



Essential
Petroleum
Resources
Limited

ASX ANNOUNCEMENT

16 January 2003

Commencement of Drilling – Koroit West No. 1 Well PEP 152 Otway Basin, Victoria

Essential Petroleum Resources Limited (Essential Petroleum) advises the Koroit West No. 1 well spudded at 8.30am AEST on Thursday, 16 January 2003.

The Koroit West No. 1 well is located approximately seven kilometres to the west of the Victorian town of Koroit and 3 kilometres south of the Western Victorian Portland to Port Campbell gas pipeline.

The well will primarily target oil in the Flaxman/Basal Belfast Mudstone Formations and is a follow up of the light oil recovery in the Port Fairy No. 1 well approximately 12 km to the southwest.

Essential Petroleum Resources' primary objective in the well is sand in the Flaxman Formation at a prognosed depth of about 790 metres and the well is expected to take approximately 6 days to reach its maximum total depth of 930 metres.

Essential Petroleum estimates the most likely recoverable reserves to be 10 million barrels of oil, with reserve estimates ranging between 6 and 12.5 million barrels of oil. For gas, the most likely recoverable reserves are 15 BCF, with reserve estimates ranging between 10 and 19 BCF. A discovery of hydrocarbons in the Koroit West prospect will confirm the play established by Port Fairy No. 1 and will increase the chance of success in follow-up prospects of this type in the permit.

Origin Energy Petroleum Pty Ltd is Operator of PEP 152 and Essential Petroleum Resources is managing the drilling operation of Koroit West No. 1 on behalf of the operator.

Interests in the Koroit West No. 1 well are as follows:

Origin Energy Petroleum Pty Ltd	50.51%
Essential Petroleum Resources Ltd	33.90%
Lakes Oil NL	15.59%

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