



Investor Update November 2011

ASX : VIL / VILO



❖ Investment Project Selection Criteria

- Sourcing Conventional Oil and Gas Projects with multiple targets, large reserve potential, high flow rates yielding early multiple payback, low entry price and low to medium risk profile.
- Projects well defined by seismic with good reservoir correlation to nearby producing wells.
- Critical review of prospect – economics, location, infrastructure, vendors success track record and operator experience.
- Cost mitigation – fully understanding drilling risk and minimised, additionally turnkey drilling is obtained whenever possible (i.e. Lyons Point).

❖ Investment Project Opportunities:

- Majors are concentrating on large resource plays, consequently conventional smaller plays which are high impact containing quality prospects with reasonable entry terms are available to VIL
- Our technical appraisal team is highly experienced with many years of local knowledge and contacts enabling continuous flow-through of good quality opportunities.

❖ Final Investment Reviews:

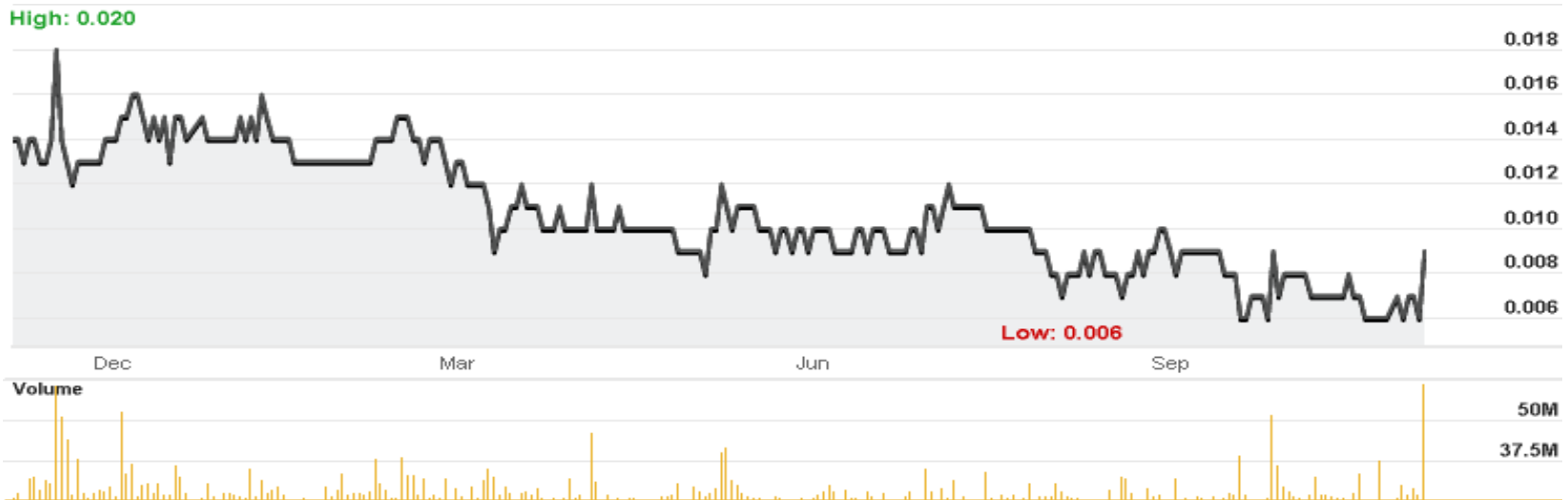
- Thorough G&G review from highly experienced team of international based geologists and engineers is performed externally with final review undertaken with experienced G&G Australian based management.
- Detailed financial analysis is performed on each project prior to investment decision; the higher the risk the higher the return required.

Key Data









Share Price	0.7-0.8c
Market Cap	\$13m
ASX Codes	VIL VILO
Shares on Issue	1.6b
Listed Options	350m @ 2c

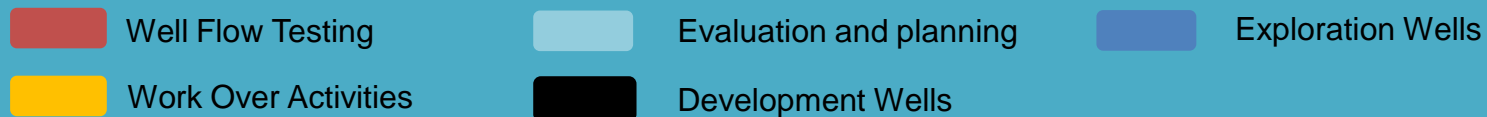
Directors & Management

Greg Lee	Executive Director
Andrew McIlwain	Chairman
Mark Freeman	Director
David Calcei	Director



