



**Essential  
Petroleum  
Resources  
Limited**

## **ASX ANNOUNCEMENT**

**25 November 2005**

### **Bass Strait Oil Company Ltd to Farmin to PEP 151**

Essential Petroleum Resources Limited (ASX Code: EPR) is pleased to advise that Bass Strait Oil Company Ltd (ASX Code: BAS) has agreed to earn a 25% interest in PEP151. The permit is in the onshore Victorian Otway Basin, northwest of Portland, and is currently held 100% by Essential Petroleum Resources Limited.

EPR welcomes BAS as a joint venture partner and acknowledges that BAS is supported by a sound technical team with considerable knowledge of the Otway Basin.

EPR is continuing discussions with other potential farminees.

### **Pritchard-1 Farmin**

BAS will earn its interest in PEP 151 by contributing to the Pritchard-1 well which is expected to be drilled in February 2006 subject to rig availability.

In addition to the 25% interest BAS will earn in PEP 151, EPR has granted BAS an option to earn a 15% interest in the adjacent PEP 150 permit application, which contains the Lindon oil discovery.

The Pritchard-1 well will test a series of stacked targets within the predicted oil fairway on the flanks of the Portland Trough. The primary target is the Pebble Point Formation at the base of the Tertiary with secondary targets in the lower Sherbrook Group. The Pebble Point play has generated multiple oil shows and recoveries in PEP 151 and adjacent areas.

The Pritchard Prospect is a fault-independent closure on the Pebble Point horizon with a potential mapped volume of 4 million barrels of recoverable oil. The deeper Sherbrook Group reservoir has a potential mapped median volume of 10 million barrels of recoverable oil or 17 billion cubic feet of recoverable gas.

Pritchard-1 is significant because it is the first well in the Portland Trough to test a significant fault-independent closure. This is a major positive factor in the Otway Basin, where leakage related to faulting is an ever-present risk.



## Portland Trough Oil Fairway

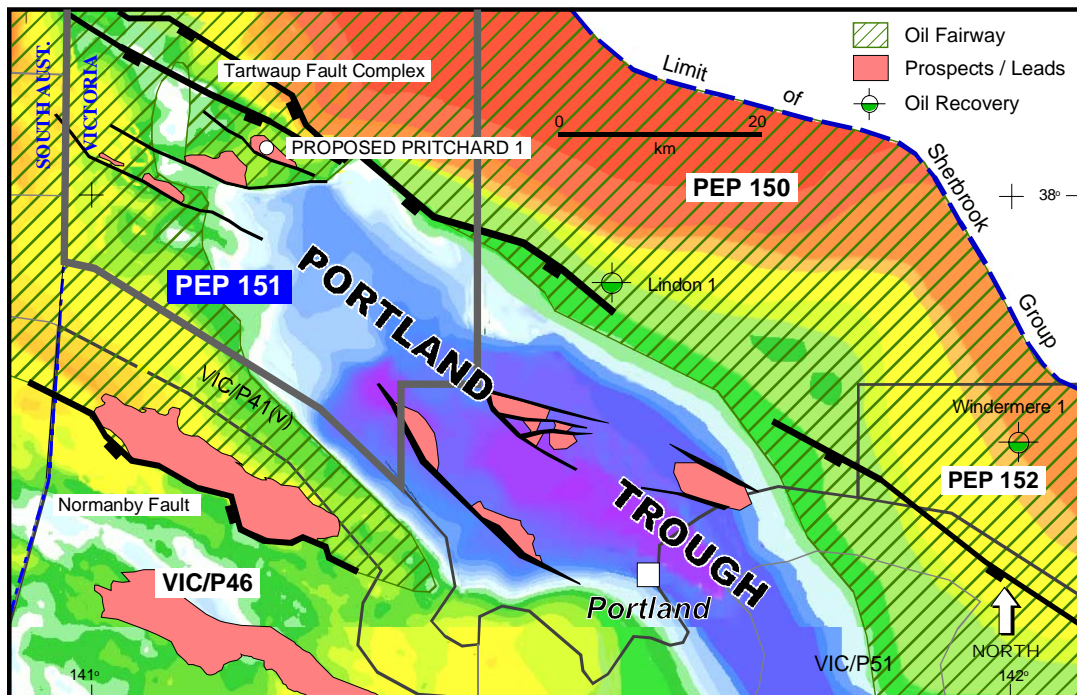
The Portland Trough is a northwest-southeast oriented structural feature about 100 kilometres long and 30 kilometres wide, extending from offshore to onshore in the vicinity of Portland.

Essential Petroleum acreage over the Portland Trough is extensive, and includes PEP 151, PEP 150 and VIC/P46 immediately offshore.

The Portland Trough is unusual in the Otway Basin because of its thick loading of early Tertiary age sediments. This loading has pushed the source rocks through the oil generation window. Hydrocarbons generated in the Portland Trough “kitchen” is likely to have migrated via faults and permeable sediment layers into hydrocarbon traps such as the Pritchard anticline

Essential Petroleum’s geological modelling predicts the presence of oil on the flanks of the Portland Trough. The presence of oil has been indicated by a series of oil shows from earlier drilling in the region, including Lindon 1 (drilled in 1984) and Windermere 1 (1987).

A discovery at Pritchard-1 would highlight a series of follow up targets within the Portland Trough with the potential to host, on an unrisks basis, in excess of 100 million barrels of oil.



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