



OIL BASINS LIMITED

MAJOR UPSIDE POTENTIAL ACROSS DIVERSE ASSETS

**RIU GOOD OIL CONFERENCE
ESPLANADE HOTEL FREMANTLE**

**PRESENTED BY NEIL DOYLE, DIRECTOR & CEO
4 SEPTEMBER 2012**

ASX CODES: OBL & OBLOB



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- Prospective Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. Recipients should not infer that because "prospective resources" are referred to that oil and gas necessarily exist within the prospects and CSG / USG tenements. An equally valid outcome in relation to each of the Company's prospects is that no oil or gas will be discovered.
- The technical information quoted has been compiled and / or assessed by Company Director Mr Neil Doyle who is a professional engineer (BEng, MEngSc - Geomechanics) with over 30 years standing and has been a full and continuous member of the US Petroleum Engineers since 1981 and by Mr Geoff Geary who is a professional geologist (Bachelor Science – Geology) with over 33 years standing and who is also a Member of Petroleum Exploration Society of Australia. Both Mr Doyle and Mr Geary have consented to the inclusion in this announcement of the matters based on the information in the form and context in which they originally appear – investors should at all times refer to appropriate ASX Releases.
- Specifically the Gippsland Basin technical information is sourced from previous ASX Releases by Permit Operator Bass Strait Oil Company Limited (ASX code BAS) on 16 May 2012. The technical contingent resources data relating to the Carnarvon Basin R3/R1 has been independently assessed by RPS Energy – released 4 April 2011. The petroleum engineering technical data relating to the Carnarvon Basin R3/R1 was independently assessed by DU-EL Drilling Services (with principal conclusions of their Cyrano Development Scoping Study (refer to ASX Release 26 October 2011)). Specifically the Canning Basin technical information relating to CSG & USG quoted has been compiled and / or assessed by an Independent Expert Report by Mapcourt Pty Ltd released to the ASX on 8 July 2010. The Backreef Area technical assessment by an Independent Expert Report by RPS Energy Pty Ltd released to the ASX dated 23 November 2011.
- Investment in Oil Basins Limited is regarded as speculative and this presentation includes certain forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, commercial and other risks associated with estimation of potential hydrocarbon resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.
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Corporate Snapshot

Directors

Kim McGrath
Neil Doyle
Nigel Harvey

Executive Chairman (*Founder*)
Director & CEO (*Founder*)
Non-Executive Director

Senior Management

Melanie Leydin
Geoff Geary

Company Secretary
Exploration Consultant

Major Shareholders

Albers Group
Directors & Management

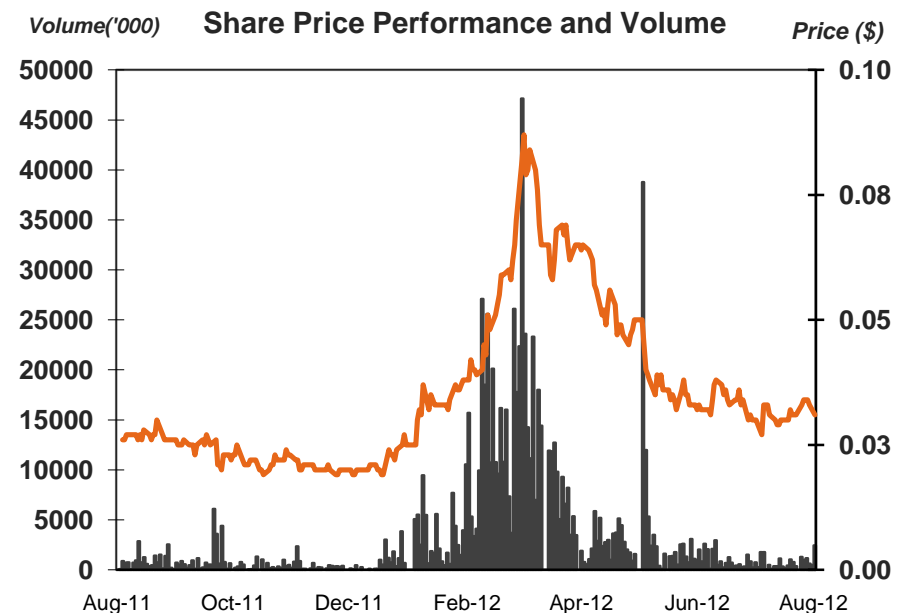
7.02%
Circa 5%

Highly experienced corporate, geology & engineering teams delivering modern technologies & techniques to mature basins.

During 2012, Company strengthened its operational & technical support base:

- **DU-EL** (Petroleum Engineering)
- **3DGeo** (Geophysical)

ASX Trading Symbols	OBL, OBLOB
Shares (Ordinary)	509.06 M
Options (@ 4 cents 30/06/14)	69.04 M
Shares (Fully Diluted)	579.00 M
52-week Trading Range	\$0.019 – \$0.10
Share Price	\$0.030
52-week Average Daily Volume	3.281 M
Cash (at 30 June 2012)	\$4.5 M
Market Capitalisation	\$15.3 M
OBL holds 77.2 M shares in Bass Strait Oil Company @ current price of circa 1.7 cps	\$1.3 M



Establish production hubs near known oil & gas fields in mature basins

- **OBL operates 3 onshore/offshore assets**
 - **Oil:** offshore Carnarvon – 100% R3/R1
 - **Oil:** onshore Canning – 80% rights Backreef Area (foundation IPO asset)
 - **Oil, CSG/USG:** onshore Canning Application 5/07-8EP - 50% rights exploration permit
- **2 non-operated permits in Eastern Gippsland Basin**
 - **Oil & Gas:** offshore permit Vic/P41 – 12.5% (foundation IPO asset)
 - **Oil & Gas:** offshore permit Vic/P66 – 17%
- Listed as explorer in 2006, now developer with 2 active projects & large equity positions
- **Company offers investors exposure to unique portfolio including conventional offshore & onshore oil & gas & potential unconventional shale gas (USG) & shale oil (USO) & coal seam gas (CSG)**

High potential* portfolio in key locations

*Gross unrisks in-place basis

Permit 5/07-8EP

USG potential 51 – 253 Tcf

CSG potential 2 – 5 Tcf

Backreef Area Oil Pools

STOOIP 48 – 117 MMbbls

OBL holds circa 77.2 M share Investment in BAS

OBL Is the Major Holder In BAS

BAS's ASX Release on 16 May 2012

Gippsland Assets Gross Contingent

Resources circa 194 to 934 Bcf

Gippsland Gross Prospective

Resources circa 1.5 to 6.0 Tcf

Canning Basin

Carnarvon Basin

Eastern Gippsland

Cyrano Oilfield

STOOIP 10 – 18 MMbbls

0 500Km

Gippsland Basin

 Oil Basin Interests



OIL BASINS LIMITED

ABN 56 006 024 764

2012 Achievements

- **Gippsland** : Converted two drilling options to direct 12.5% interest at \$nil, saving \$4.1m in farmin promote costs
- **Canning** : Sold 20% of Backreef Area to Green Rock Energy Limited (GRK)
 - \$3.6m payment to OBL
 - May 2012, effective 50% free carry on two recent production tests of Backreef-1, DST#1 discovered oil in a highly productive Gumhole fm.
 - 100% free carry on East Blina-1 well to be spudded in October
- **Corporate** : Acquired circa 19.9% interest (77.2 M shares) in Bass Strait Oil Company (**BAS**) in July 2012