Indicative Drilling & Development Activity

	Q 4 2011	Q 1 2012	Q 2 2012	Q 3 2012	Q 4 2012
Lyons Point					
Sidi Dhafer					
Sidi Dhafer Evaluation & Planning					
Sidi Dhafer #2 Possible well					
Bongo #2					
Fausse Point #2 Side-track & Shallow					
J#1 Camarina					
Chorbane wildcat					

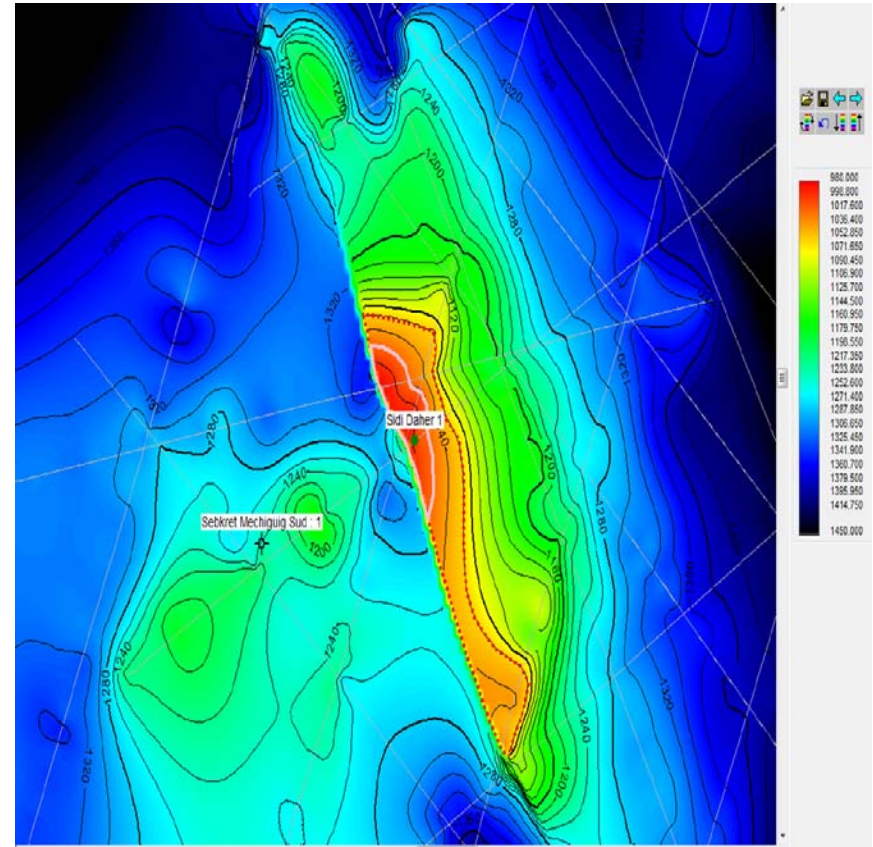


SIDI DHAHER DISCOVERY - OPERATOR ADX ENERGY

- Drill results, seismic & geological data evaluation has enabled the estimate of the original oil in place (OOIP) in the Bireno Formation only as:

