

ASX ANNOUNCEMENT

31 December 2008

Fermat-1, VIC/P46 offshore Otway Basin - Progress Report No. 4

Essential Petroleum Resources Limited advises that Fermat-1, located in offshore Otway Basin Permit Vic/P46, has reached a measured depth of 2807 mRT and has run 9⁵/₈" intermediate casing. The operation is preparing to drill ahead.

Fermat-1 is being drilled to a prognosed total depth of 3640 mRT. Essential Petroleum estimates it is targeting total mean potential gas resources of approximately 1,153 BCF in Waarre Formation and Flaxman Formation sands on the north eastern flank of the Normanby structure.

The funding of Essential Petroleum's participating interest in Fermat-1 remains dependent upon completing a farm out of VIC/P46. Essential Petroleum will continue to keep the market apprised of its progress.

Interests in Fermat-1 are:

Beach Petroleum Limited (Operator)	50.00%
Mitsui E&P Australia Pty Ltd	25.00%
Essential Petroleum Resources Limited	25.00%



John Remfry
Managing Director

For more information contact:

John Remfry	Andrew Gould
Managing Director	GM Corporate Development
Essential Petroleum	Essential Petroleum
Tel: (03) 9699 3009	

For media enquiries contact:

Ian Howarth
Farrington National
Tel: (03) 9223 2465
Mobile: 0407 822 319

Or visit our website: www.essentialpetroleum.com.au