



Essential
Petroleum
Resources
Limited

ASX ANNOUNCEMENT

15 December 2008

Fermat-1 Spuds 14/12/2008 in VIC/P46 offshore Otway Basin

Essential Petroleum Resources Limited has been informed by Beach Petroleum Limited (ASX:BPT), the operator of the offshore Otway Basin permit VIC/P46, that drilling has commenced at Fermat-1. The well is being drilled using Seadrill's West Triton jack-up rig to a prognosed total depth of 3640 mRT. Following the setting of a 30 inch conductor at a depth of 116 mRT, the next drilling operation is to drill ahead with a 17.5 inch bottom hole assembly to a depth of approximately 1000 mRT.

Fermat-1 will be the first well to be drilled on the Discovery Bay High in VIC/P46 based on modern seismic data. Essential Petroleum estimates that the Fermat Prospect has a mean recoverable prospective gas resource of 1,153 BCF.

Essential Petroleum's participation in Fermat is dependent on completing a farm out agreement and raising sufficient funds to cover its joint venture obligations for the operations. The board is working vigorously to achieve this result.

Overview of Essential Petroleum's Otway Basin offshore tenements

The Otway Basin hosts a number of commercial gas discoveries which appear to have been confined to a relatively small proportion of the basin.

The Shipwreck Trough and Pecten High in the offshore eastern part of the basin have reported combined gas reserves of in excess of 1,600 BCF. In the offshore central part of the basin, Essential Petroleum has identified the Discovery Bay High as having a similar influence on structure and reservoir distribution in the basin.

The Company believes there is a strong chance of discovering a new hydrocarbon fairway associated with the Discovery Bay High, just as the nearby Pecten High has produced a number of significant hydrocarbon discoveries to the east.

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%

About Essential Petroleum Resources Limited

Essential Petroleum Resources' principal assets are onshore and offshore exploration tenements in the Otway basin, which is located in south eastern Australia. This region of Essential Petroleum's strategic focus has established production and the potential for further significant hydrocarbon discoveries to supply the growing Australian energy market. The Otway basin has discovered



**Essential
Petroleum
Resources
Limited**

reserves in excess of 1.7 trillion cubic feet of natural gas and condensate from several hydrocarbon provinces.

Essential Petroleum has built an exciting inventory of exploration acreage with the potential to host over 5 trillion cubic feet of recoverable gas resource and more than 2 billion barrels of recoverable oil resource. The Discovery Bay High play fairway is recognised as having the potential to be the next major hydrocarbon province within Australia's southern margins.

Location Map of Essential Petroleum's onshore and offshore tenements and interests in the Otway Basin, Southeastern Australia



John Remfry

John Remfry
Managing Director

For more information contact:

John Remfry
Managing Director
Essential Petroleum
Tel: (03) 9699 3009

Andrew Gould
GM Corporate Development
Essential Petroleum
Mobile: 0400 133 744

For media enquiries contact:

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

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