petroleum Limited ("Stuart") an extension until 31 March 2009, being the time by which Stuart may make its election to participate in a second well in Vic/P53.

Stuart previously entered into an agreement with Exoil and Moby Oil & Gas Limited ("Moby") whereby Stuart could earn a 50% interest in Vic/P53, by drilling two exploration wells at its cost. Stuart has the right to withdraw following the drilling of the first well, but if it does so it must reconvey the whole of its interest to Exoil and Moby. Stuart recently drilled the Bazzard 1 well as the first well.

Current participants in Vic/P53 are:

| | |
|--|-----------|
| Stuart Petroleum Limited (ASX Code: STU) | 50.0000% |
| Exoil Limited (NSX Code: EXX) | 16.6667% |
| Moby Oil & Gas Limited (ASX Code: MOG) | 8.3333% |
| Australia Crude Oil Company (inc. in USA) | 15.0000% |
| Cue Petroleum Pty Ltd (Private Albers company) | 10.0000% |
| | <hr/> |
| | 100.0000% |
| | ===== |

By Order of the Board

A handwritten signature in blue ink, appearing to read "J.G. Tuohy".

J.G. Tuohy
Company Secretary

22 December 2008

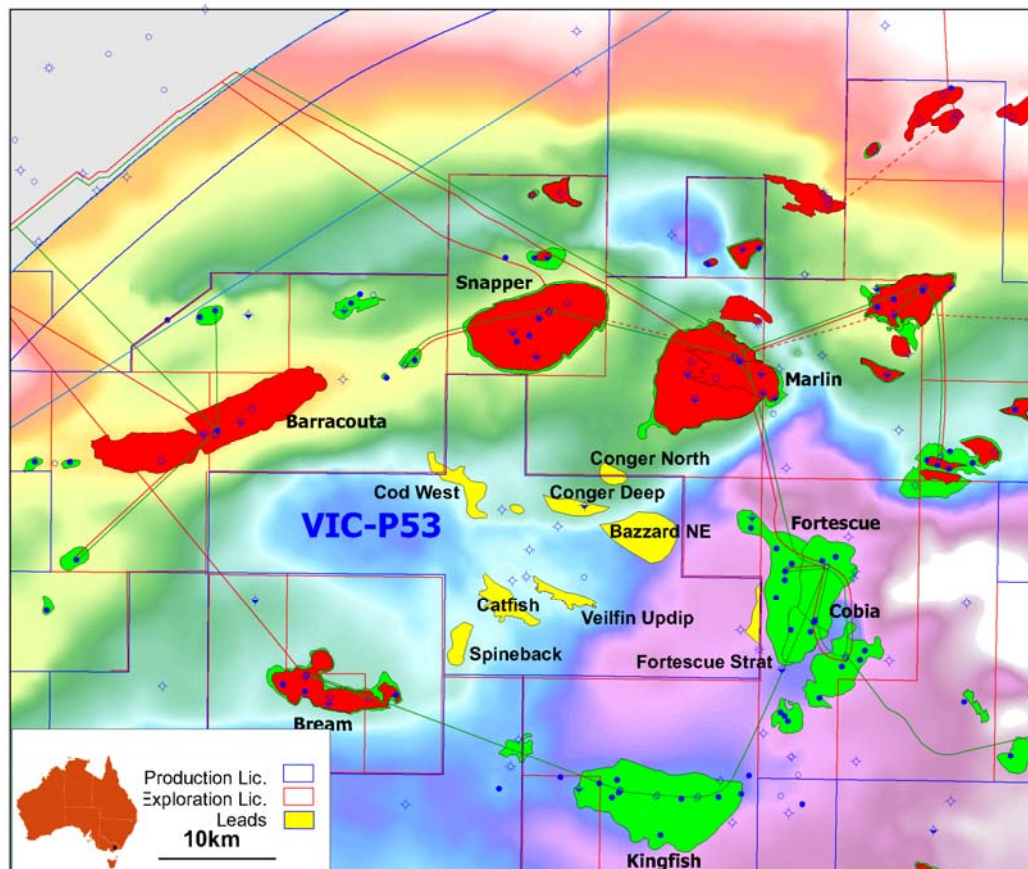


Figure 4. VIC/P53 Gippsland Basin, exploration leads and surrounding oil and gas fields.