

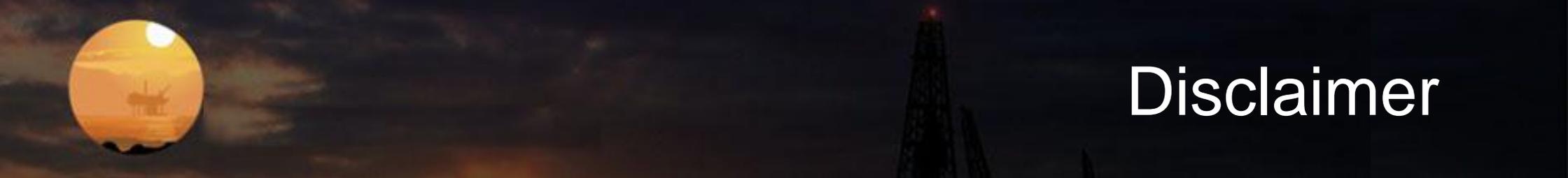


OIL BASINS LIMITED

Investor Presentation – “Drivers of near-term company value & update on Backreef”

Presented by Neil Doyle, Director & CEO

Aspermont September 20:20 Investor Series – Sydney Monday 19th September 2011



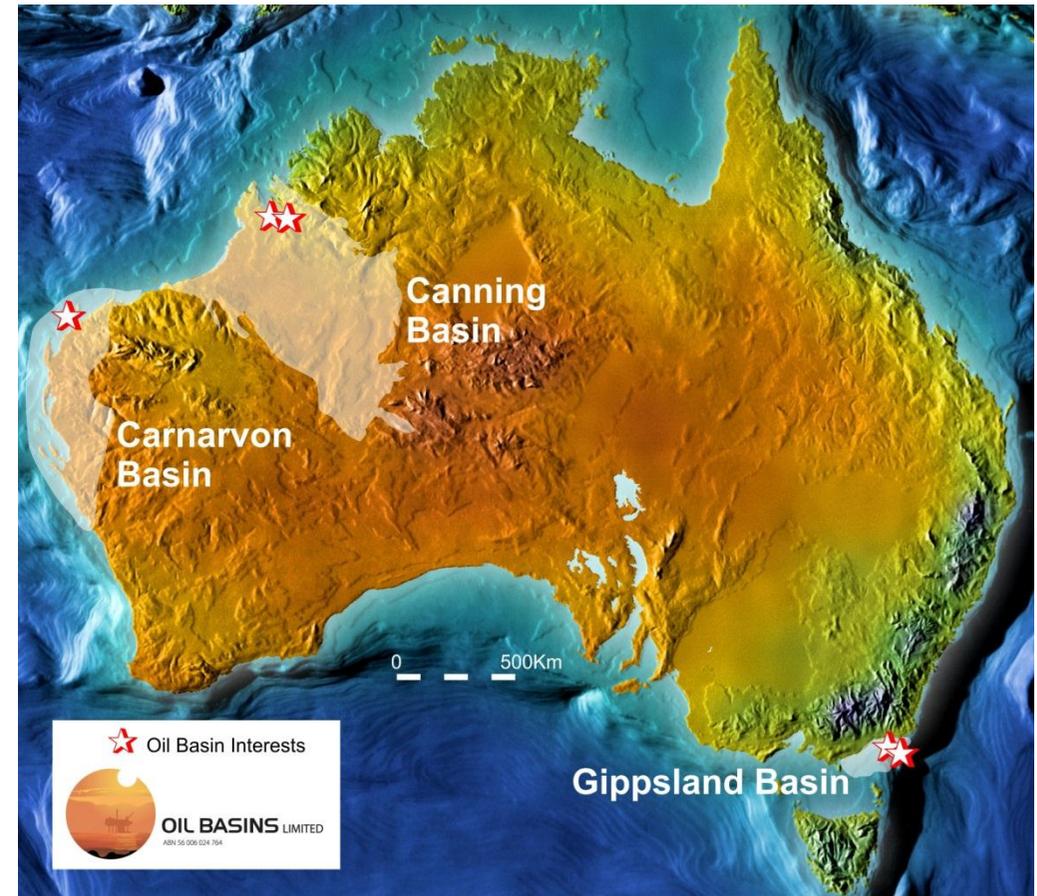
Disclaimer

- This presentation is for the sole purpose of preliminary background information to enable recipients to review the business activities of Oil Basins Limited ABN 56 006 024 764 (ASX code OBL). The material provided to you does not constitute an invitation, solicitation, recommendation or an offer to purchase or subscribe for securities. Copies of Company announcements including this presentation may be downloaded from www.oilbasins.com.au or general enquires may be made by telephone the Company (613) 9692 7222.
- The information in this document will be subject to completion, verification and amendment, and should not be relied upon as a complete and accurate representation of any matters that a potential investor should consider in evaluating Oil Basins Limited.
- **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 29 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 29 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 appear. Specifically the Gippsland Basin technical information is sourced from previous ASX Releases by Permit Operator Bass Strait Oil Company Limited (ASX code BAS). The technical data relating to the Carnarvon Basin R3 is presently being independently assessed by RPS Energy.
- Specifically the Canning Basin technical information relating to CSG & USG quoted has been compiled and / or assessed by an Independent Expert Report released to the ASX on 8 July 2010 and re-released on 27 July 2011. and the Backreef Area re-mapping is an inhouse assessment dated 8 August 2011.
- Assumed in-the ground values of unrisks prospective potential resources assets as stated in text (ignoring finding and development costs). No assumption of either commercial success or development is either implied with their adoption by either the Company and its directors and representatives in the application of these indicative values to its assets.
