



Essential
Petroleum
Resources
Limited

ASX ANNOUNCEMENT

9 January 2002

Commencement of Drilling – Port Fairy No. 1 Well PEP 152 Otway Basin, Victoria

Essential Petroleum Resources Limited (EPR) has been advised by Origin Energy Petroleum Pty Ltd, as Operator for the PEP 152 Joint Venture, that the Port Fairy No. 1 well spudded at 7.15am AEST on Wednesday 9 January 2002.

The Port Fairy No. 1 well is located approximately two kilometres to the north of the Victorian coastal town of Port Fairy and 12 kilometres south of the Western Victorian Portland to Port Campbell gas pipeline.

The well will target gas in the Waarre Sandstone at a depth of about 1,400 metres and is expected to take approximately 10 days to reach its total depth of 1,550 metres.

The most likely recoverable reserves are 26 billion cubic feet of gas, with reserve estimates ranging between 15 and 37 billion cubic feet of gas. A gas discovery will establish a play concept with significant follow-up potential and will give EPR an opportunity to take advantage of the current marketing opportunities for gas in Victoria and achieve early cash flow.

The Port Fairy No. 1 well was originally proposed by EPR as a sole risk operation. Lakes Oil NL elected to participate in the well. Origin Energy Petroleum Pty Ltd is Operator at the direction of EPR and Lakes Oil. Interests in the Port Fairy No. 1 well are as follows:

Essential Petroleum	84.41%
Lakes Oil NL	15.59%

Interest Holders in PEP 152 are:

Essential Petroleum	33.9%
Origin Energy Petroleum Pty Ltd	50.51%
Lakes Oil NL	15.59%

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