**Backreef-1 Production Testing using ADS
Rig#2 May 2012**



OBL's Canning Basin interests



17°00'

Jum Jum-1

17°30'

Napier-4

Napier-2

Napier-5

Napier-1

Hawkestone Peak-1

May River-1

Orange Pool-1

BACKREEF AREA
OBL 80%

Derby

Stokes Bay/Valentine-1

Point Torment-1

Kora-1

West Kora-1

5/07-8EP
OBL 50%

Langoora-1

Yarrada-1

Canegrass-1

Meda-1

Mellany-1

EP 129R2

Fraser River-1

Fraser River S-1

Millard-1

Booran-1

Wattle-1

Lloyd-1-3

Boundary-1

West Terrace-1

Fairwell-1

West Blackstone-1
Blackstone-1
Janpan North-1
Mariana-1

EP 129R3

Runthrough-1

Loris-1

Leander-1

Whitewell-1

Hangover-1

Sunup-1

Thompson-1

Agulhas-1

East Yeeda-1

Janpan-1

Katy-1

The Sisters-1

Booran-1

Harold-1

Backreef-1

Mimosa-1

Kennedia-1

Phylodrum-1

Arbitration with Kimberley Land Council on behalf of the traditional owners is progressing well

0 25

Kilometres

East Blina-1 Well

Backreef-1 Oil Pool



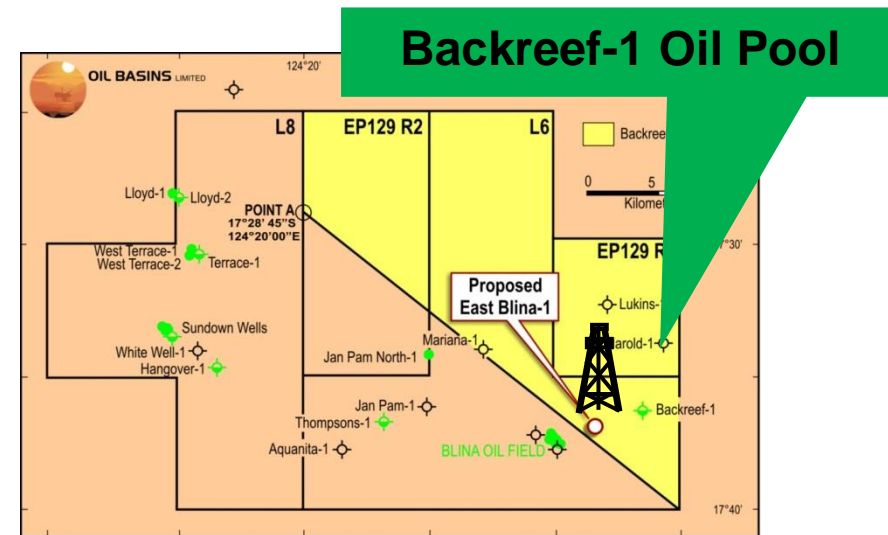
Backreef Area – New Oil Play

- OBL holds 80% beneficial interest*
- Located adjacent to Blina oilfield within Kimberley Downs Embayment of Canning Basin, 105 km east-southeast of Derby
- In 2011 an independent technical review of OBL's 'New Oil Play' encountered by Backreef-1 wildcat well drilled in late 2010
- 'New Oil Play' could host significant an unrisksed OIP volume of circa 48-117 MMbbls
- Farmed out 20% interest to Green Rock Energy* in April 2012 – OBL effectively received a 2.5:1 promote to production test & 5:1 promote on second well East Blina-1

Analogues

- Nearby Blina Devonian Dolomites (1981)
- Backreef-1 Devonian Dolomites (2010)
- Ungani-1ST & 2 Devonian Dolomites (2011)