Risk Category	P90	P50	Mean	P10
OOIP (mmbbls)	13	37	51	111

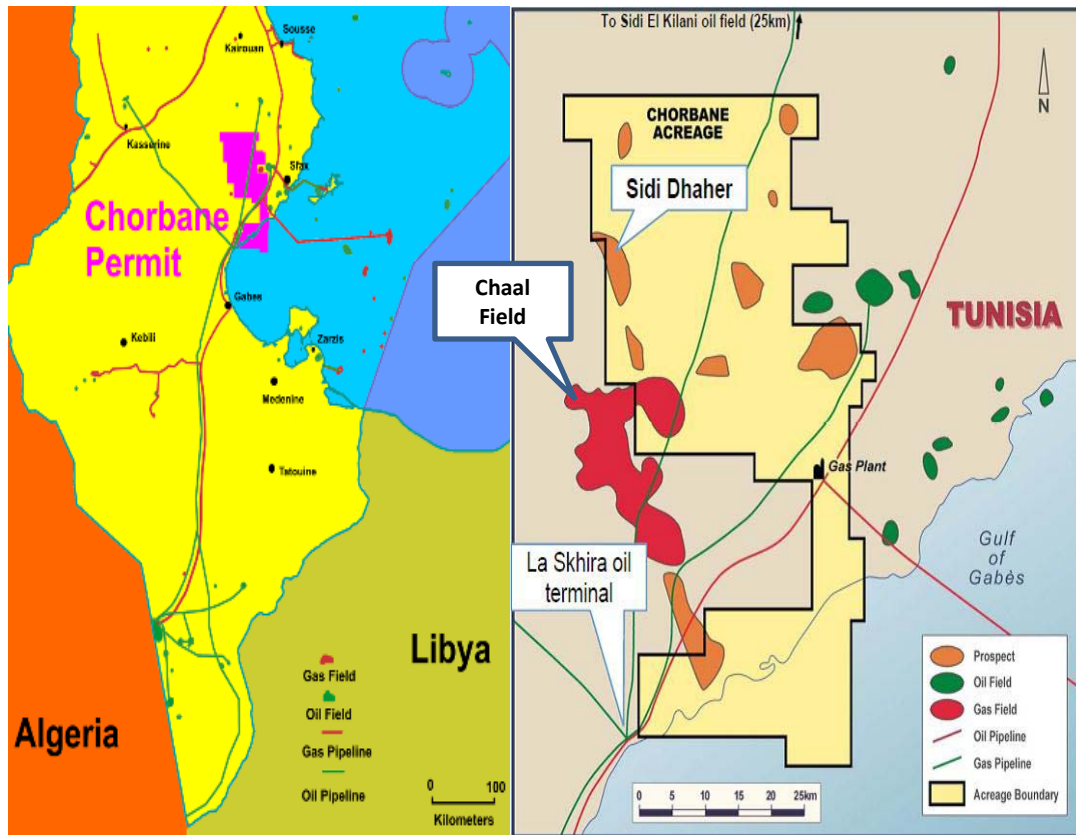
- Well analysis indicates another potential reservoir in the Cherahil formation above the Bireno
- Fields in the near vicinity have significant production from the Bireno
- Subject to rig availability Well test planned for Dec 2011/Jan 2012
- Subject to successful well test
 - an extended well test may be performed
 - the field will be declared commercial
 - development of the field will occur including drilling and facilities



Preliminary Bireno Dolomite Depth Map

Chorbane Block Exploration (10% WI) - Tunisia

- The block encompasses 2,428sq km and has numerous large undrilled structures identified by high quality 2D seismic
- Current prospect and lead inventory includes one mature prospect and five leads with multiple targets
- A strong gas market with good pricing conditions and close to processing facilities & major infrastructure
- Utilise drilling results and knowledge gained from Sidi Dhafer discovery to firm up existing leads and look for additional opportunities on the block
- Chaal gas field discovery with estimated 850Bcf gas extends onto Chorbane block

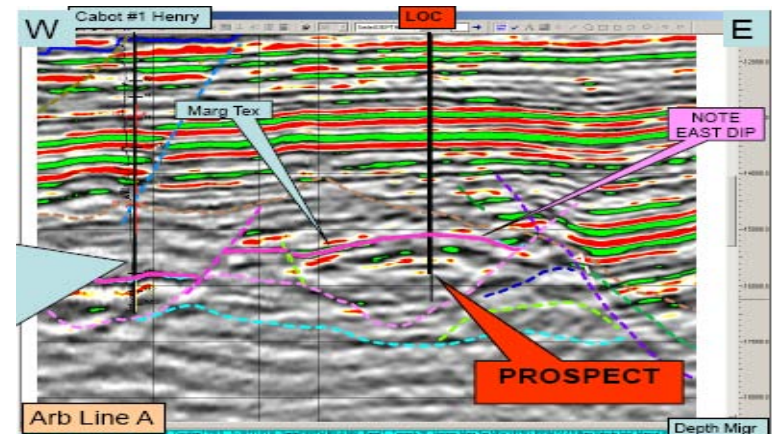
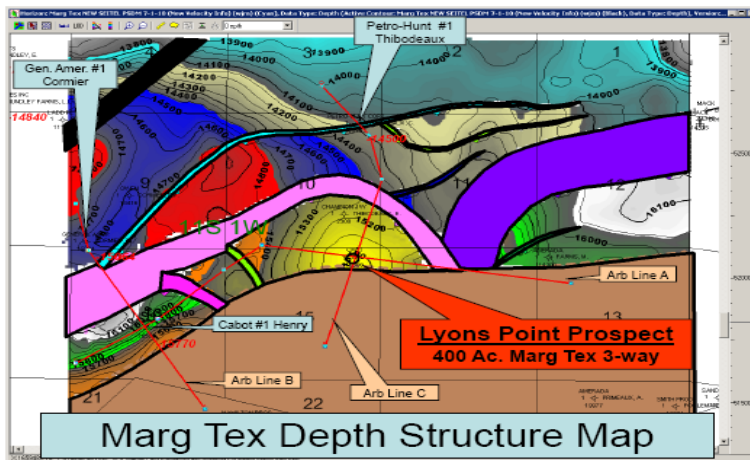


