



# OIL BASINS LIMITED

ABN 56 006 024 764

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5 August 2010

Gonzalo Valencia  
Senior Adviser, Issuers (Melbourne)  
ASX Compliance Pty Ltd  
Level 45, Rialto South Tower  
525 Collins Street  
Melbourne Vic 3000

Dear Gonzalo

## **PRICE QUERY**

In reference to your letter of 5 August 2010 regarding the price of the Company's securities, the response to your queries in number order is as follows:

1. The Company is not aware of any information that has not been announced which is an explanation for the recent trading in its securities. It is to be noted that following the close of trading on 29 July 2010 the recent June Quarterly Report was lodged where it was stated that there were a number of Highlights for the Company.
2. Not applicable.
3. Two significant near-term developments reported in the Highlights section of the June Quarterly Report that may influence the immediate outlook are:
  - (a) The Company has engaged its Backreef Area Joint Venture Partner Backreef Oil Pty Limited (as nominated Operator and free-carried as to 10% by the Company) to make preparations for the drilling of Backreef-1, including to source suitable drilling rigs and equipment, and to engage consultants to assist in the necessary Environmental and Aboriginal Heritage field-surveys over the location within WA Production Licence 6. Further details will be released to the market as appropriate when such matters are arranged and agreed and after first consulting with all relevant stakeholders including the licence titleholder.

- (b) On 29 July 2010 the Company successfully completed a Strategic Placement of 6.5 million shares (representing circa 4.94%) to a significant downstream oil and gas corporate third party. The directors of the Company are very pleased with this potentially important development which may lead to a Strategic Alliance between both parties. If appropriate and when the confidential negotiations are complete, the Company will make an ASX Announcement.
4. It is confirmed that the Company is in compliance with the disclosure provisions of the listing rules, and in particular listing rule 3.1.

Please do not hesitate to contact me if you would like to discuss any of the above matters.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Melanie Leydin', with a long horizontal flourish extending to the right.

Melanie Leydin  
Company Secretary



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5 August 2010

Ms Melanie Leydin  
Company Secretary  
Oil Basins Limited  
Melbourne

By e-mail only

Dear Melanie

**Oil Basins Limited (the "Company") RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from \$0.045 at the close of trading on 29 July 2010 to a high of \$0.081 at the time of writing today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by return e-mail or by facsimile on facsimile number 9614 0303. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. EDST) on Friday, 6 August 2010.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

*Sent by electronic means without signature*

Gonzalo Valencia

**Senior Adviser, Issuers (Melbourne)**