*Subject to transfers & consents

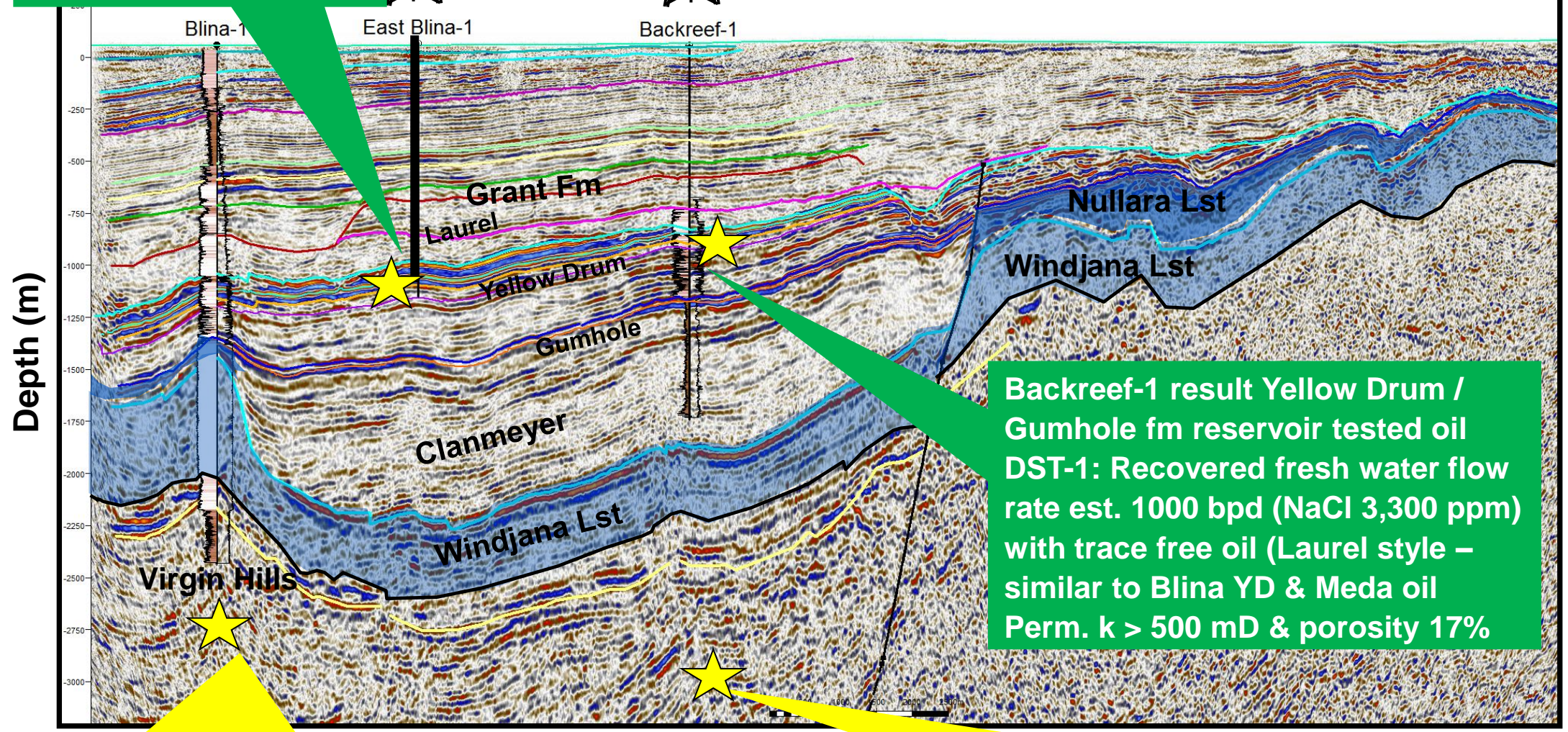


**Dynamic Drilling Rig#17
East Bilna-1 (October 2012)**



Regional Seismic Line BV93-17

East Blina-1 rollover better positioned, circa 40m closure potential



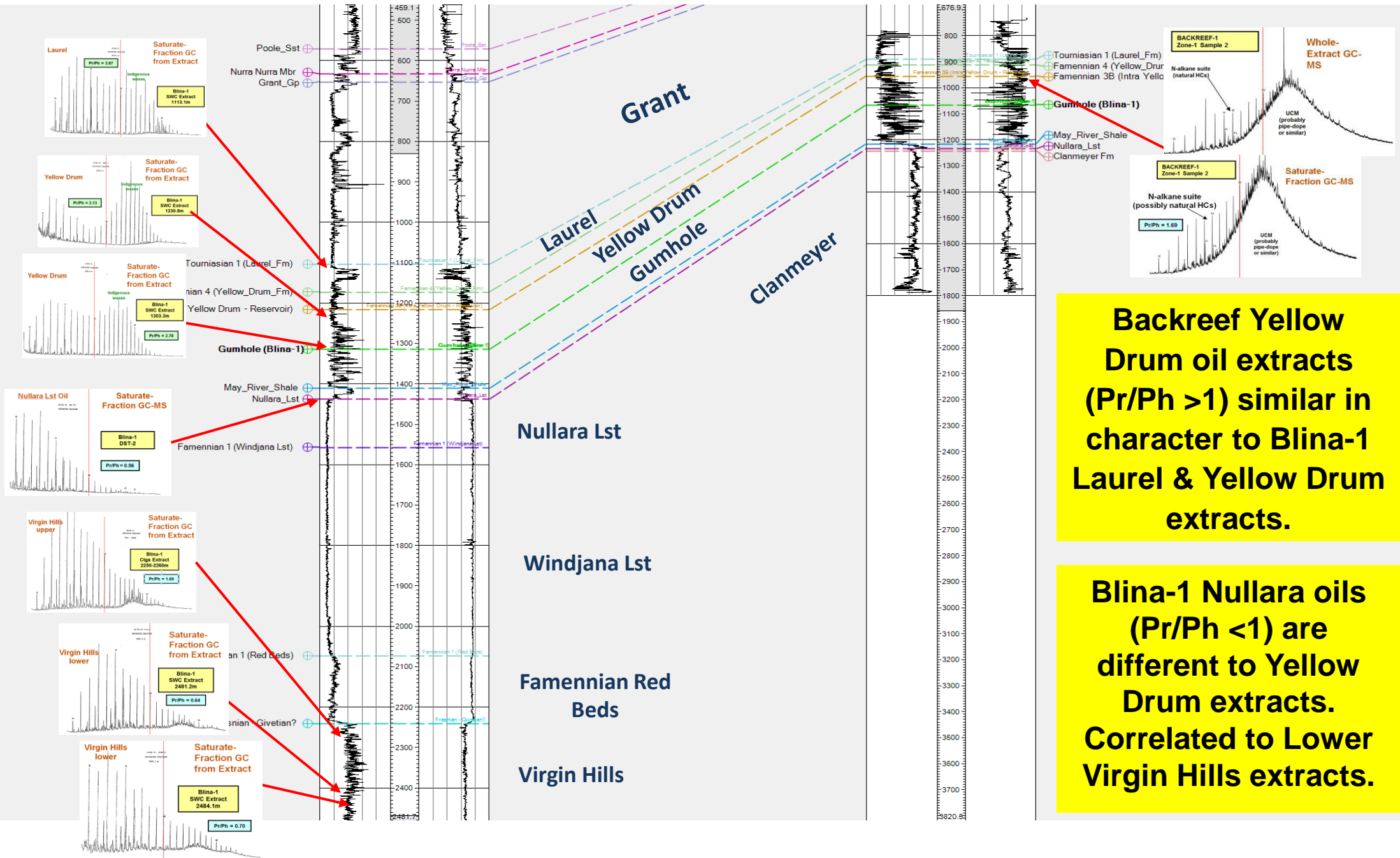
Backreef-1 result Yellow Drum / Gumhole fm reservoir tested oil DST-1: Recovered fresh water flow rate est. 1000 bpd (NaCl 3,300 ppm) with trace free oil (Laurel style – similar to Blina YD & Meda oil Perm. k > 500 mD & porosity 17%)

Deep Virgin Hills sst Tight Gas potential

Deeper Gogo Shale Gas / Shale Oil potential

Blina-1

Backreef-1



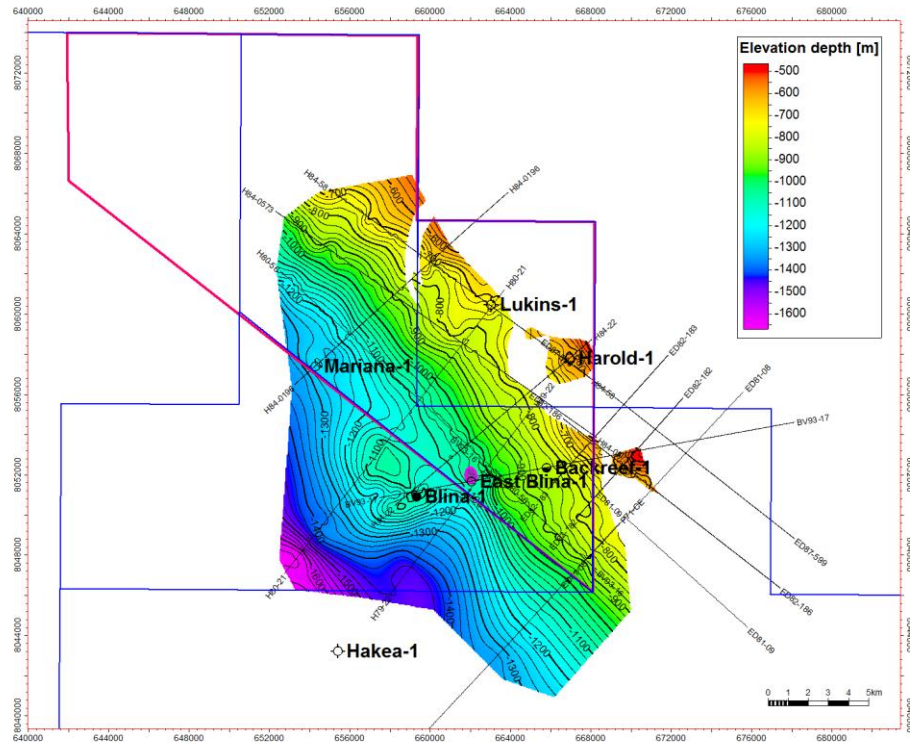
Backreef Yellow Drum oil extracts (Pr/Ph >1) similar in character to Blina-1 Laurel & Yellow Drum extracts.

Blina-1 Nullara oils (Pr/Ph <1) are different to Yellow Drum extracts. Correlated to Lower Virgin Hills extracts.



