



OIL BASINS LIMITED

ABN 56 006 024 764

29 October 2014

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

Dear Sirs

SIGNIFICANT INCREASE IN RECOVERABLE PROSPECTIVE RESOURCE OFFSHORE GIPPSLAND PERMIT VIC/P41

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 new resources estimates within Vic/P41 (refer to Bass Strait Oil Company Limited, ASX code **BAS**, dated 29 October 2014).

HIGHLIGHTS:

- **Best estimate SPE PRMS recoverable prospective resources have significantly increased over the Greater Kipling Prospect.**
- **A total recoverable best estimate of 1,197 Bcf is mapped across the Rosedale Fault Trend within the Golden Beach formation covering Vic/P41 and Vic/P68, with the majority within Vic/P41.**
- **The Kipling, Kipling West and Benchley prospects are each of significant size thereby providing confidence that exploration success could lead to development.**
- **OBL's net best estimate recoverable prospective resource is estimated at circa 367.1 Bcf and 17.5 MMbbls liquids (circa Net 78.7 MMBOE).**

Permit Interests

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

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

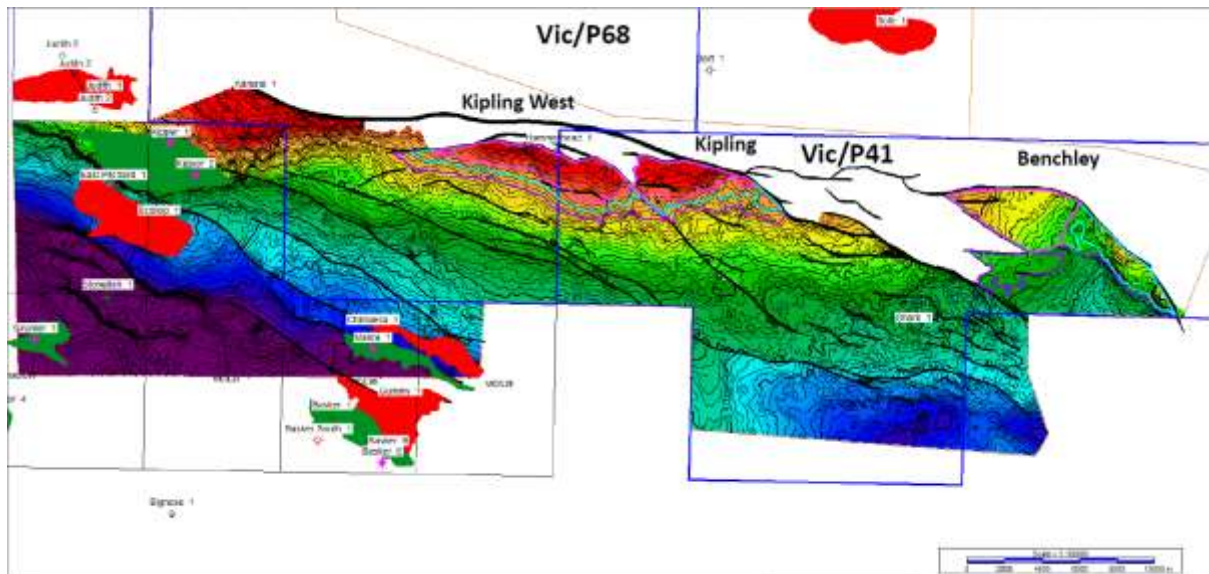


Figure 1
Offshore Exploration Permit Vic/P41 – 3D seismic and AVO defined Prospects
OBL Group net 35.435%

Recoverable Prospective Resource Update.

BAS today has reported that the superior resolution of the Nomb 3D dataset has allowed detailed analysis of the Rosedale Fault System, pinch-out of the Golden Beach Subgroup reservoir and the extent of the volcanic top seal. The revised prospective resource estimates are provided in **Table 1** below.

Source BAS ASX Release 29 October 2014		GIPPSLAND BASIN					
Gross Resources		Recoverable Prospective Resources SPE PRMS					
Prospect	Permit	Low Estimate		Best Estimate		High Estimate	
		Gas (Bcf)	Liquids (MMbbl)	Gas (Bcf)	Liquids (MMbbl)	Gas (Bcf)	Liquids (MMbbl)
Kipling	100% Vic/P41	242	9	410	20	644	30
Kipling West	Vic/P41 & Vic/P68	244	11	322	15	595	29
Benchley	100% Vic/P41	247	12	413	19	623	30
Stanton	100% Vic/P41	41	2	52	3	66	3
TOTAL		774	34	1,197	57	1,928	92
Table 1 – Gross Recoverable Prospective Resource							

Liquids represent condensate and propane and butane

BAS reports its previous ASX Release estimated a total prospective resource of:

- Low 507 Bcf, 24 MMbbl liquids
- Best 740 Bcf, 35 MMbbl liquids
- High 2,279 Bcf, 109 MMbbl liquids

The mapping of the Nomb 3D dataset has resulted in a 53% increase in the low estimate to 774 Bcf and a 62% increase in the best estimate to 1,197 Bcf of recoverable prospective resources across the two permits (with an OBL estimated 80% wholly within Vic/P41). As expected, the high estimate has been constrained slightly with the improvement of the data.

