



# OIL BASINS LIMITED

ABN 56 006 024 764

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17 October 2014

ASX Markets Announcements  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
Sydney NSW 2000

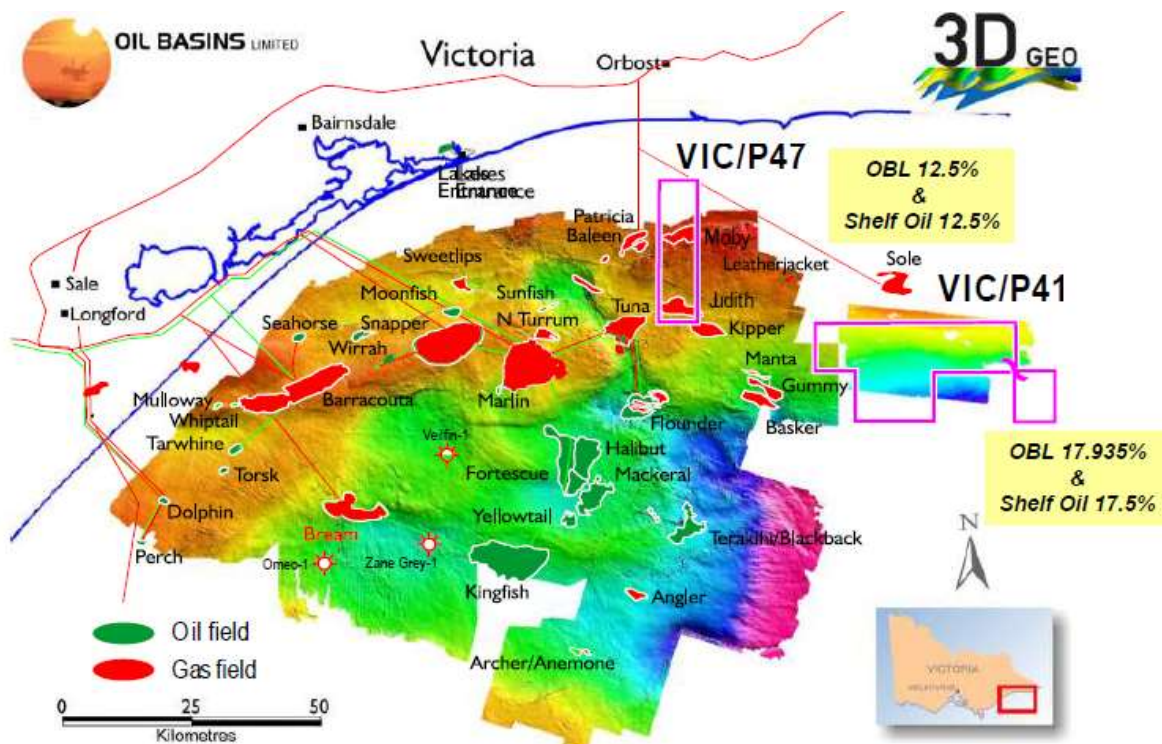
Dear Sirs

## ***GIPPSLAND BASIN UPDATE***

The Directors of Oil Basins Limited (**OBL**, ASX code **OBL**, or the **Company**) are pleased to make the following ASX announcement to update shareholders and investors on the Company's ongoing activities in Vic/P41 and Vic/P47 (**Figure 1**).

### **HIGHLIGHTS:**

- Granting of the extension allows OBL Group (35.435%) to fully evaluate Vic/P41 and to finalise drill-ready prospect(s).
- 3D reprocessed seismic interpretation and Quantitative Inversion (**QI**) and Amplitude versus Offset (**AVO**) nearing completion with the Operator Bass Strait Oil Company Ltd (ASX code BAS) positive outcomes for the prospectivity in Vic/P41.
- New mapping confirms existing prospects and firms up the Kipling West prospect straddling Vic/P41 and contiguous to BAS's wholly owned Vic/P68.
- Vic/P41 Operator reports early discussions with international partners commenced and anticipates formal farm-out activities including opening of the dataroom planned to commence end of October 2014.
- Six month extension in Vic/P41 aligns the required work program with the expected timetable for the nearby Basker Manta Gummy development.
- Vic/P47 Joint Venture Partners (OBL Group 25%) have this week lodged a significant Variation to the approved Year 4 work program seeking to perform similar 3D reprocessed seismic interpretation studies Quantitative Inversion (**QI**) and Amplitude versus Offset (**AVO**) - similar to the recent study in OBL Group's 35.435% Vic/P41.



