

ASX ANNOUNCEMENT

8 January 2009

Fermat-1, VIC/P46 offshore Otway Basin - Progress Report No. 5

Essential Petroleum Resources Limited has been informed by Beach Petroleum, as operator of the offshore Otway Basin permit VIC/P46, that Fermat-1 has reached a measured depth of 3585 mRT. At 1600 hours on the 7 January 2009 the operation was conditioning the hole in preparation for running wireline logs.

As previously announced, EPR's ability to contribute to the cost of drilling of Fermat-1 is contingent upon it entering into a farm-out agreement with a third party, the terms of which must allow EPR to fulfill its Joint Venture obligations.

To date, the Company has not completed a farm-out of VIC/P46 and consequently it has not, as yet, met the December 2008 cash call requirements for the Fermat-1 drilling operations.

Under the provisions of the VIC/P46 Joint Venture Agreement, EPR has another 44 days to rectify this situation. During this period the operator is not obliged to provide EPR with information about the drilling operation other than that which it announces to the ASX. The Company is continuing in its endeavours to farm-out an interest in VIC/P46.

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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