



ASX Announcement

17 May 2011

The Manager
Company Announcements Office
ASX Ltd
4th Floor, 20 Bridge Street
SYDNEY, NSW 2000

Dear Sir,

Bongo 2 Drilling Commences

- Bongo O.B. Ranch #2 Well commences drilling.
- 13,500' well to reach target depth within 20 days.

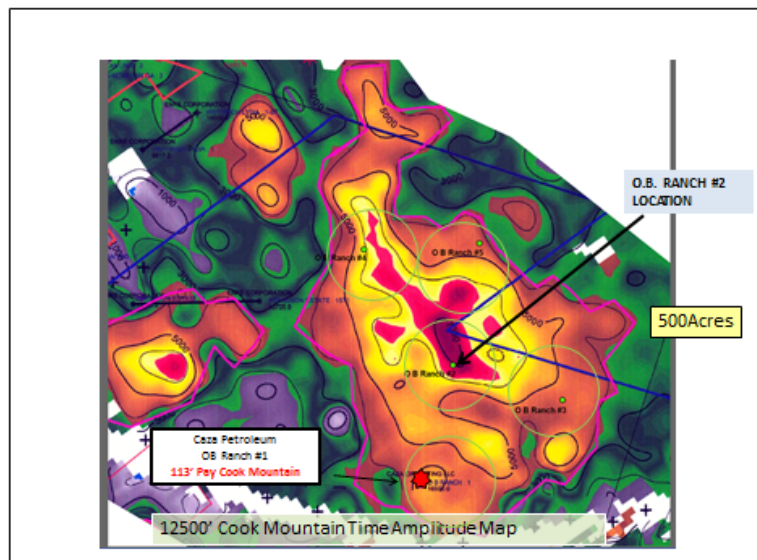
Perth-based explorer Verus Investments Ltd ('Verus'; ASX code: VIL) is pleased to update the market in respect to operations at the Bongo prospect in Wharton County, Texas.

O.B Ranch #2 (B#2)

The Board is pleased to announce that the O.B. Ranch #2 well spudded this morning. This well is an appraisal well to the successful discovery the O.B. Ranch #1 well.

The well is expected to take 20 days to get to target depth (TD).

The well is designed to target the Eocene, Cook Mountain interval between 12,400 and 12,900 feet, which is the stratigraphic interval producing in the O.B. Ranch #1 well, with an anticipated total depth of 13,500 feet.



This well will assess and test the formation in the preferred reservoir location which displayed the most defined and thickest section of the reservoir sands determined from the re-interpreted seismic.

Drilling data obtained from this well will be integrated into operator Caza's ongoing seismic modelling effort in Wharton County, Texas, which will be used to better understand the potential size and economics of the Cook Mountain anomaly at Bongo, as well as other potential targets in the area.

B#2 is the first proposed well in a potential five to eight-well development program. The shallower Yegua sands, also seen in the first well, will be targeted in subsequent development wells.

Bongo Property

The Bongo property is located in Wharton County, Texas and encompasses approximately 2,667 gross acres (1,208 net acres). Verus hold a 9.375% working interest (6.9% Net Revenue Interest) in this property.

The most likely resource potential of the prospect is 3 MMBBL and 25 BCF gas, with upside potential of up to 8 MMBBL and 73BCF gas.

For further information in respect of the Company's activities, please contact:

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COMPETENT PERSONS STATEMENT: The information in this announcement that relates to oil and gas exploration results and hydrocarbon reserves is based on information reviewed by Mr Greg Lee, who is a petroleum engineer. Mr Lee is a Director of the Company. Mr Lee has more than 20 years of experience in this discipline and he consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.