**Figure 1**  
OBL Group interests in Gippsland Basin

### Vic/P41 Extension Approved

OBL wishes to advise that the Vic/P41 Joint Venture (refer to **Figure 2**) has recently attained consent and approval of the National Offshore Petroleum Titles Administrator (**NOPTA**) for the suspension and extension of the current mandatory Year 3 Work Program by a period of 6 Months until 28 May 2015 and the extension of the 5 year term until 28 May 2017 (refer to **Table 1**).

The Vic/P41 Joint Venture Participants are (**OBL Group 35.435%**):

Bass Strait Oil Company Limited (ASX code <b>BAS</b> )	64.565% and Operator
Oil Basins Limited (ASX code <b>OBL</b> )	17.935%
Shelf Oil Pty Ltd (OBL's 100% owned subsidiary)	17.50%

### Offshore Exploration Permit Vic/P41 Update – OBL Group 35.435%

In late July 2014, BAS on behalf of the Vic/P41 Joint Venture applied to suspend and extend Petroleum Exploration Permit Vic/P41 under the Offshore Petroleum and Greenhouse Gas Storage Act 2006. The Joint Authority has formally advised the Company that it has granted a six month extension to the permit Year 3 Work Program and a corresponding six month extension to the permit term.

The revised Vic/P41 Permit minimum work program is shown in Table 1 below.

Year of Term of permit	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Estimated Expenditure (\$A)
1	29/11/2011	28/11/2012	Geotechnical Studies (completed)	150,000
2	29/11/2012	28/11/2013	430 km2 3D seismic Reprocessing (complete), Quantitative Interpretation (complete), Other	800,000
3	29/11/2013	28/05/2015	Geological and Geophysical Studies	200,000
4	29/05/2015	28/05/2016	1 Exploration Well	30,000,000
5	29/05/2016	28/05/2017	Geotechnical Studies	150,000

**Table 1**  
**Vic/P41 Remaining minimum work program commitments and revised dates**

The granting of the six month extension is significant as it not only demonstrates the support by the Joint Authority for the Joint Venture activities in Vic/P41 but also affords the required time to complete the activities necessary to enter into the Year 4 exploration well period thereby enhancing the value of permit to prospective Farminees.

