



ASX ANNOUNCEMENT

9 March 2001

Essential Petroleum wins exploration permit in offshore Otway Basin

Newly listed oil and gas explorer Essential Petroleum Resources Limited today announced it has been offered a new offshore exploration permit in the Otway Basin.

The new permit (V00-1) covers an area of 1853 square kilometres, extending about 40 kilometres offshore immediately south of Essential Petroleum's highly prospective, onshore permit area PEP 151.

Managing Director, Mr John Remfry, said the company was delighted to have secured the permit after a competitive bidding process.

"We believe we put forward a strong exploration proposal, drawing on the new geological models we have developed for the Otway Basin.

"Winning permit V00-1 allows us to explore an offshore petroleum system that Essential Petroleum has identified and mapped from exploration in the area in previous decades. Using our new geological models and vastly improved technology, we will further develop targets within the petroleum system, which has the potential to host large accumulations of oil and gas".

Mr Remfry added the permit represented an exciting continental margin play, which the company believed to be similar to petroleum systems in the highly productive areas of similar continental margins around the world.

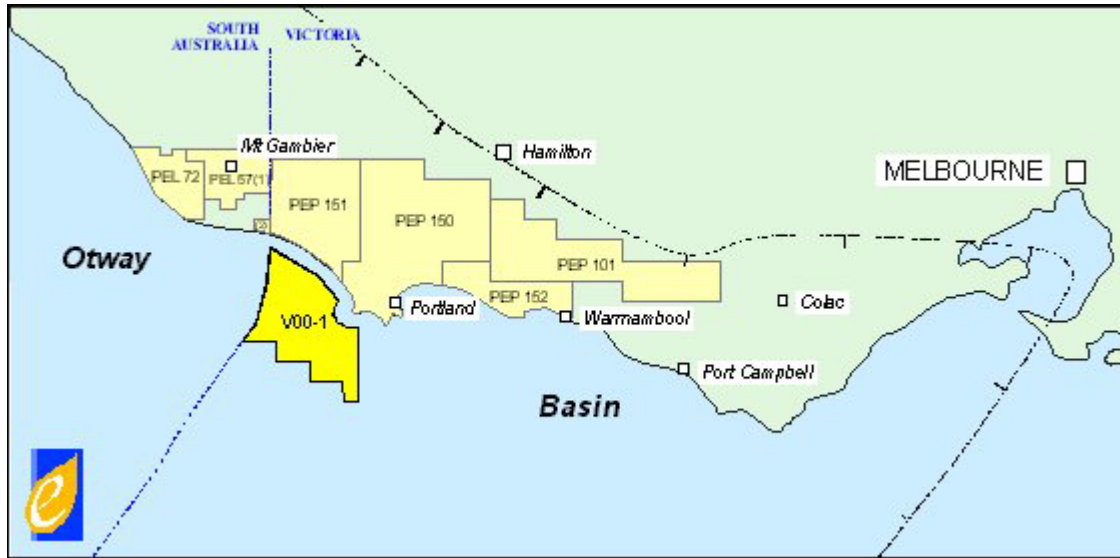
During the six year tenure of the permit, Essential Petroleum expects to conduct extensive and detailed seismic analysis and the drilling of at least one exploration well. Exploration in the permit for the next three years has already been budgeted by the company, which foreshadowed the development of offshore exploration interests in its recent prospectus.

Mr Remfry said that Essential Petroleum would consider farming out interests in the permit after exploration had further developed the prospectivity of the area.

Melbourne-based Essential Petroleum listed on the Australian Stock Exchange on 9 February after raising \$7.5 million through an initial public offer. Funds will be used for an aggressive onshore oil and gas exploration program of a minimum seven wells over the next three years. The new explorer's first exploration (McNamara Park 1 - 15 kilometres west of Mt Gambier) will be drilled in mid April or mid May depending on the rig schedule.



Essential
Petroleum
Resources
Limited



For more information, contact:

John Remfry
Managing Director
Essential Petroleum Resources Ltd
(03) 9699 3009

David Upton
Upton Financial PR
0409 440 615