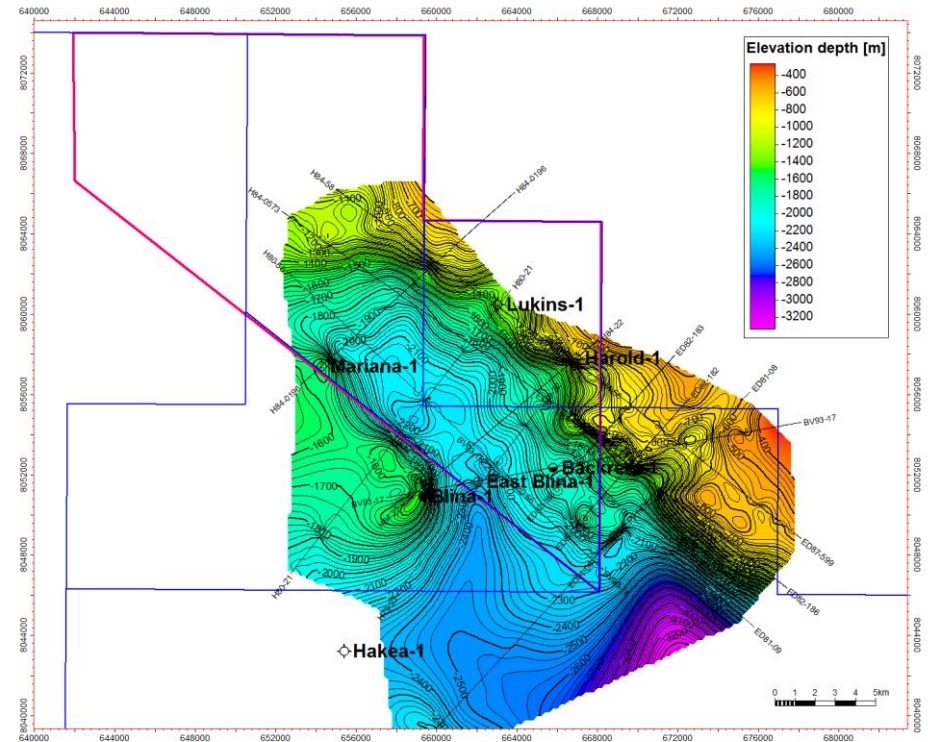
2 Plays – Shallow Oil & Deeper USG / USO

**Depth Map Top Yellow Drum Dolomite
overlying high perm formation**



**New play area circa >150 km²
recoverable potential 9-37 MMbbbls
from circa 48-117 MMbbbls STOOIP**

**Depth Map Top Windjana Limestone
overlying Virgin Hills & Gogo Shale**



**C1-C4 evident in Blina-1 deep & C1-C4
evident in Backreef-1 deep > 1700m
carbonates/shales potential 10 Tcf GIP**



Backreef Area – 2012 De-risking Strategy

- Production test on Backreef-1 conducted May 2012
- Confirmed new oil play in Gumhole Dolomites with very favourable reservoir qualities – permeability >500 mD and porosity circa 17%, oil is a ‘Meda style oil’ re-analysis of CPX logs indicates oil present even though formation water is very fresh
- Potential new play area circa >150 km², recoverable potential 9-37 MMbbls from circa unrisks 48-117 MMbbls STOOIP
- A new assessment of new oil play using ‘fit-for purpose’ low cost Dynamic Drilling Rig#17 – contract being finalised
- Drilling operations set to begin early Q4 2012 (subject now only to consents)
- East Blina-1 shallow well depth of 1220m target size of 5 MMbbls unrisks STOOIP
- Expectation of 0.75 MMbbls 2C potential risks recoverable resources
- **2012 Drilling** : East Blina-1 exploration 100% funded by \$2.5m free carry (paid)
- **2013** : shoot 2D seismic, target shallow wells & Farmout deeper USG/USO Play

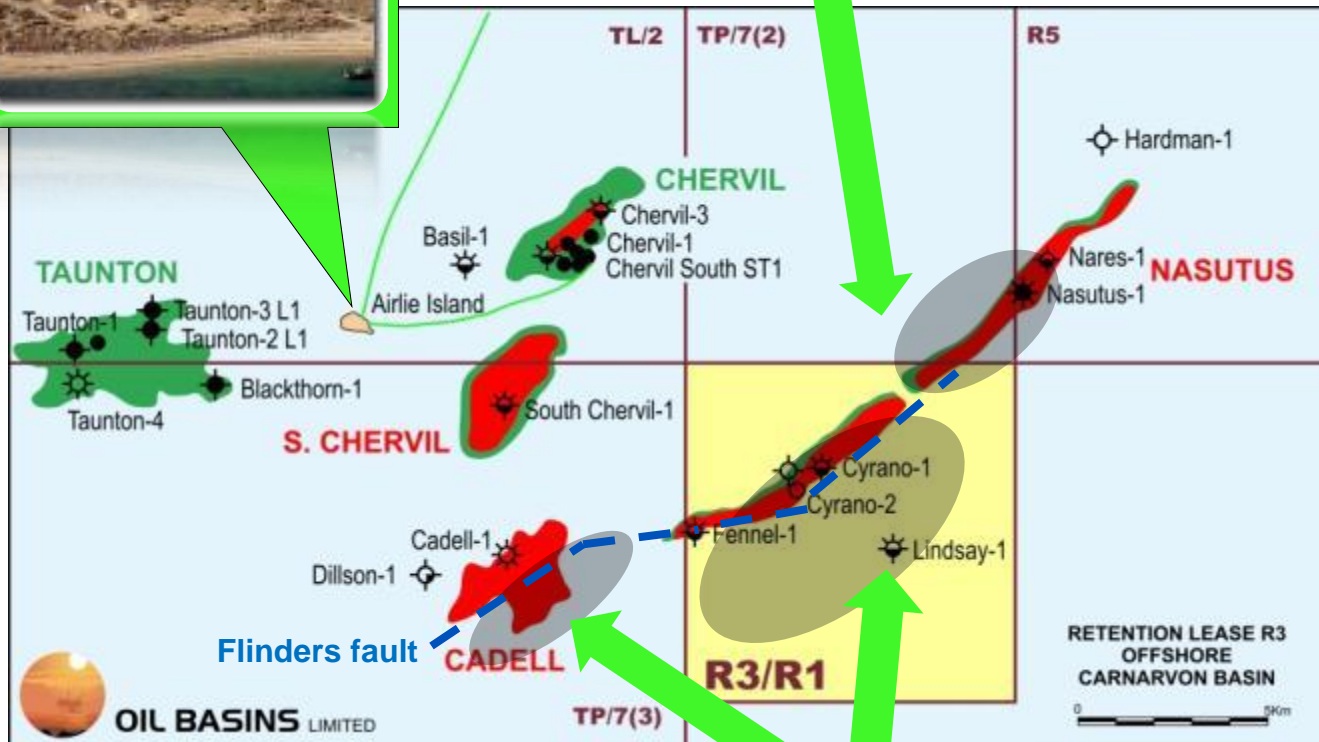


Carnarvon Basin – Cyrano Oil Field

Airlie Island Oil Hub



New Geophysical Study Area (1) R5 Oil Field Extension



New Geophysical Study Area Petrel™ & Sedimentary Analysis

- OBL acquired 25% in 2008 & remaining 75% in October 2010
- Successfully renewed project as R3/R1 with 5 year retention lease in October 2011
- Field contains 10m net heavy 22.8 API, low Sulphur oil, 21m gas cap crude oil viscosity 3.95cp
- Water depth only 15m-17m & TD shallow 600m
- Nearby to Airlie Island – Jetty & 2 x 150,000 storage tanks, gas lift & gas/water separation facilities



