

## ASX ANNOUNCEMENT

23 August 2002

### **Essential Petroleum and Gunditjmara People achieve exploration 'first' in Victoria**

The Gunditjmara People and Essential Petroleum Resources today announced the signing of the first agreement in Victoria to allow oil and gas exploration in a Native Title claim area.

The agreement was announced at a media conference at the office of the Glenelg Shire in Portland. The Glenelg Shire is a strong supporter of the agreement.

The announcement was followed by a performance of the Winda-Mara dancers and celebrations in Portland and Lake Condah, the base of the Gunditjmara People.

Essential Petroleum Managing Director, Mr John Remfry, said negotiations for the agreement were characterised by a spirit of mutual obligation and respect, which was a key to their success.

"By taking care to understand the cultural and spiritual significance of the area to the local people, I believe we helped to create the right basis for productive discussions."

"We are looking forward to the exploration phase, when we will be working closely with the Gunditjmara people and will have an opportunity to build on the strong relationship that has already formed."

Mr Remfry said he would like to thank the Gunditjmara people and their advisers, the Mirimbiak Nations Aboriginal Corporation, for their positive and professional approach.

The area concerned under Native Title Claim is in the south west of Victoria and includes Petroleum Exploration Permit 151, awarded 100% to Essential Petroleum by the Victorian Government.

In a statement endorsed by the Gunditjmara Native Title Claim Group, Chairman Mr Eugene Lovett stated: "On behalf of the 'People of the Gunditjmara Nations' we acknowledge the agreement between the two parties which we find to be satisfactory and to the benefit of our 'Peoples'."

“We thank Mr Remfry for his diplomatic understanding and concern for the Cultural Heritage and Acknowledgement of a 'Determination of Native Title' towards our 'Peoples' in the South Western Districts of Victoria. We look forward to future meetings and negotiations with Essential Petroleum Resources.”

Essential Petroleum has a number of oil prospects in the area covered by the agreement, including the Cobboboonee prospect with an estimated 40 million barrels of oil and the Glenaulin prospect with an estimated 21 million barrels.

A seismic exploration survey over these prospects is planned for the summer of 2002/2003, with drilling expected later in 2003.

Mr Remfry said the Company had designed low-impact methods specifically for areas within PEP151 to ensure that environmental and cultural values are observed and preserved.

He added that exploration success would provide a major boost to economic growth and development in the south west.

“Development of a commercial discovery could require investment of some \$500 million in the local area, which would contribute significantly to the regional and Victorian economy,” Mr Remfry said.



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#### **Background on Essential Petroleum Resources**

Melbourne-based Essential Petroleum Resources listed on the Australian Stock Exchange in February 2001 after raising \$7.5 million from public investors. It is the only listed oil and gas explorer with its prime focus on the Otway Basin, now regarded as one of the most exciting exploration areas in Australia. The Company has seven exploration permits in the onshore and offshore areas of the Otway Basin, including a recently announced offer from the Commonwealth and State Governments for VIC/P50. This offshore permit was won against strong competition from local and overseas majors in the oil and gas industry.