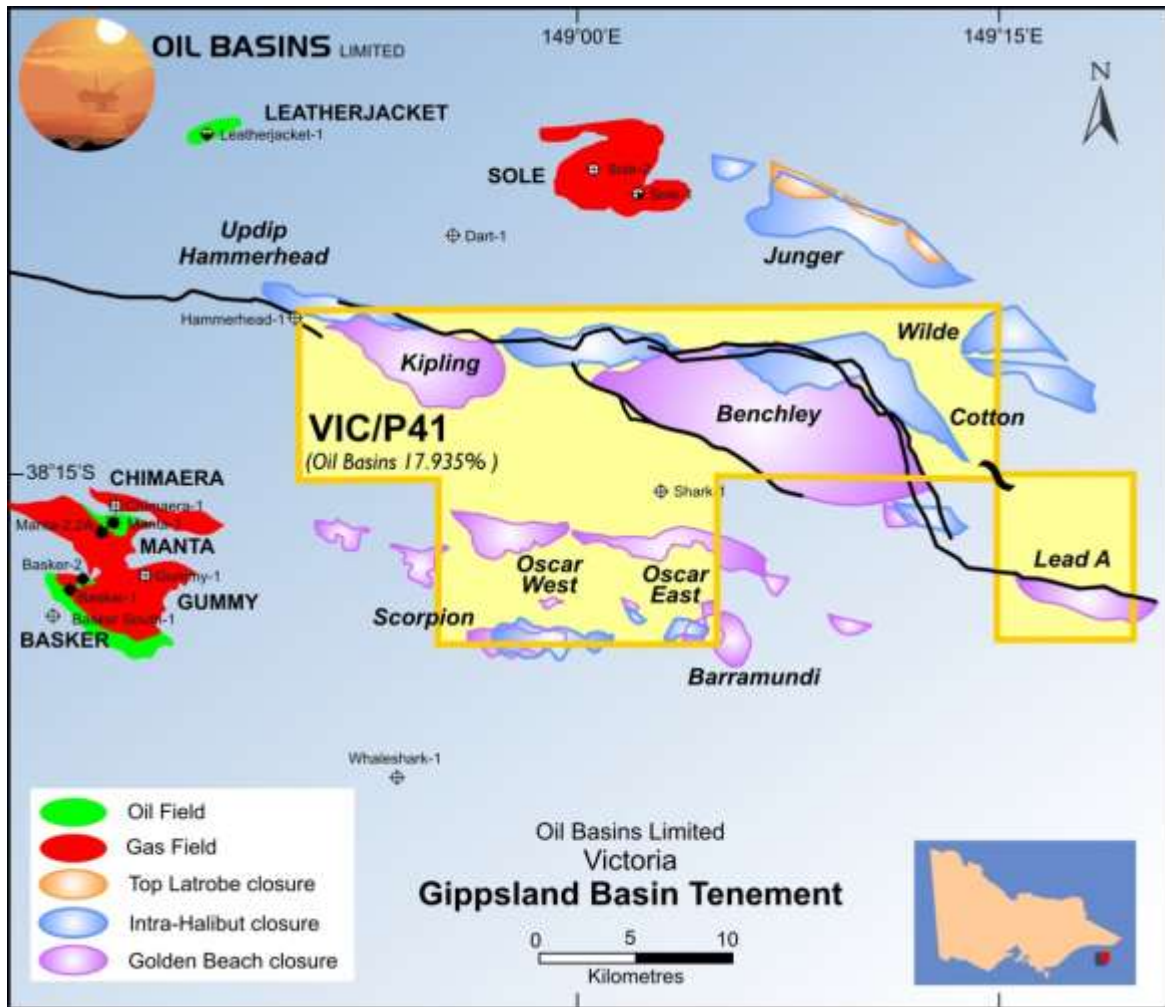
Petroleum Exploration Permit Vic/P41 (circa 539 sqkm) is located in the offshore Gippsland Basin, approximately 40 kilometres south of the Victorian coast – refer to Figure 1.

With OBL Group holding 35.435% of Vic/P41, the permit provides the Company with significant exposure to the easterly extension of proven producing trends. The recent acquisition of equity in the nearby Basker-Manta-Gummy (**BMG**) Retention Leases by Cooper Energy Limited (ASX code **COE**) provides the opportunity for prospective resource in Vic/P41 to be commercialised in addition to the nearby redevelopment of the BMG infrastructure.

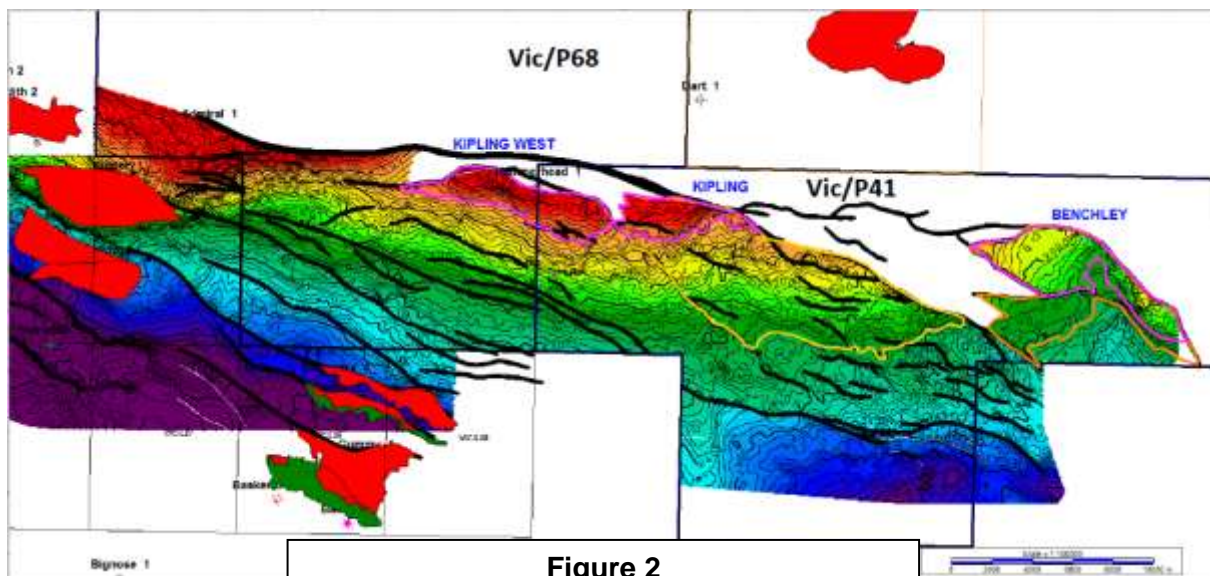
As previously advised to the ASX by the Operator BAS on 18 July 2014, the reprocessing and merging of multiple 3D datasets and selected Quantitative Inversion (**QI**) and Amplitude versus Offset (**AVO**), including 430 sqkm within the Vic/P41 permit, has been completed.