- Investment in Oil Basins Limited are 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.
- Oil Basins Limited and its directors and representatives accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information and its Directors do not endorse or take any responsibility for investments made.

Introducing Oil Basins Limited

Objective: establish strategic production hubs near known oil & gas in mature basins

- 2006 listed
- 2010 operator
- 2010 drilled first exploration well
- Currently operates 3 assets:
 - Oil: offshore Carnarvon
 - Oil, CSG/USG (designated Operator), & potential LNG: onshore Canning Basin
- Oil & Gas: 2 non-operated interests offshore Gippsland Basin





Summary of the assets

Operated Assets:

- Oil**
 - 100% R3 (Cyrano Oil Field)
 - 100% Rights Backreef Area (*Shallow Backreef-1 Oil Show*)
- CSG**
 - 50% 5/07-8EP (CSG Operator)
- USG**
 - 100% Rights Backreef Area (*Backreef-1 Deepening*)
 - 50% 5/07-8EP (USG Operator)
- LNG**
 - 5/07-8EP has potential for significant feedstock to James Price Point
 - OBL already has secured 30% Rights to Future Canning LNG Plant

Non-Operated Assets:

- Oil & NGL**
 - 12.5% Rights Vic/P41
 - 17% Vic/P66



Corporate Snapshot

Issued Capital

Ordinary shares OBL	345.3 M
Listed Options OBLOA (exp 30/6/2012)	66.4 M
Listed Options OBLOB (exp 30/6/2014)	69.0 M
Market Cap @ 16 September	\$10.4 M
Current Price @ 16 September	\$0.03
12 month range	2.4 to 7.29 cps
Debt	Nil
Cash (& near cash) @ 16 Sept	circa \$1.22 million

Directors & Management

Kim McGrath	Executive Chairman
Nigel Harvey	Non-Executive Director
Neil Doyle	Director & CEO
Melanie Leydin	Company Secretary
Geoff Geary	Exploration Manager

Major Shareholders

LNG Limited	6.65% & 0.775M OBLOA
Kim McGrath	3.48% & 3M OBLOA, 10M OBLOB
Neil Doyle	2.37% & 4M OBLOA, 10M OBLOB
Top 20	Approx 40%

Recent SPP closed on 12 September – 50.3% subscribed & raising \$1.104 million before costs, with some 44,161,000 new shares allotted to 152 shareholders.



