



Essential
Petroleum
Resources
Limited

ASX ANNOUNCEMENT

5 April 2005

Essential Petroleum Farms into PEL 27 and Onshore Otway Basin Penola Trough Play

Essential Petroleum Resources is pleased to announce that it has agreed to acquire a 20% interest in petroleum exploration licence PEL 27 in the Otway Basin from Beach Petroleum Limited.

PEL 27 covers 240 square kilometres of the north western flank of the Penola Trough, a proven petroleum system. PEL 27 is north west and updip of the adjacent Katnook, Haselgrove and Ladbrooke Grove gas fields and is ideally positioned to trap oil and gas migrating northwards out of the trough. The permit is particularly prospective for oil as prospects within the permit Sawpit 1 recovered oil and Killanoola DW 1 flowed oil to the surface.

Exploration in PEL 27 will commence with the drilling of the Cowrie prospect. Cowrie is a robust structure similar in style to the Killanoola oil discovery; it offers improved reservoir and oil quality, and an excellent seal. Cowrie 1 is expected to be drilled between May and September this year as part of a forthcoming multi-operator drilling program in the Otway Basin.

Essential Petroleum believes Cowrie may contain up to 4 million barrels of recoverable oil. Furthermore, a discovery at Cowrie will confirm the Sawpit Sandstone as an exciting new target and provide Essential Petroleum with immediate other opportunities along the northern flank of the Penola Trough.

Following assignment of the interest to Essential Petroleum, participants in the PEL 27 Joint Venture will be:

Beach Petroleum Limited	30% (Operator)
Origin Energy Resources Limited	50%
Essential Petroleum Resources Limited	20%

An overriding royalty of 0.75% of the well head value of any hydrocarbon production is payable to Cluff Resources Pacific NL, a former permit holder.

The farm in to PEL 27 strengthens Essential Petroleum's relationship with Beach Petroleum and both companies now share interests in four Otway Basin permits, the others being VIC/P46, PEP 150 and PEL 72.

John Remfry
Managing Director

For more information, contact:

John Remfry
Managing Director, Essential Petroleum

Tel: (03) 9699 3009
Fax: (03) 96993110
E-mail: info@epri.com.au