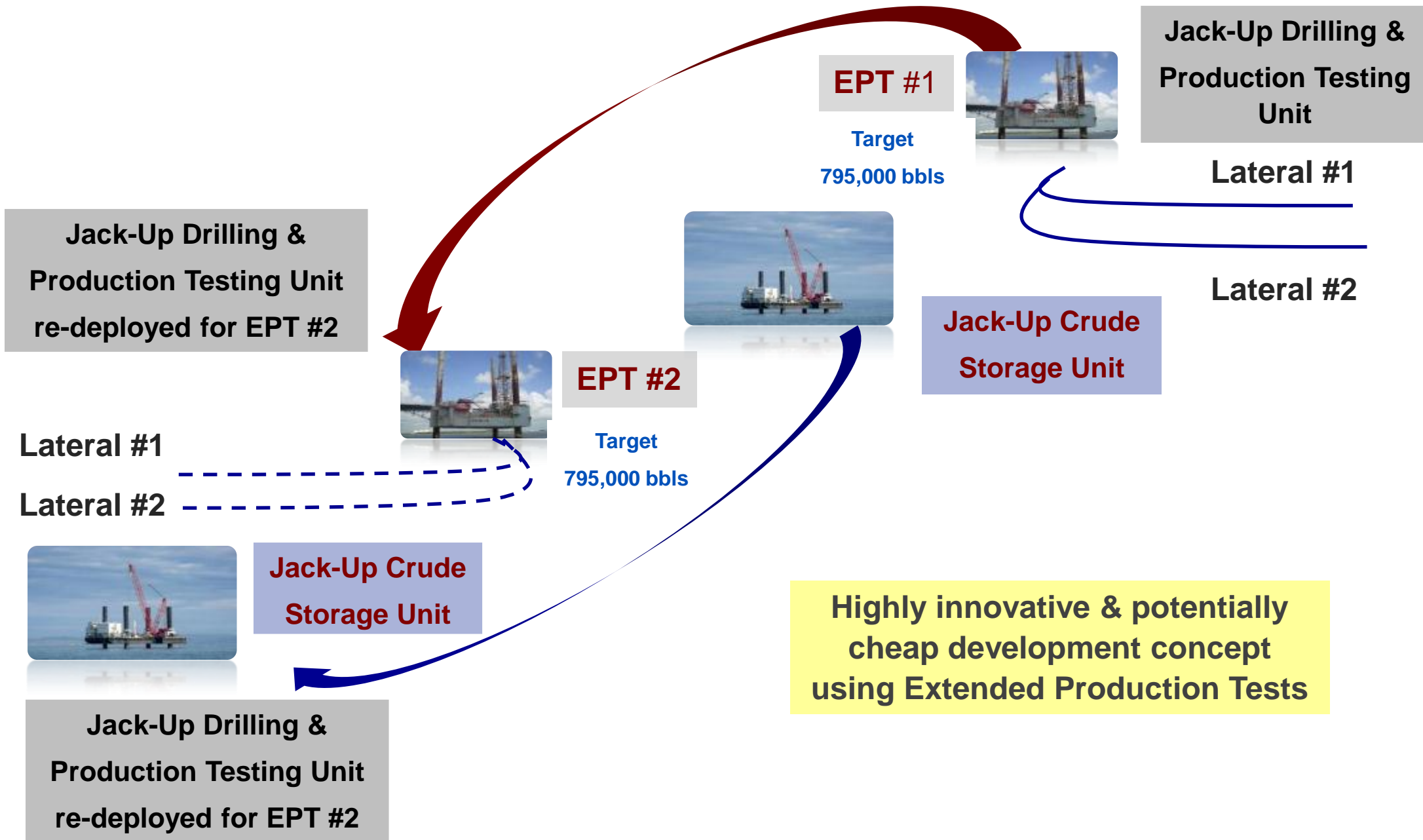
Cyrano R3/R1 – New Work 2012

- 100% interest in Cyrano Oil Field R3/R1
- Preferred development potentially reduces capex by >75% from US\$150m to circa \$30m - objective to reduce from \$140 to <\$30 per barrel
- 2011 geophysical assessment conducted to significantly increase risked (P50) Stock Tank Original Oil in Place (STOOIP) from 4.4 to 10 MMbbls (using Kingdom software)
- Commissioned DU-EL to undertake scoping study Q2 2012 covering development options & technologies
- Study changes preferred development option to feasibility of Extended Production Test (EPT/EWT) using re-deployable equipment
- Booked contingent 2C resources increased by 250% to 1.5 MMbbls, scope for further increase
- Similar innovative rapid development approach as recently considered by 3D Oil
- Conducting new Petrel™ mapping assessment of R5 Nasutus Oil Field into R3 with current expectation for further improvement of OBL's booked contingent resources – seek Farmout
- **2013** - Reservoir simulation studies with potential to enhance 2C resources from 2.0 to 4.0MMbbls using sophisticated modern electric submerged progressive cavitation pumps (ESPCP's)



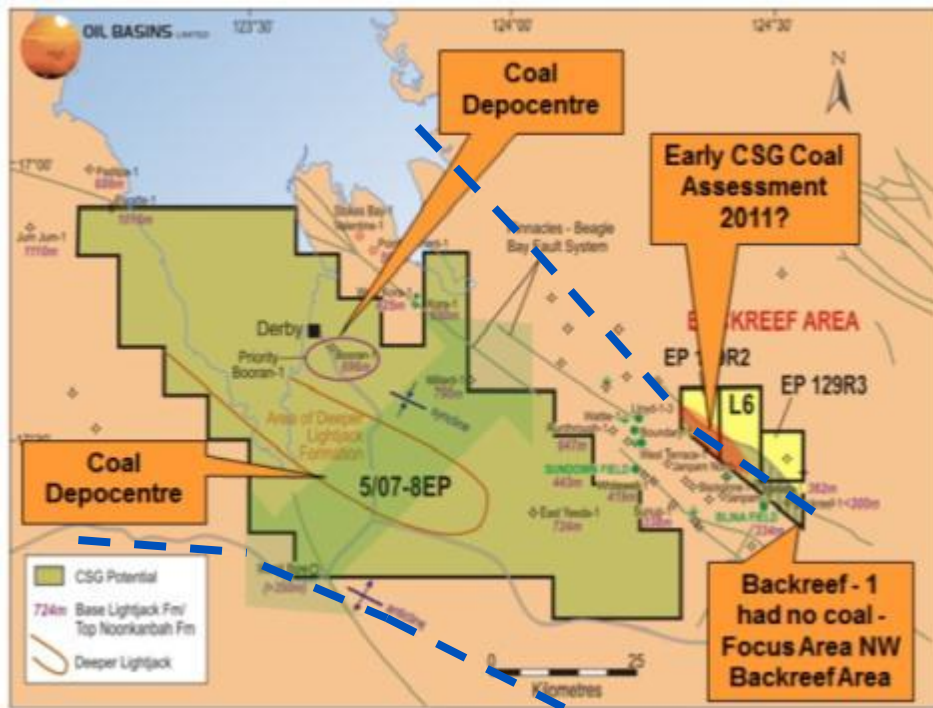
Cyrano Oil Field – Development Study

Multiple EPTs (Leap-frogging along strike of field)





