

Exile Resources Inc. and Oando PLC Announce Proposed Acquisition and Financing

August 2, 2011 (Toronto, Ontario): Exile Resources Inc. ("**Exile**") (TSXV:ERI) and Oando PLC ("**Oando**") (NSE: OANDO and JSE:OAO), a Nigerian based integrated energy group, are pleased to announce that they have entered into a term sheet dated July 28, 2011 providing for, subject to the completion of satisfactory due diligence by both parties and other conditions, the acquisition (the "**Acquisition**") by Exile of certain interests of Oando in respect of Oil Mining Leases and Oil Prospecting Licenses (the "**Upstream Assets**") in exchange for 100,000,000 post-consolidation common shares in the capital of Exile ("**Shares**"). Oando is a public limited liability company incorporated under the laws of the Federal Republic of Nigeria ("**Nigeria**"). In 2010, according to its financial statements for the year ended December 31, 2010 audited in accordance with International Financial Reporting Standards, Oando generated total revenues of US\$2.55 billion, of which US\$131 million was from its exploration and production segment.

Oando's interests in the Oil Mining Leases and Oil Prospecting Licenses are held through direct and indirect subsidiaries located in Nigeria. The Oil Mining Leases and Oil Prospecting Licenses are a combination of producing, development and appraisal and exploration assets and are in respect of oil fields located in onshore and offshore Nigeria (including the Niger Delta), the Nigeria Sao Tome and Principe Joint Development Zone ("**JDZ**") and the Exclusive Economic Zone ("**EEZ**") of Sao Tome and Principe.

"We are very excited about this proposed transaction with Oando to build the leading indigenous upstream oil and gas company in Africa and believe this will produce great value for our Exile shareholders" says Stan Bharti, Exile's Chairman.

The parties have agreed to negotiate exclusively with each other in good faith and use their reasonable efforts to negotiate a definitive agreement to give effect to the Acquisition (the "**Definitive Agreement**") on or prior to September 30, 2011. The manner in which the Acquisition will be completed will be determined after each party has had an opportunity to complete its due diligence and consider all applicable tax, securities and other laws. As a condition precedent to signing the Definitive Agreement, Oando shall be satisfied that the Acquisition is structured to ensure that (i) each of the Nigerian assets/companies comprising the Upstream Assets maintains its status as an indigenous Nigerian company under Nigerian law in order to maintain and/or secure indigenous fiscal terms and any other policies and laws applicable to indigenous companies; and (ii) Oando achieves an optimal result having regard to tax and regulatory concerns of Oando.

Exile and Oando are joint venture partners on Exile's Akepo oil field located in Nigeria. On January 5, 2009, Exile announced that it had entered into an agreement with an affiliate of Oando whereby such affiliate was permitted to acquire a 75 percent working interest in Exile's 40 percent interest in the Akepo field in return for funding Exile's historical expenses, and financing the future development expenditure of the project. Under the terms of the agreement that is structured in two stages, the affiliate of Oando is required to reimburse Exile's historical expenses on the Akepo field, and finance the further development of the project, in return for acquiring 75 percent of Exile's current economic interest in the project. On January 20, 2009, Exile received US\$1.0 million in compliance with the terms of the agreement. On April 9, 2010, Exile received the final tranche of the expected US\$1.1 million to complete the equity transfer. One final payment of approximately US\$1.0 million is due at first oil, expected to be Q4 2011. Exile retains a 17.5 percent economic interest in the Akepo field after cost recovery by the affiliate of Oando, until 7.5 million barrels of oil equivalent ("**boe**") have been recovered from the field. After this, Exile's interest will decline proportionally to 12.5 percent until 10 million boe have been recovered from the field, and to 10 percent thereafter. During the cost recovery phase, Exile will be entitled to an 8 percent economic interest.

Exile and Oando are arm's length parties as defined by the Toronto Stock Exchange Venture Exchange ("**TSXV**") Listing Requirements, and there are no current non-arm's length parties of Exile which are insiders of Oando or presently hold any direct or indirect beneficial interest in either Oando or any of its assets other than pursuant to the joint venture described above. There are currently no "control persons" (as defined by the applicable regulations of the TSXV) of Oando.