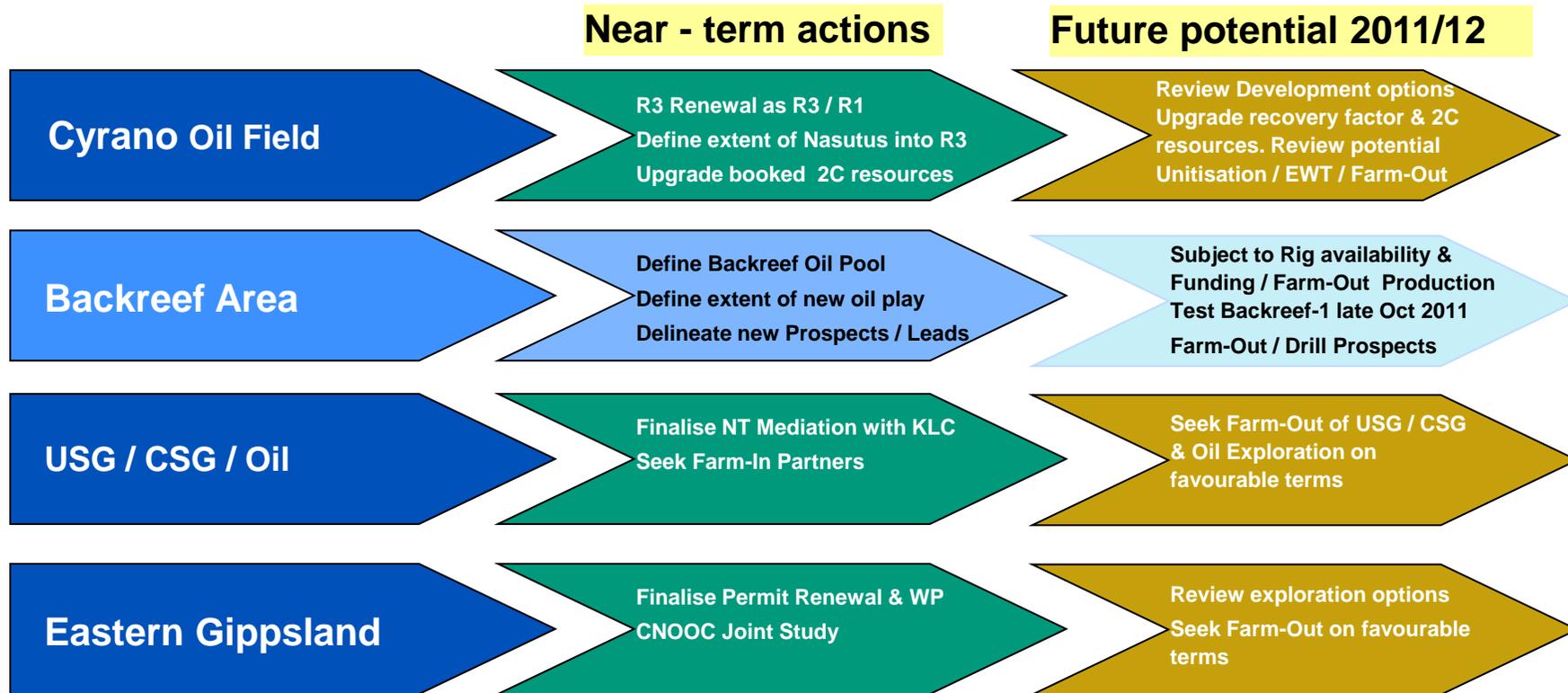
What sets Oil Basins apart?

- Listed purely as explorer now developer with active projects
- Committed to building strategic portfolio of oil & gas assets both onshore & offshore (close to hubs / markets) and that deliver shareholder value.
- **OBL has been almost surgical in the focus of building its portfolio**
- Established history of & committed to being low cost company & operator
- **Maximising new technologies & engineering techniques to minimise risk & maximise development opportunities**
- Management – highly experienced with proven skill sets to deliver
- OBL has a established portfolio of 4 Projects, all potential “company makers, all in established mature basins **“all good addresses near known oil”** and all with potential to significantly re-rate the Company in the near-term.