Canning Basin CSG



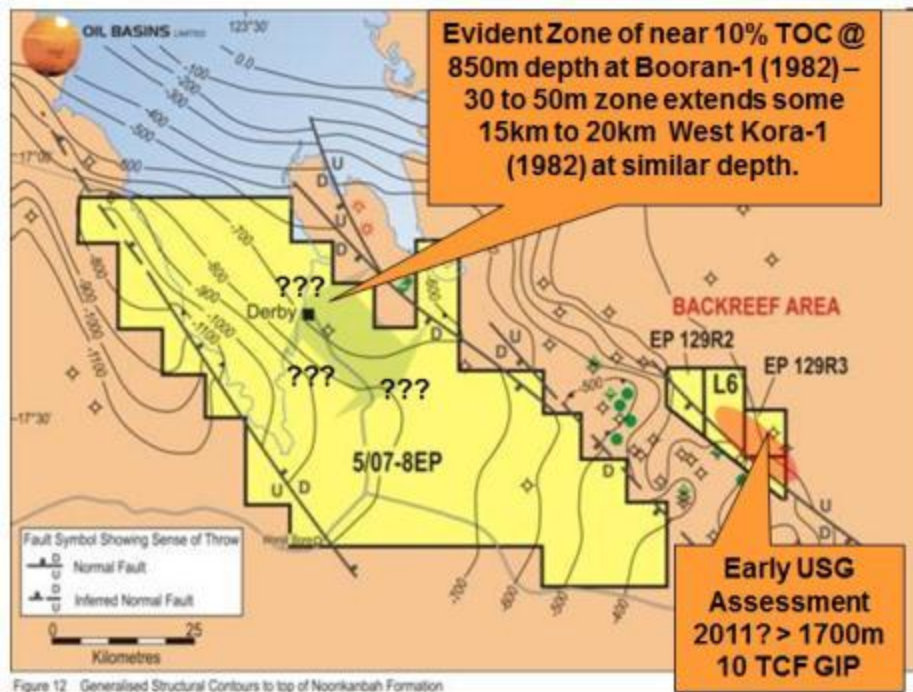
Extent of coal measures bounded in north by 67 Mile Fault Very High Ash Content >45% south of Fenton Fault - Permit 5,087 km²

Arbitration with Kimberley Land Council on behalf of the traditional owners is progressing well

- OBL 50% designated operator permit 5/07-8EP
- Net prospective risked 2P resources assessed at between 2.2 – 5.2 Tcf
- Independent coal measures study assessed historic data – 51-118Bt coal estimated within permit
- 2 thick & deep coal depocentres delineated, considered highly suitable for CSG
- Booran-1 petroleum well located 3km from Derby, max. coal thickness 20m
- Canning Basin Permian coals indicate overall gas saturation possibly higher than occurring in Surat Basin Permian coals



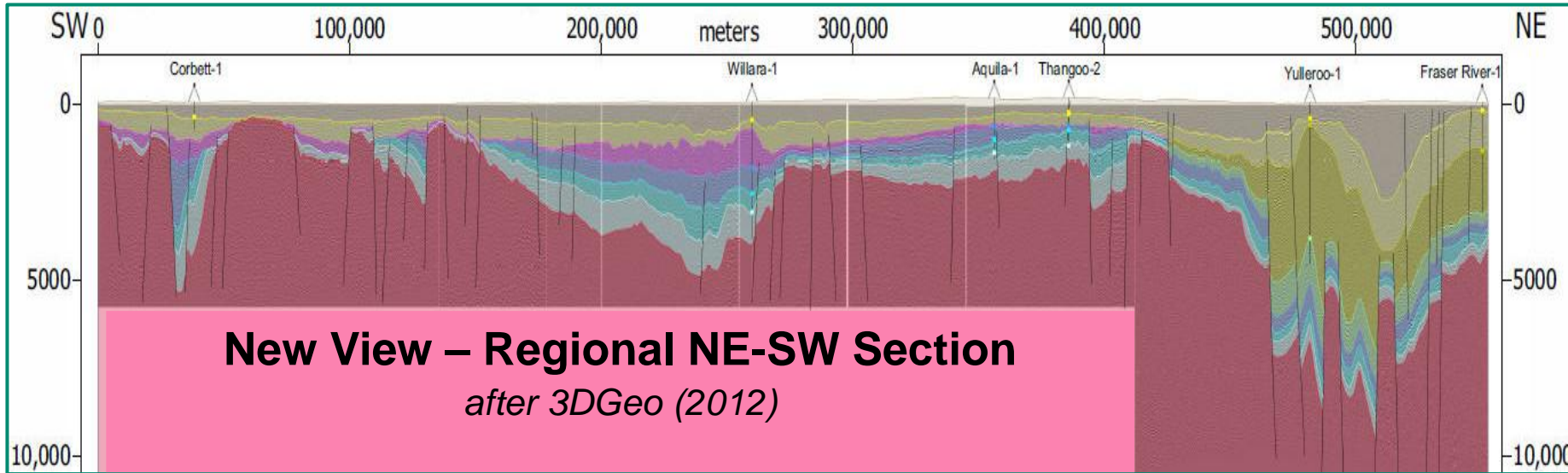
Canning Basin USG



- Potential new large energy source – OBL designated operator 50%
- Independent expert report delineated unrisks USG prospective potential 51 to 253 Tcf GIP
- 6 formation units occurring within permit
- Evidence of high TOCs from side wall cores analysis, previously cut in Booran-1
- Gogo Shales ~1km overburden removed
- Shallow overlying CSG with ability to potentially de-risk USG exploration at Canning
- Potential to re-enter and deepen Backreef-1 circa 2700m, encouraging wet gas c1 – C4 results ~ 1700m
- New USG study by 3DGeo has provided valuable insights of potential for USG / USO
- Permit closer to established infrastructure & James Price Point LNG Terminal

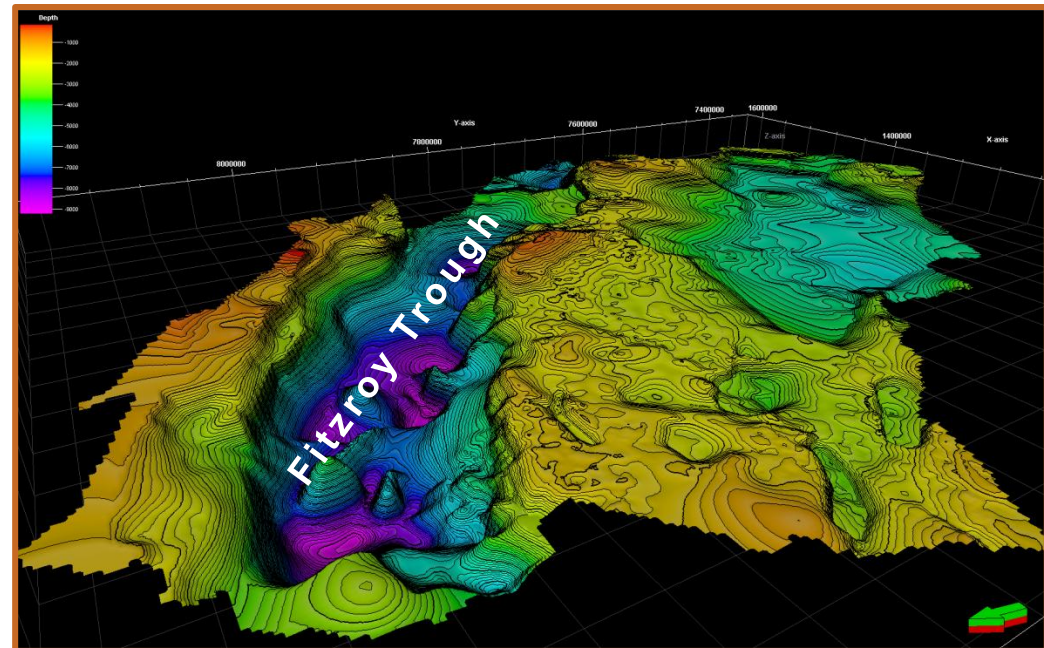


New View of Fitzroy Trough



In the core of the Fitzroy Trough, basement is very deep with a significant thickness Ordovician – Carboniferous sediments deposited.

