

ASX ANNOUNCEMENT

24 December 2008

Fermat-1, VIC/P46 offshore Otway Basin - Progress Report No. 3

Essential Petroleum Resources Limited advises that Fermat-1, located in offshore Otway Basin Permit Vic/P46, is drilling ahead in the upper Belfast Mudstone at a measured depth of 2162 mRT.

The well 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 is dependent upon completing a farm out of VIC/P46. At this stage, the board has not been able to achieve this outcome but is working hard towards this objective.

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%



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