BAS further reports that the low and best estimate of recoverable resource in each of the mapped prospects (excluding Stanton – which is not covered by the Nomb 3D) is likely to represent a commercial development upon exploration success.

Net Impact to Oil Basins Limited

Using the BAS reported figures in Table 1 and assuming that circa 50 /50 of the new West Kipling Prospect is situated within both Vic/P41 and contiguous 100% owned BAS Permit Vic/P68 (immediately to the west) the net 35.435% impact to OBL prospective resource estimates are provided in **Table 2** below.

Net Oil Basins Limited		GIPPSLAND BASIN VIC / P41 ONLY					
OBL net interest 35.435%		Recoverable Prospective Resources SPE PRMS					
Prospect	Permit	Low Estimate		Best Estimate		High Estimate	
		Gas (Bcf)	Liquids (MMbbl)	Gas (Bcf)	Liquids (MMbbl)	Gas (Bcf)	Liquids (MMbbl)
Kipling	100% Vic/P41	85.8	3.2	145.3	7.1	228.2	10.6
Kipling West*	Vic/P41 net 50%	43.2	1.9	57.1	2.7	105.4	5.1
Benchley	100% Vic/P41	87.5	4.3	146.3	6.7	220.8	10.6
Stanton	100% Vic/P41	14.5	0.7	18.4	1.1	23.4	1.1
TOTAL NET OBL		231.0	10.1	367.1	17.5	577.8	27.5
TOTAL NET OBL	MMBOE	48.6		78.7		123.8	

* Assuming the Kipling West Prospect is split approximately 50 / 50 between Vic/P41 and Vic/P68

Table 2 – Net OBL Recoverable Prospective Resource Vic/P41							
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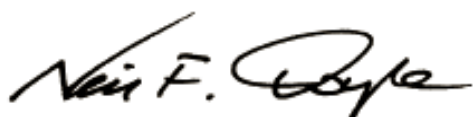
Liquids represent condensate and propane and butane
Barrels of oil (bbl) equivalent (BOE) assumed conversion 6000 cubic feet gas per bbl

Whilst further assessments of the exact split of West Kipling between both Permits Vic/P41 and Vic/P68 are still to be finalised, OBL's net position is estimated as:

Low Estimate: Net 231.0 Bcf and 10.1 MMbbls liquids (circa Net 48.6 MMBOE)
Best Estimate: Net 367.1 Bcf and 17.5 MMbbls liquids (circa Net 78.7 MMBOE)
High Estimate: Net 577.6 Bcf and 27.5 MMbbls liquids (circa Net 123.8 MMBOE)

The new work recently completed by the Vic/P41 Joint Venture confirms that the Golden Beach formation in the East Gippsland Rosedale Fault Trend is highly prospective with a best case potential prospective recoverable P50 resource of circa 1.2 Tcf wet gas (based upon rigorous assessment of the Kipper analogue) and given the nearby existing infrastructure and recent significant increase in the east coast gas prices combines to make this a highly attractive and unique Farmin opportunity.

Yours faithfully



Neil Doyle SPE
Director & CEO

DISCLAIMER

The technical information quoted by OBL has been compiled and/or assessed by Company Director Mr Neil Doyle (from a number of sources) who is a professional engineer (BEng, MEngSc - Geomechanics) with over 33 years standing and a continuous Member of the Society of Petroleum Engineers since 1981 (SPE 30 Year Club Member). Mr Doyle has consented to the inclusion in this announcement of the matters based on the information in the form and context in which they appear.

Investors should review all sourced ASX materials and independent expert assessments previously quoted and the important definitions and disclaimers attached.

Oil Basins Limited investors are reminded to refer to the BAS ASX Release for the specific assumptions and information related to their estimate of recoverable prospective resources under the SPE Petroleum Resources Management System, in particular:

Prospective Resource Estimates Cautionary Statement: With respect to the prospective resource estimates contained within this report, it should be noted that the estimated quantities of Petroleum that may potentially be recovered by the future application of a development project may relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbon.

Prospective Resources: The prospective resource estimates regarding Vic/P41 and VicP68 prospects quoted in the BAS ASX Release dated 29th October 2014. The quoted estimates have been prepared by the BAS as operator in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 approved by the Society of Petroleum Engineers and are 100% interest deterministic estimates.