Source rocks in these sequences are mature (probably the source for the oil and gas on the platform areas margining the Fitzroy Trough) and have significant potential for USG and USO.





OBL offers best exposure to Canning

Backreef-1 has reduced risk for New Oil Play, CSG/USG to de-risk Canning

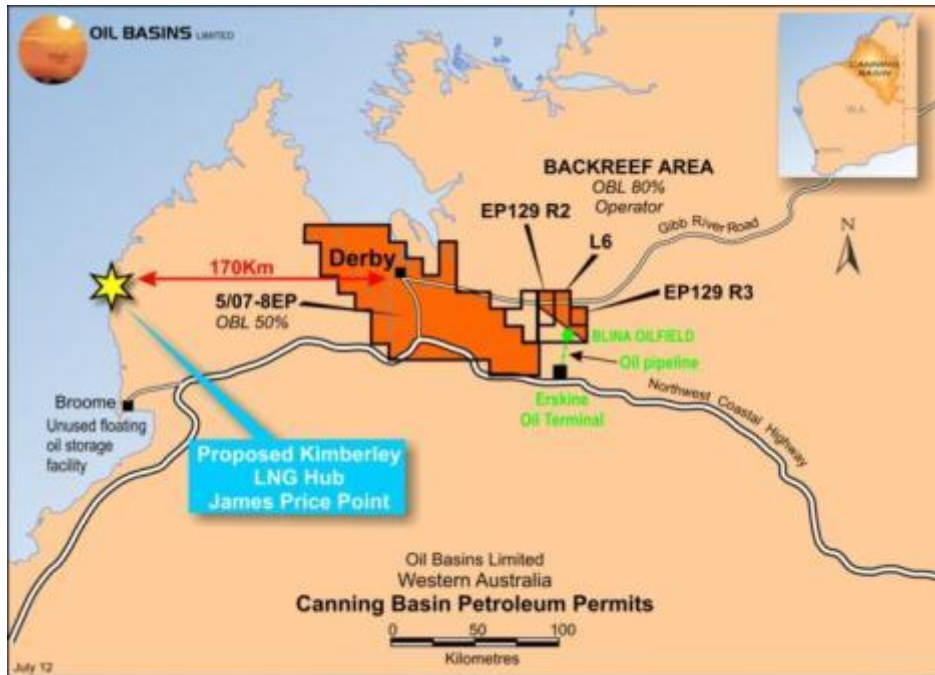


Figure 3 Location and Infrastructure Map, Canning Basin

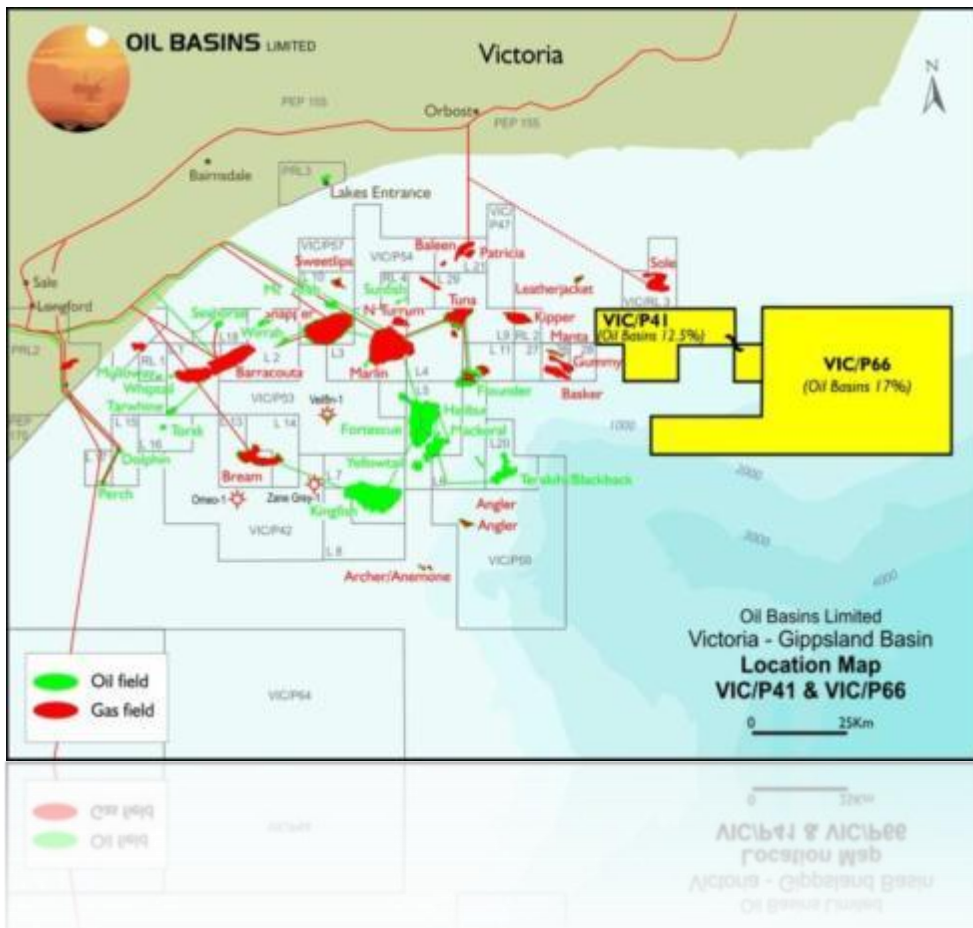


- Strategic footprint for CSG / USG to LNG with potentially large volumes of gas located close to Derby & established regional infrastructure
- Export CSG to LNG / USG to LNG (James Price Point)
- LNG Limited's modular plant technology ideally suited to moderate gas production build-up

Nearby USG Transactions

- New Standard Energy (NSE) farmed out to ConocoPhillips circa USD\$108M or circa \$1.1m per % point in July 2011
- NSE's assessed Goldwyer Shale Play based on 40-460 Tcf GIP potential
- Mitsubishi to carry Buru for first \$40/50m USG WP