Recent mapping by BAS of the Nomb 3D (**Figure 3**) has confidently differentiated the Kipling, Kipling West and Benchley prospects. BAS reports that the superior resolution of the new data has allowed detailed analysis of the co-existence and interaction of the Rosedale Fault System, pinch-out of the Golden Beach Group reservoir and the volcanic seal. Depth mapping was based on key interval velocities tied to all relevant wells for the Top Campanian event.

A circa \$700,000 QI study using the reprocessed data was undertaken to determine if the seismic response seen in the Kipper Field is similar to that seen in the Vic/P41 prospects. The Kipper Field is one of the last significant developments in the Gippsland Basin and contains an estimated 620 billion cubic feet of recoverable gas and 30 million barrels of condensate/LPG. The objective of the QI work is to produce seismic inversion datasets predictive of reservoir and possible hydrocarbons over the entire study area. This will provide direct comparison between anomalies representative of hydrocarbons in the Kipper Field and any such anomalies present in prospects such as Kipling and Benchley in Vic/P41 (Figure 2).



**Figure 1**  
Offshore Exploration Permit Vic/P41 – 3D seismic and AVO defined Prospects  
OBL Group 35.435%



**Figure 2**  
Nomb3D Top Campanian Depth Grid  
Courtesy of BAS



This work is now complete and BAS advised the ASX on 16 October 2014 that data associated with the QI/AVO analyses is expected to be received in the next few days.

BAS advises that the forward work includes:

- Finalising the Nomb 3D mapping aiming at the identification of additional prospectivity across Vic/P41 and BAS's 100% owned permit Vic/P68.
- Revising the resource estimates for the mapped prospects.
- Integrating the inversion data into the Nomb 3D interpretation.

BAS has advised OBL that it anticipates further updates to the ASX will occur once this new work has progressed.

### **Vic/P47 Variation Application**

OBL wishes to advise that the Vic/P47 Joint Venture (refer to **Figure 4**) has on 15 October 2014 applied to NOPTA for a Variation of the Year 4 Work Program by a period of 12 months with the objective of defining a de-risked drilling target within the Permit by reprocessing circa 200 sqkm of existing 3D seismic data over the Judith structure and its surrounds, and carrying out a further seismic inversion which, with quantitative interpretation studies, could together be expected to lead to delineation of a de-risked drilling target within the Judith structure.

The Vic/P47 Joint Venture Participants are (**OBL Group 25%**):

