

Essential Petroleum Resources Limited

Annual General Meeting Presentation

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John Remfry
Managing Director

The Otway Basin

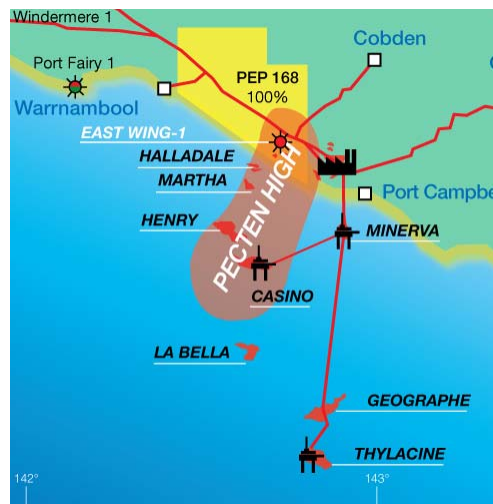
- Offshore, in excess of 1.7 TCF recoverable gas has been discovered in the eastern part of the Otway Basin associated with the Pecten High.
- A similar feature, the Discovery Bay High has the potential to be the next major hydrocarbon province in the southern margins of Australia with potential to host oil and gas.
- In the central part of the basin, the Discovery Bay High hosts a large prospect and leads inventory of:
 - Small to medium hydrocarbon accumulations **onshore**
 - Very large continental margin plays **offshore**
- Onshore the Otway Basin has produced multiple commercial gas discoveries (200 Bcf) and indications of liquid hydrocarbons are becoming more common.
- Essential Petroleum's permits have complete coverage of the Discovery Bay High.

Otway Basin Permit Portfolio



Pecten High

- Pecten High hosts 1.7 TCF already discovered.
- EPR success onshore on Pecten High June 08.
- East Wing flows gas at an absolute rate of 48 million cubic feet a day.
- EPR poised to find more onshore gas in the vicinity of the Pecten High.