Eastern Gippsland Basin

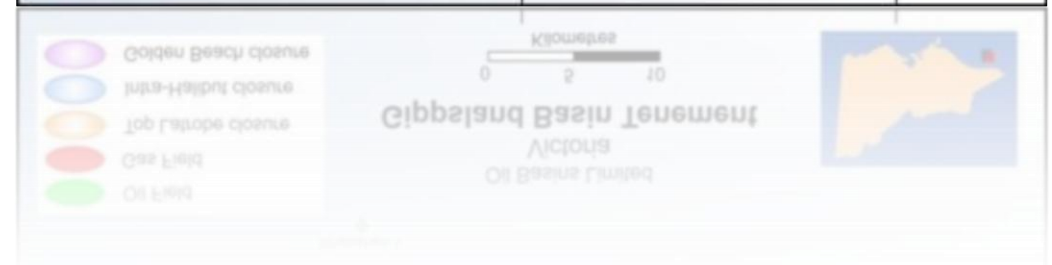
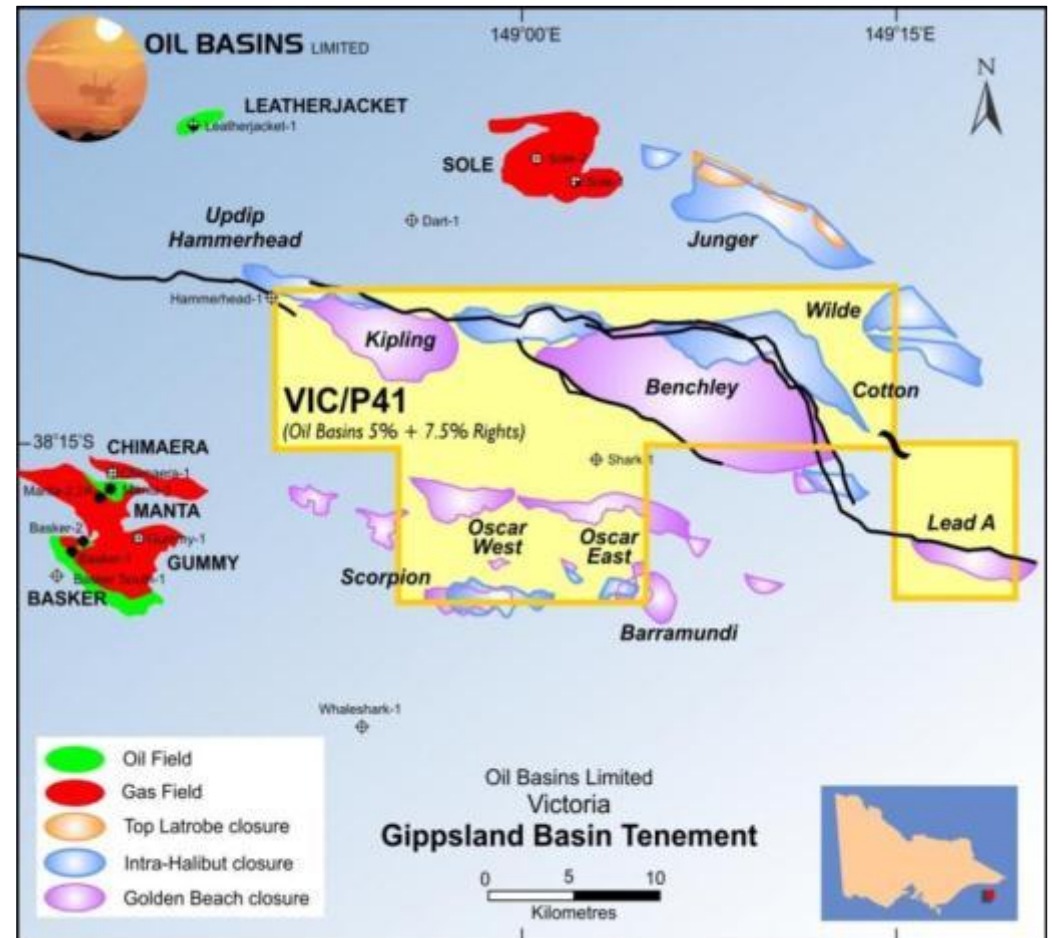


- 12.5% - Vic/P41 & 17% - Vic/P66
- Permit recently renewed for third term
- Operator signed Joint Study Agreement with CNOOC on 2 August 2011
- OBL recently assigned further 5% of Vic/P41 to secure investment
- OBL is the major shareholder circa 77.3 M shares in Bass Strait Oil Company Ltd (**BAS**), operator of both permits
- Gassy permits likely to reach value with advent of CO₂ tax on in July 2012
- Vic/P41 best undrilled Golden Beach Rosedale Fault play in offshore Gippsland Basin

On 3 September 2012, the Company has taken BAS to Federal Court to rule on the recent BAS capital raisings. An early hearing date has been requested.

Eastern Gippsland Basin

- Foundation IPO asset, 6 undrilled 3D defined prospects
- Vic/P41 potentially best undrilled permit in offshore Eastern Gippsland Basin
- Gross P10 Vic/P41 upside 713 MMbbls Oil & 3.1 TCF Gas with potential for further upside – ie circa 50% of BAS portfolio upside is located in this Permit
- Lead A to be defined by new 3D seismic
- OBL holds rights to circa net 96 MMBoe P50 prospective recoverable resources – with 38 MMBoe potential now held direct
- Kipper Gas Field analogous to Kipling
- South East Remora oil discovery by ExxonMobil/BHP Billiton Petroleum confirms Golden Beach as the New Oil Play
- 2012 Plan is to further consolidate interests to attain critical mass





What sets Oil Basins apart?

- 4 diverse projects in mature basins & located close to established markets
- Potential for significant increase to shareholder value & Company re-rating during 2012/2013
- 100% offshore oil development asset with potential 2-4 MMbbls 2C resources & estimated capex modest <\$30m
- 80% beneficial rights of onshore Backreef Area - recent Backreef-1 production test delineated New Oil Play within Devonian Gumhole dolomite formation
- Recent Backreef-1 well test recovered live oil samples (proof of play) - Meda style oil
- Pre-test, mid-case potential recoverable resources est. circa 20.6 MMbbls – net 16.5 MMbbls
- East Blina-1 drill-ready circa early October 2012 – circa mid-way between Blina & Backreef-1
- Large footprint of potential USG located onshore near infrastructure for future Kimberley LNG Hub – likely to attract large Farmin partners
- Strategic footprint in undrilled wet gas offshore permit, located in highly prospective Gippsland Basin (6 drill-ready prospects all defined by 3D & AVOs) & strengthened its overall position with a strategic investment in BAS



OIL BASINS LIMITED

Technically innovative
State-of-the-art seismic analysis
New play concepts
High leverage

ASX: OBL, OBL0A, OBL0B

www.oilbasins.com.au



Glossary & Petroleum Units

M	Thousand	PSTM	Pre-stack time migration – reprocessing method used with seismic
MM	Million	PSDM	Pre-stack depth migration – reprocessing method used with seismic converting time into depth
B	Billion	AVO	Amplitude versus Offset, enhancing statistical processing method used with 3D seismic
bbbl	Barrel of crude oil (ie 159 litres)	GIP	Gas initially in place – also known as GIIP
PJ	Peta Joule (1,000 Tera Joules (TJ))	OIP	Oil in place – also known as Stock Tank Oil Initially in Place (STOOIP)
Bcf	Billion cubic feet	fm	Formation
Tcf	Trillion cubic feet	sst	Sandstone
BOE	Barrel of crude oil equivalent – commonly defined as 1 TJ equates to circa 158 BOE – approximately equivalent to 1 barrel of crude equating to circa 6,000 Bcf dry methane on an energy equivalent basis)	OWC	Oil water contact
CSG	Coal Seam Gas	USG	Unconventional Shale Gas
EPT	Extended Production Test (also commonly referred to as an Extended Well Test)	USO	Unconventional Shale Oil
ESPCP	Electric Submersible Progressive Cavitation Pumps		