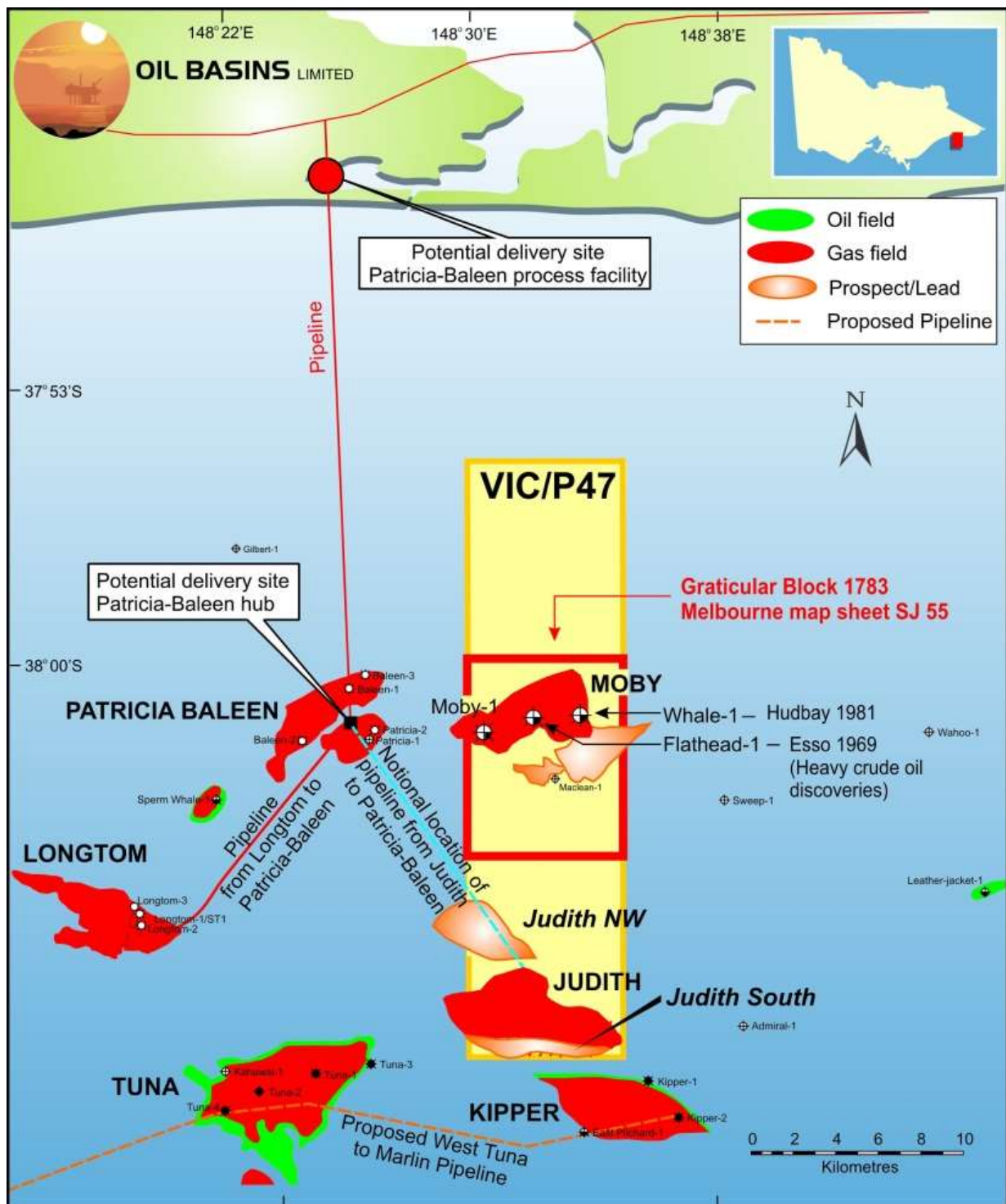
Seaqwest Petroleum Pty Ltd	40.00% and Operator
Eneget N.L.* (ASX code <b>ENX</b> )	19.25%
Moby Oil & Gas Ltd	15.75%
Oil Basins Limited (ASX code <b>OBL</b> )	12.50%
Shelf Oil Pty Ltd (OBL's 100% owned subsidiary)	12.50%

*\* subject to NOPTA approval and registration*

### **Shelf Oil**

So as to further assist funding and liberating value to shareholders, OBL also offers Shelf Oil Pty Ltd as an immediate entry platform for a Third Party into the now high priced East Coast Gas Market. In addition to owning 17.5% of Vic/P41 (highly prospective for wet gas), Shelf Oil owns 12.5% of nearby Petroleum Exploration Permit Vic/P47 which hosts the undeveloped Judith Gas Field and the undeveloped Moby Location (all defined in 3D seismic).

Confidential discussions continue with a number of interested parties.



**Figure 4**  
 Permit Vic/P47 hosts the Moby Gas Field Location and the Judith Gas Discovery  
 All defined in 3D seismic – OBL Group 25%