



Exoil Limited

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RELEASE

SPIKEY BEACH-1 UPDATE

T/38P - OFFSHORE BASS BASIN

Exoil Limited (*NSX Code: EXX*) reports that Beach Petroleum Limited ("Beach"), the Operator for a designated area of interest within permit T/38P and of the Spikey Beach-1 well reported today that:

"The Ocean Patriot semi-submersible drilling rig is expected to be released to Beach for the drilling of the Spikey Beach-1 exploration well in T/38P in the Bass Basin offshore Tasmania later today. Beach is the operator for the well and will be earning 80% in the Spikey Beach farmout blocks through the drilling of the well. Spikey Beach-1 will be targeting mean recoverable oil of 16 million barrels and a high side of 41 million barrels (recoverable) of oil in the Upper Eastern View Group. The well is expected to spud early next week, dependent upon weather conditions."

The participants in the Spikey Beach-1 well are:

Beach Petroleum Limited	80%
Exoil Limited	10%
Galveston Mining Corporation Pty Ltd (Cue Energy Resources Ltd subsidiary)	10%

By Order of the Board

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

J.G. Tuohy
Company Secretary

3 September 2009