OBL's plan to liberate shareholder wealth

Likely 'near-term drivers of value' & re-rating opportunity

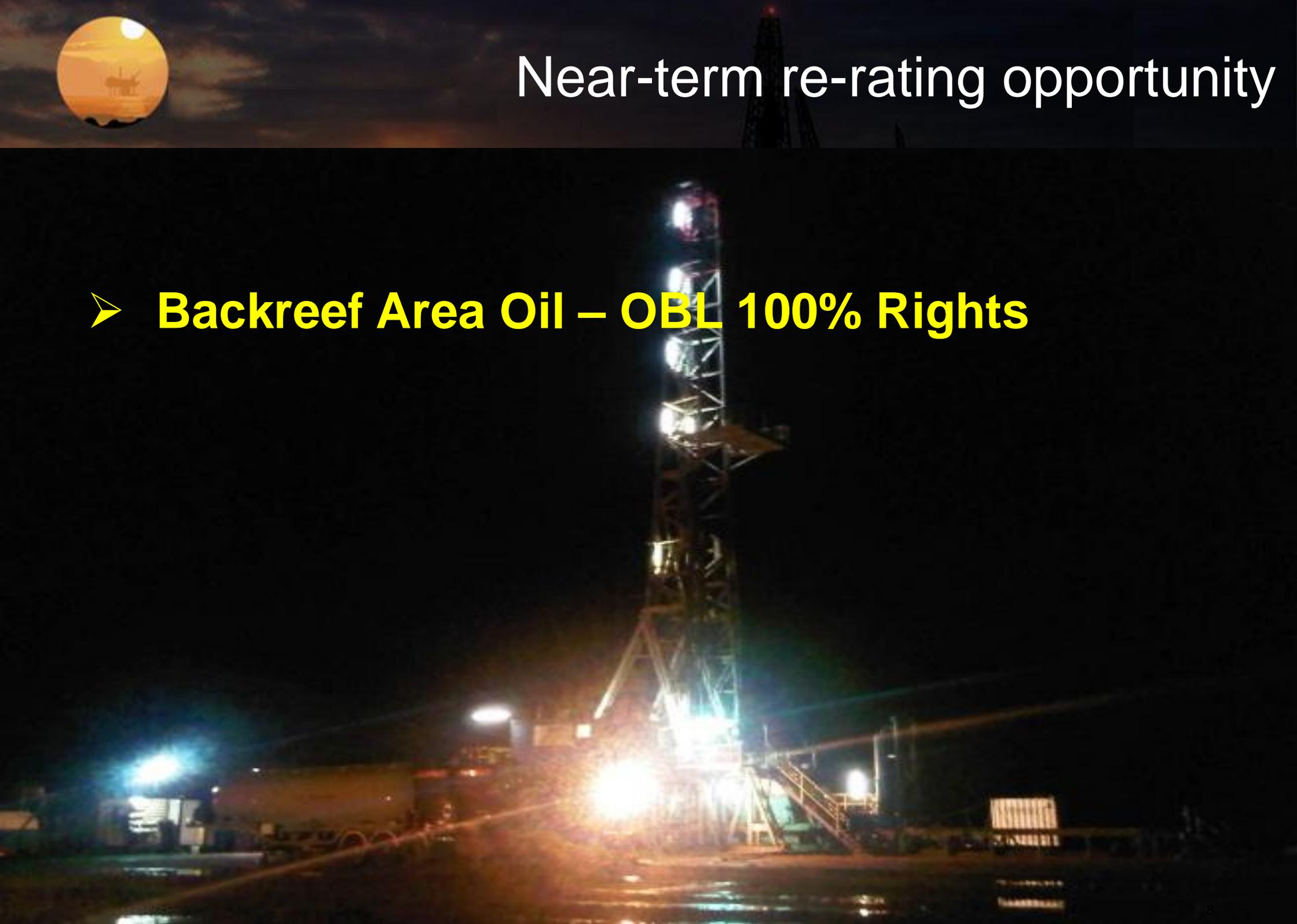


- OBL has four diverse Projects with near-term potential re-rating impact and offering investors significant leverage to Conventional Oil & Gas, Unconventional CSG & USG
- Any one of these Projects can be potentially valued as “a multiple” of the existing OBL Market Cap @ 3 cps – work on ALL projects has progressed since early August 2011.
- Backreef Assessment is advancing rapidly and this will be the principal topic discussed