Concurrently with the Acquisition and as a condition precedent to completion of the Acquisition ("**Completion**"), Exile intends to, by way of plan of arrangement (the "**Plan of Arrangement**") and subject to receipt of all

necessary approvals, change its name and effect a consolidation of its outstanding Shares on a basis such that the current shareholders of Exile shall receive in exchange for each 20 Shares currently held: (i) one post-consolidation Share; and (ii) two share purchase warrants of Exile one of which will be exercisable for one Share at a price of US\$3.00 per Share for a period of 12 months; and the second of which will be exercisable for one Share at a price of US\$4.00 per Share for a period of 24 months. The parties have agreed that they may, subject to market conditions, complete a financing on or prior to Completion pursuant to which purchasers will, in effect, receive up to 20,000,000 Shares at a price of US\$3.00 per Share for aggregate proceeds of up to US\$60 million (the “**Financing**”, and together with the Acquisition, the Plan of Arrangement and related transactions, the “**Restructuring**”).

While Oando commenced its operations in downstream petroleum products marketing, since December 2003, the Oando group has comprised five companies across the entire energy value chain. In 2005, Oando became the first African company to obtain a secondary listing on the JSE Limited, which was the first dual listing in Nigerian history. For more information about Oando including current assets profile and detailed results, please visit the website at www.oandopl.com.

Exile is a Canada-based public company currently engaged in the exploration, development and production of petroleum and natural gas in Turkey, Nigeria and Zambia. For further details on the current exploration activities of Exile, please refer to SEDAR at www.sedar.com. For further details concerning Exile, including financial information, please refer to the annual audited financial statements of Exile for the year ended August 31, 2010 as well as the unaudited interim financial statements of Exile for the six month period ended February 28, 2011, together with the accompanying management’s discussion and analysis for each such period, all available on SEDAR at www.sedar.com.

Following the transaction, it is anticipated that Exile will continue to operate in the oil and gas sector with a focus on the development of the Upstream Assets, in an effort to enhance overall shareholder value.

Upon completion of the Restructuring and subject to receipt of all necessary approvals, it is expected that (a) the existing management team of Exile will be retained and assigned mutually acceptable roles and functions and, as a condition precedent to Completion, Oando will have the right to appoint members to the management team of Exile; (b) the board of directors of Exile will be comprised of three nominees of Oando, two nominees of Exile and two independent directors, and (c) Jubril Adewale Tinubu will be appointed as the Chairman of Exile. This board and management composition has been structured so as to integrate the expertise of experienced oil and gas executives to manage Exile’s new Upstream Assets. Upon Completion, it is expected that the management and directors of Exile who have been appointed by Oando will receive an aggregate of 20 million options, each option exercisable for one Share at a price of \$3.00 per Share for a period of five years and vesting pursuant to the terms of Exile’s stock option plan.

Mr. Jubril Adewale Tinubu is the Group Chief Executive of Oando PLC, having been appointed to this position in June 2001.

Mr. Tinubu is a lawyer and has almost 20 years experience within the Nigerian Oil and Gas Industry. He obtained a Bachelor of Laws (LL.B.) degree from the University of Liverpool, England in 1988 and a Masters of Laws (LL.M.) from the London School of Economics, England, in 1989.

Mr. Tinubu is a World Economic Forum ‘**Global Young Leader**’ and was awarded Africa’s ‘**Business Leader of the Year**’ by the Africa Business Magazine and the Commonwealth Business Council in June 2010 on the basis of his contributions to the development of the African Oil and Gas industry.

Exile expects to apply to list its Shares on the Toronto Stock Exchange (“**TSX**”) upon completion of the Restructuring.

Completion of the Restructuring is subject to a number of conditions, including the approval of the TSXV and TSX, the completion of satisfactory due diligence, the requisite regulatory approvals, and the requisite majority approval of shareholders of Exile. The Restructuring cannot close until the approval of shareholders of Exile and all required regulatory approvals are obtained. There can be no assurance that the Restructuring will be completed as proposed or at all. Investors are cautioned that, except as disclosed in any management information circular or filing statement to be prepared in connection with the Restructuring, any information

released or received with respect to the proposed Restructuring may not be accurate or complete and should not be relied upon. Trading in the securities of Exile should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed Restructuring and has neither approved nor disapproved the contents of this press release.

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Forward-Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Exile and Oando, including, but not limited to, the impact of general economic conditions, industry conditions, dependence upon regulatory and shareholder approvals, the execution of definitive documentation and the uncertainty of obtaining additional financing. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

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