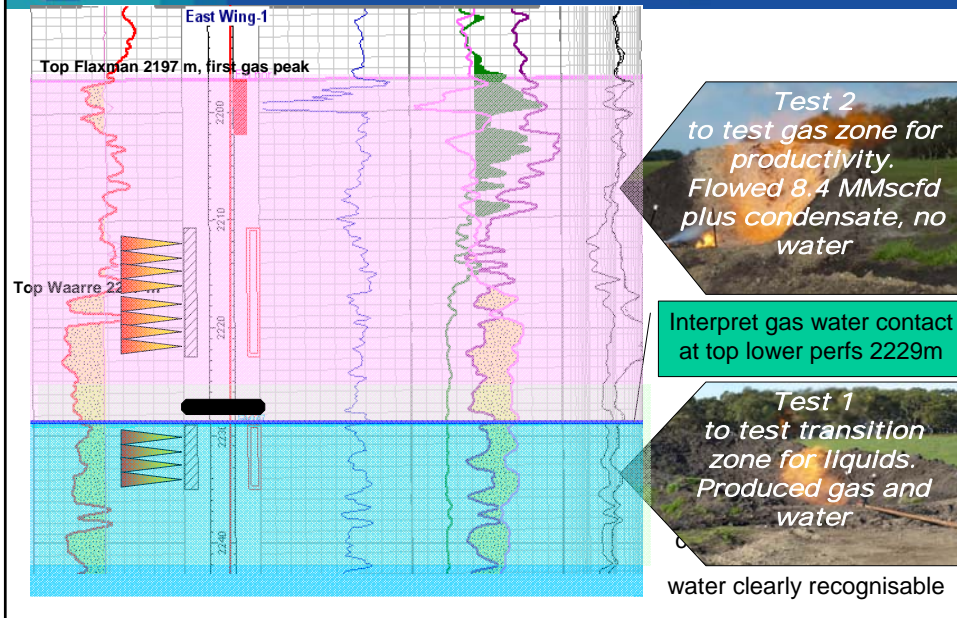


East Wing Gas Field



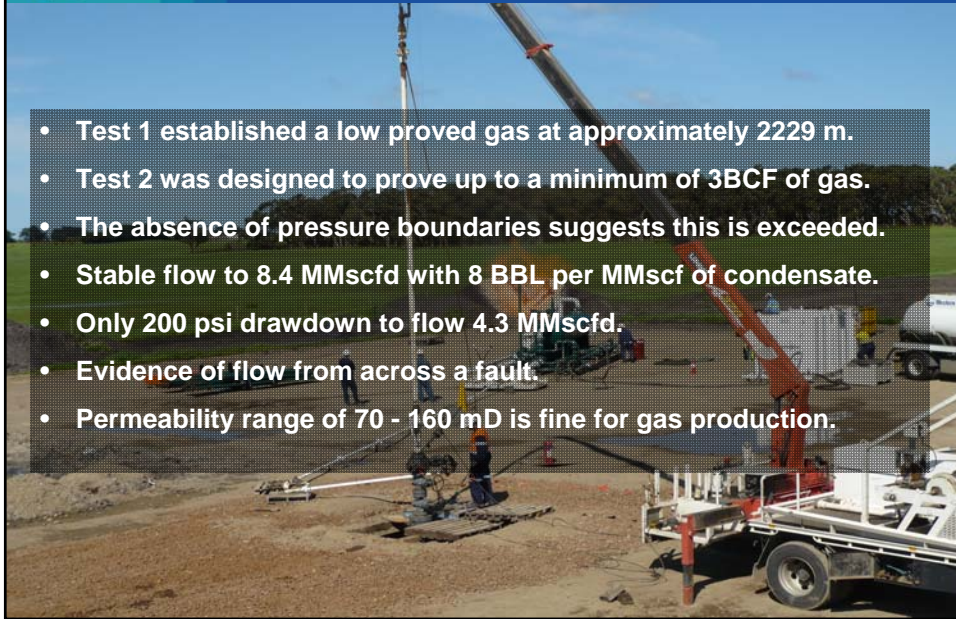
- Drill and test results
- Remapping
- Reserve estimate

East Wing-ST1 Results

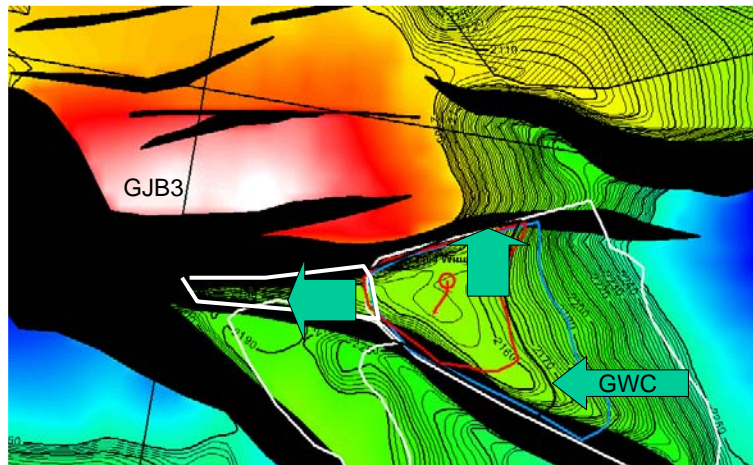


Production Test Details

- Test 1 established a low proved gas at approximately 2229 m.
- Test 2 was designed to prove up to a minimum of 3BCF of gas.
- The absence of pressure boundaries suggests this is exceeded.
- Stable flow to 8.4 MMscfd with 8 BBL per MMscf of condensate.
- Only 200 psi drawdown to flow 4.3 MMscfd.
- Evidence of flow from across a fault.
- Permeability range of 70 - 160 mD is fine for gas production.



New Areas of Reservoir

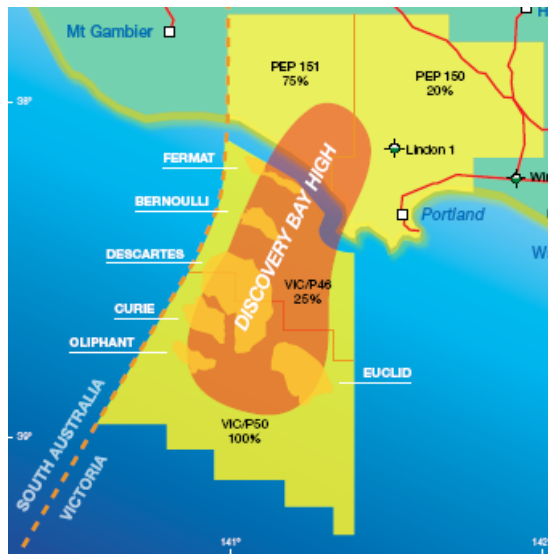


Remapping of reservoirs and seismic velocities has extended the block west, tilted the reservoir to a flatter gradient and identified a likely source of cross-fault supply from the structure to the north.

