

30th April 2009

Company Announcements Office
ASX Limited
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20 Bridge Street
SYDNEY
New South Wales 2000

Operations report for the quarter ending 31st March 2009

Overview

The Annual General Meeting for the Company will be held on 22nd May 2009 at 10am. The meeting will be held at the Company's office at 103 Abernethy Road, Belmont, Western Australia.

During the quarter, DVM continued to seek new projects that will provide significant upside leverage to shareholders, either through exploration or near term production potential. As part of this search process a range of exploration projects where DVM is able to value add in a cost effective manner and then farmout the majority of the exploration risk, have been reviewed.

The Company has continued to investigate projects within Europe and West Africa together with coal bed methane opportunities in Australia and the United States.

At Quarter end the Company's cash balance was \$2.331 million.

Events Subsequent to quarter end

New Application

DVM has lodged an application for a gazetted block in the Bonaparte Basin. Bids for permits closed on 9th April 2009. The bid area has been recognized by the Company as having potential for oil and gas and lies near to and west of the Turtle oil field.

If the application is successful DVM will seek additional parties to assist with the subsequent exploration activities.

Operations during the Quarter

Carnarvon Basin

Following the unsuccessful drilling results from the recent Star Finch 1 and Lake McLeod 1 wells, DVM has formally withdrawn from all its operations in the Carnarvon Basin.

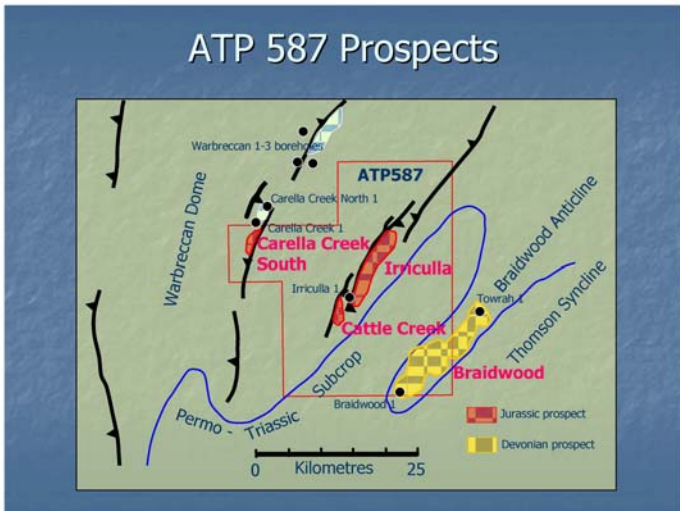
ATP-587-P Cooper/Eromanga/Adavale Basin Queensland

Evaluation of well data from this recently acquired project has commenced. DVM is investigating the cost alternatives of drilling a new hole (Irruculla 2) or re-entering Irruculla 1 and drilling a deviation from this existing well.



ATP 587 consists of twelve blocks located to the southeast of Longreach and comprising an area of approximately 946 sq km. The majority of the permit is located within the Eromanga basin with the southeast section underlain by the northeastern edge of the Cooper Basin which in turn overlies the Barcoo Trough of the Devonian Adavale Basin. The permit is covered by regional seismic with local grids over all prospects.

Oil shows have been encountered in the Eromanga Basin section in several wells in the area and the Irriculla-1 well, drilled in 1997, is interpreted to have penetrated a reverse fault above a basal Jurassic sand which exhibited oil shows on the downthrown side. DVM believes there is a strong possibility of an oil accumulation in this sand on the upthrown side of the fault.



A second target to the south of Irriculla is the Cattle Creek structure, with Eromanga sediments draping a faulted basement domal anticline.

The Carella Creek-1 well intersected a good oil show in a Birkhead sand and a subsequent well (Carella Creek North-1) showed that the structure was tilted down to the north with respect to seismic isochrons. A mapped high to the south (Carella Creek South) is therefore updip of the oil show in Carella Creek-1, and a matured drilling target.

With good well control on reservoir parameters, potential reserves for the above Eromanga targets range at the median level from 2 to 12 mmbbl of oil in place, with an upside at Irriculla of 35 mmbbl.

In the southeast of the tenement is situated the large Braidwood Anticline. This is an undrilled prospect with 60 sq km of mapped closure within the Devonian (60% of the structure is contained within ATP 587) Lissoy Sandstone and Log Creek Formation and the potential for a gas accumulation exceeding 500 BCF.


The targets within ATP 587 have been generated on the basis of various technical undertakings including but not limited to geological mapping, geophysical surveys and in certain cases, drilling.

The potential quantity of these targets are however conceptual in nature and there is no guarantee that further exploration will result in commercial discoveries.

ATP 587 represents a cost effective entry by DVM into an advanced onshore play where the geology is well understood and the various targets represent significant upside potential, should testing be successful.

Evaluation of the various prospects will be fast tracked as much as possible.

For further information contact:



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