

6 June, 2011

## O.B. Ranch #2 Well - Drilling Update

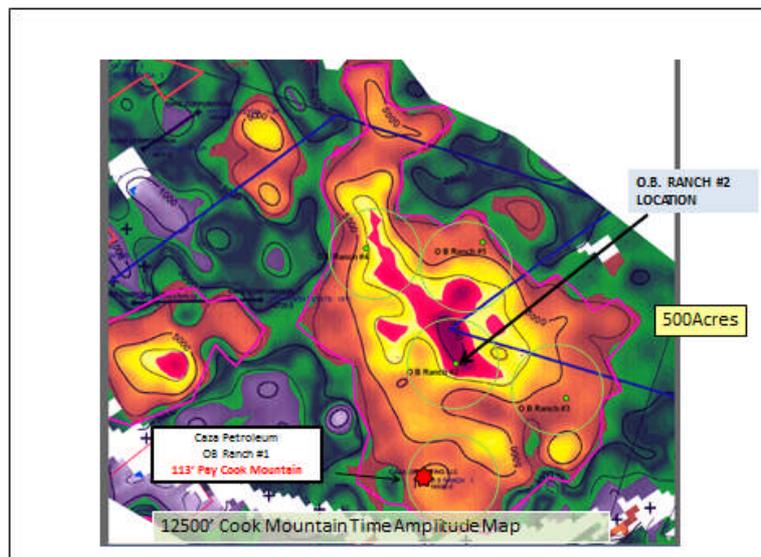
- O.B. Ranch #2 (Bongo #2) well at 7,610 ft, and preparing to drill ahead
- Well estimated to reach target depth of 13,500 ft within 10 days

### O.B Ranch #2 (Bongo #2)

Verus Investments is pleased to announce that it has received advice from operator, Caza Oil and Gas (Caza) that it has successfully set 7 5/8" casing at 7,598 ft in the Bongo #2 well, Wharton County, Texas.

A formation integrity test just below the casing shoe has been successfully performed and Caza is as of 06:00 hrs Central USA time, preparing to drill ahead to the target reservoir sands.

The Bongo #2 well, spudded on May 17, is the second well to be drilled on the Bongo Prospect. The well is on time and on budget and it is anticipated the target depth will be reached within 10 days.



Bongo #2 is the first Bongo appraisal well targeting the Eocene, Cook Mountain sands interval between 12,400 and 12,900 feet, which is the primary interval currently producing in the O.B. Ranch #1 (Bongo #1) discovery well. The planned total depth of the Bongo #2 well is 13,500 feet.

Drilling and logging data from this well will be integrated into Caza's ongoing Bongo seismic modelling, which will be used to better understand the potential size of the Cook Mountain structure at Bongo, as well as other potential targets in the area of mutual interest (AMI).

The Bongo #2 well is offset from the original Bongo #1 well on an 80-acre spacing. This well is intended to assess the formation at the preferred location on the structure which displays the most defined and thickest section of the reservoir sands determined from seismic data.

Bongo #2 is the first appraisal well in potentially a five to eight-well development exploitation program. The shallower Yegua sands, also seen in the first well, are not anticipated to be intersected in Bongo #2 and will be targeted in subsequent development wells.

### **Bongo Prospect**

The Bongo prospect is located in Wharton County and is approximately 90-km WSW of Houston, 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. Verus Investments holds a 9.375% WI 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:

Mr. Gregory Lee	Mr. Nathan Ryan	Mr. Craig Nelmes
Executive Director	NWR Communications Investor Relations	Finance & Administration
Tel: (+61 8) 9240 8645	Tel: (+61 0) 420 582887	Tel: (+61 8) 9240 8645

**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 25 years' 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.