Category	BCF	Notes
1P developed	1.39	Currently perforated
1P undeveloped	0.15	Currently not perforated
1P total	1.54	
Probable	0.53	Connected compartments
2P total	2.07	
North structure	4.46	Updip potential

Reserve estimates are in-house estimates and have not been certified

PROSPECT	RESOURCE
Fermat	1153 BCF
Bernoulli	208 BCF
Kepler	374 BCF
Descartes	800 MMbbls
Curie	750 MMbbls
Oliphant	200 MMbbls
Euclid	3190 BCF



Exploration Leads to Discovery

Pecten High/Shipwreck Trough

	No. of Exploration Wells Drilled	No. of Dry Wells Drilled	Discovered 2P Reserves
Pre 2000	11	9	450 BCF
Post 2000	10	3	1,500 BCF

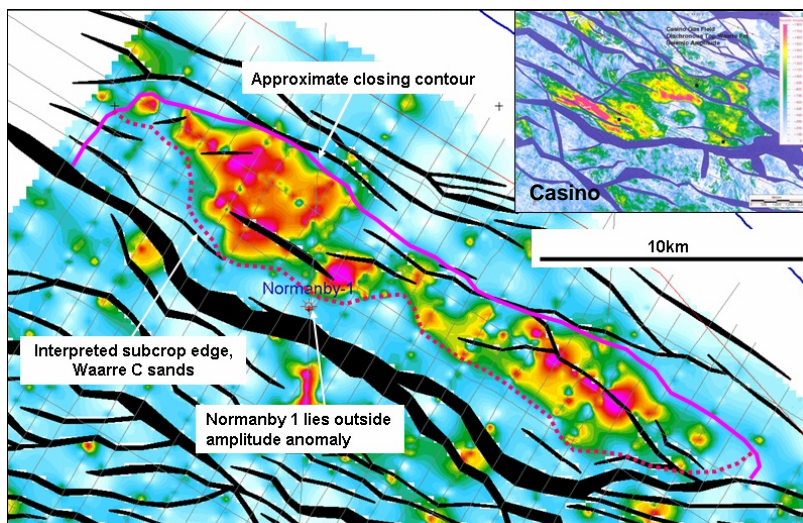
Discovery Bay High

	No. of Exploration Wells Drilled	No. of Dry Wells Drilled	Discovered Resource
Pre 2000	4	3	360 BCF(?)
Post 2000	0	0	

Essential Petroleum is ideally positioned to take advantage of the under explored Discovery Bay High

Source: GPINFO and Victorian Dep't of Primary Industries

Fermat to Spud January 2009





2008 Activities

Essential Petroleum is:

- Getting set to sell East Wing-1 gas in early 2009.
- Exploiting the Port Campbell Embayment gas province by drilling near existing gas fields.
- Well placed to take advantage of existing infrastructure to facilitate rapid low cost development.
- Commercialising small onshore accumulations to fund the bigger offshore opportunities.
- Securing quality acreage in petroleum environments which have been proven elsewhere.
- Maturing leads to prospect status and farming out interests on promoted terms while retaining significant interests.
- Poised to drill its first offshore well on the Discovery Bay High in January 2009.



Summary

- The Pecten High has influenced the prospectivity and productivity of the eastern part of the Otway Basin.
- The Pecten High and Shipwreck Trough host discovered reserves of more than 1.7 TCF most of which has been discovered this century.
- In much the same way as the Pecten High, the Discovery Bay High has influenced the prospectivity of the central part of the basin.
- The Discovery Bay High has the potential to host in excess of 3 TCF of gas resource and 2 billion barrels of oil resource.
- Essential Petroleum provides the best exposure and leverage to this exciting new hydrocarbon play.



Conclusion

- Essential Petroleum has unique exposure to the Discovery Bay High.
- Discovery Bay High has the potential to host large oil and gas accumulations.
- A discovery in Essential Petroleum's offshore permits will mark the emergence of a major new hydrocarbon province.
- East Wing gas accumulation is small but commercial with follow-up potential.
- The potential for further small discoveries in PEP 168 will help fund offshore activities.



Contact Details

For further information, contact:

John Remfry
Managing Director
Essential Petroleum
Tel: (03) 9699 3009

Andrew Gould
GM Corporate Development
Essential Petroleum
Tel: 0400 133 744

For media enquires
contact:

Ian Howarth
Farrington National
Tel: (03) 9223 2465
Mobile: 0407 822 319

Alternatively visit our website:

www.essentialpetroleum.com.au

Essential Petroleum Resources Limited
ABN 38 089 956 150
Level 2, 226 Albert Road, South Melbourne Victoria 3205 Australia
Telephone: 61 3 9699 3009; Facsimile: 61 3 9699 3110 E-mail: info@eprl.com.au
www.essentialpetroleum.com.au



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