

Under the terms of the Agreements relating to both WA-409-P and WA-359-P, Apache has agreed to fund the acquisition, processing, mapping and interpretation of a 3D seismic survey across both permits. This commitment will earn Apache a 40% equity interest and operatorship in each of WA-409-P and WA-359-P, with Exoil's interest in WA-359-P reducing to 30%.

Apache has a further right to elect to earn additional interests in WA-409-P and WA-359-P by funding up to 100% of the costs of the first well to be drilled in either of the permits. If Apache elects to drill a well in WA-359-P, Exoil will be free carried through the costs of the well but will retain a 15% carried interest. If Apache drills a well in the adjoining permit, WA-409-P, Apache will have completed its right to acquire a 70% interest in each of WA-359-P and WA-409-P, with Exoil retaining a 15% interest and an obligation to fund its participating interest share of any well the parties subsequently agree to drill within WA-359-P.

Exoil has retained the right to elect to fund 5% of the costs of any well in WA-359-P and, by so doing, to maintain its potential interest in the permit at 20%.

Exoil will make a further and more detailed announcement in due course once the regulatory approval and permit variation process is further advanced and the planned 3D seismic programme has been finalised.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'J.G. Tuohy', is written over a light grey circular stamp that contains the word 'SECRETARY'.

J.G. Tuohy
Company Secretary

21 October 2010