Maps showing Chorbane block outlines and infrastructure (left); and Chorbane Block with leads and prospects including Sidi Dhafer Prospect and recently discovered Chaal gas field.



Lyons Point - Operator Clayton Williams Energy, Inc

- Turnkey drilling contract (fixed cost)
- Well is presently at 16,500 ft, initial target depth was 16,300 ft, however partners elected to drill an additional 200 ft of hole to ensure we had reached the Marg Tex 3 sands
- Logs were run but could not get through 16,200 ft
- Hole was cleaned out and a second suite of electric logs were run
- Unfortunately re-run Logs indicated non commercial hydrocarbons.
- Partners have decided and agreed to plug and abandon the well



Oil & Gas Discovery – Operator Golden Gate Petroleum

- FP#1 encountered multiple zones of interest of which several were tested but was deemed not commercial due to proximity to the salt dome, tight formations & geological uncertainty

Exploration Potential

- FP#1 is situated on an undeveloped segment of Fausse Point salt dome surrounded by productive fields
- Recent Interpretation of reprocessed seismic indicates:

A prospect with 2 deep structures with the combined potential to contain up to 20 bcf g

A shallow prospect (a 100 acre structure) with potentially 3.5 mm bbl. of oil equivalent (boe).

Both have approximately 20 - 30% chance of success as this is an undrilled part of the structure, source and structure are present but trap is uncertain

- Sidetrack of FP#1 well bore planned to access 2 deeper structures
- Sidetrack will reduced cost and represents both significant upside on success but material risk.

Forward Strategy

- Verus completing reprocessing & interpretation work to allow complete Geologic & Geophysical assessment
- Risk analysis and economic evaluation.
- Source a suitable farm in partner to carry VIL through a side-track exploration well.
- Drill FP#2 Side-track and shallow prospect

Fausse Point – Current Status

- Verus have engaged the services of a very experienced independent Geological & Geophysical (G&G) expert to complete final reprocessing work & analysis of the Side-track & shallow prospects.
- Acquired additional geological & analogue well information - now being utilised to understand the regional geology & productive formations that may be present, allowing comprehensive understanding of the structure & potential of the possible sands present
- Final Selection of Bottom hole locations for FP sidetrack and shallow prospect almost completed.
- Operator is over 75% complete in securing the leases over the shallow prospect. Cannot plan drilling until all land is secured and all permitting completed.
- Shallow prospect cannot be accessed from FP# 1 location but can potentially be drilled from another existing old location – this is under final review.
- Once all the G & G work is satisfactorily complete (early December), a full assessment of risk, cost and potential upside will be performed to enable an adequate assessment of the required investment.
- The work performed by Verus over the last few months will provide a solid geological understanding and economics to allow full assessment of the risk and potential success. This in turn will increase the opportunity for a farm out to fund drilling with enough data now available to complement a complete farm out package.

Bongo Appraisal Project - Operator Caza Oil and Gas, Inc

- Located in Wharton County, Texas
- The prospect is in an AMI which encompasses approximately 2,667 gross acres (1,208 net acres)
- Caza Oil & Gas, Inc is the major working interest (WI) partner and operator

Oil & Gas Discovery

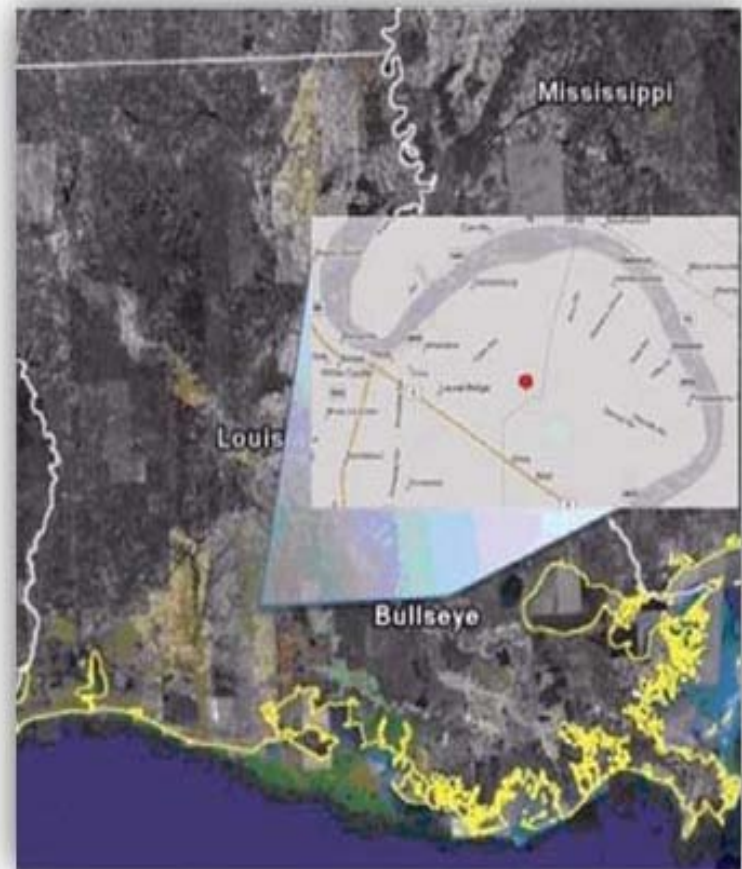
- Bongo #1 fracture stimulated & producing from the Cook Mountain sands (CMS)
- Bongo #2 appraisal/development well has now been fracture stimulated and is producing
- Oil and gas production lower than expected.
- Bongo #2 producing significant water, unlike Bongo #1
- Operator continues technical appraisal in an attempt to enhance production
- Shallower Yegua formation encountered in Bongo 1 & 2 – yet to be appraised
- Shallow Frio formation also encountered in Bongo 2 - yet to be appraised.

Next Stages

- CAZA are in the process of reviewing the results of Bongo 1 and 2 and will recommend the next phase of development and the potential in the shallower Frio and Yegua formations (currently untested and behind pipe) in due course.

Jumonville #1 & #2 (J#1 & J#2) production wells – Operator Golden Gate Petroleum

- Total produced oil for the 12 months to 30 June 2011 was 44,513 barrels
- Total produced gas for the 12 months to 30 June 2011 was 82,305BCF
- **Forward Plans**
 - J#1 & J#2 to continue on production whilst still commercial
 - Review the opportunity and economics of testing the Camerina sand which is accessible from J#1 wellbore
 - Review opportunity and economics for additional upside in the Myogyp Reservoir (Acosta #2)



Bowtie West – Operator Texacoma

- Located in a prolific fairway of previously developed shallower large oil and gas fields
- Large gas prospect with follow on drilling potential
 - Relatively low risk exploration
 - Follow-on to exploration well (Bowtie East) that missed the Vicksburg sandstone reservoir
- Recent discoveries in the immediate area have significantly upgraded Bowtie West
- Recent acquisition of additional acreage could substantially increase potential reserves
- Anticipate drilling exploration well in 2012



Plans for 2011 and 2012:

- Sidi Dhaher - secure rig and equipment and test the well
- Sidi Dhaher - Potential development well(s)
- Plug and abandon Lyons Point
- Ongoing assessment of Bongo and potential testing of Yegua/Frio
- Bullseye – test the Camerina from existing wellbore in J#1
- Seek farm out partner(s) for Fausse Point
- Subject to final technical review, perform Side-track from FP#1 and drilling of Fausse Pt Shallow prospect
- Secure additional high impact exploration prospects
- Review opportunities in the Chorbane block and further develop leads to drillable prospects

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