Near-term re-rating opportunity

- **Backreef Area Oil – OBL 100% Rights**





Canning Basin L6 / EP129R2 / R3 – Backreef Area

Previous View

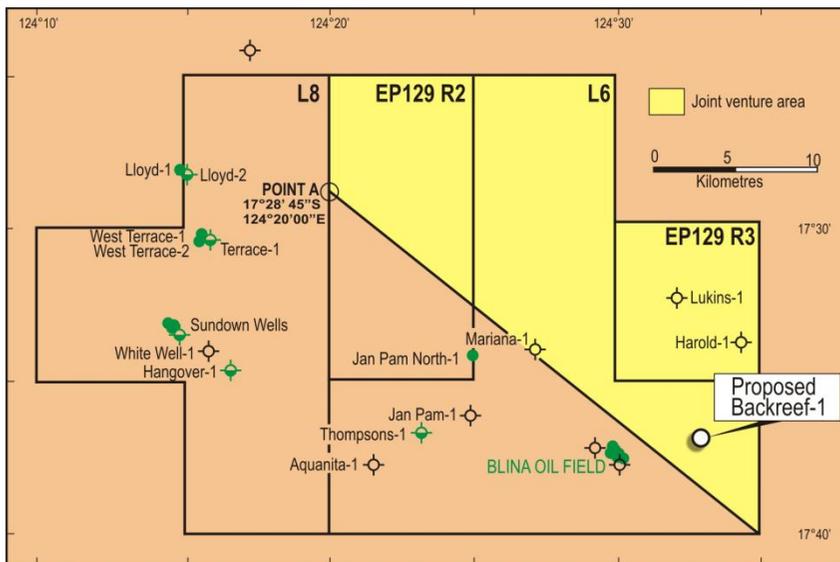


Figure 5 Location Map Backreef Area

Backreef-1 Oil Show



Blina Oil Field

Until Oil Basins drilled Backreef-1 in October/November 2010

No wells had been drilled for over 25 years!

Backreef-1 was the first well deliberately drilled in the Kimberley Downs Embayment, previously considered a non-prospective syncline

Oil Projects – Canning Basin

Backreef-1 cased & suspended for future re-entry & production testing &/or stimulation

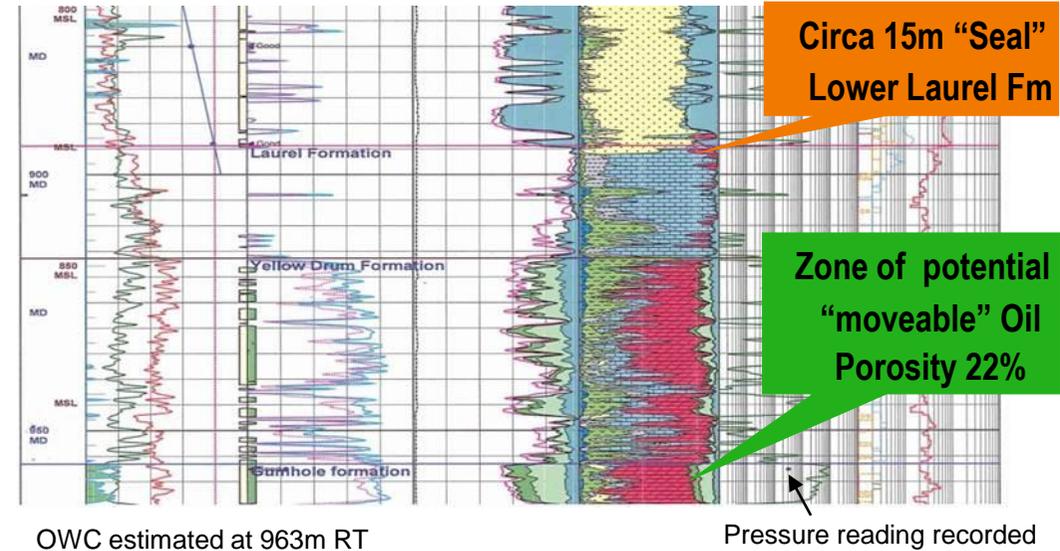
Applying new techniques delivered results!

Backreef-1

- First well in Kimberley Downs Embayment feature – syncline with no closure
- Safely drilled to 1800m
- Cost approx \$4.55 M

Status

- Over 223m of continuous fluorescence observed 889m -1112m RT with zone between 910m - 965m being most prospective
- Well suspended at PBTD 1155m
- Petrophysical analysis by Weatherford confirmed potential New Oil Play
- Likely to require reservoir stimulation

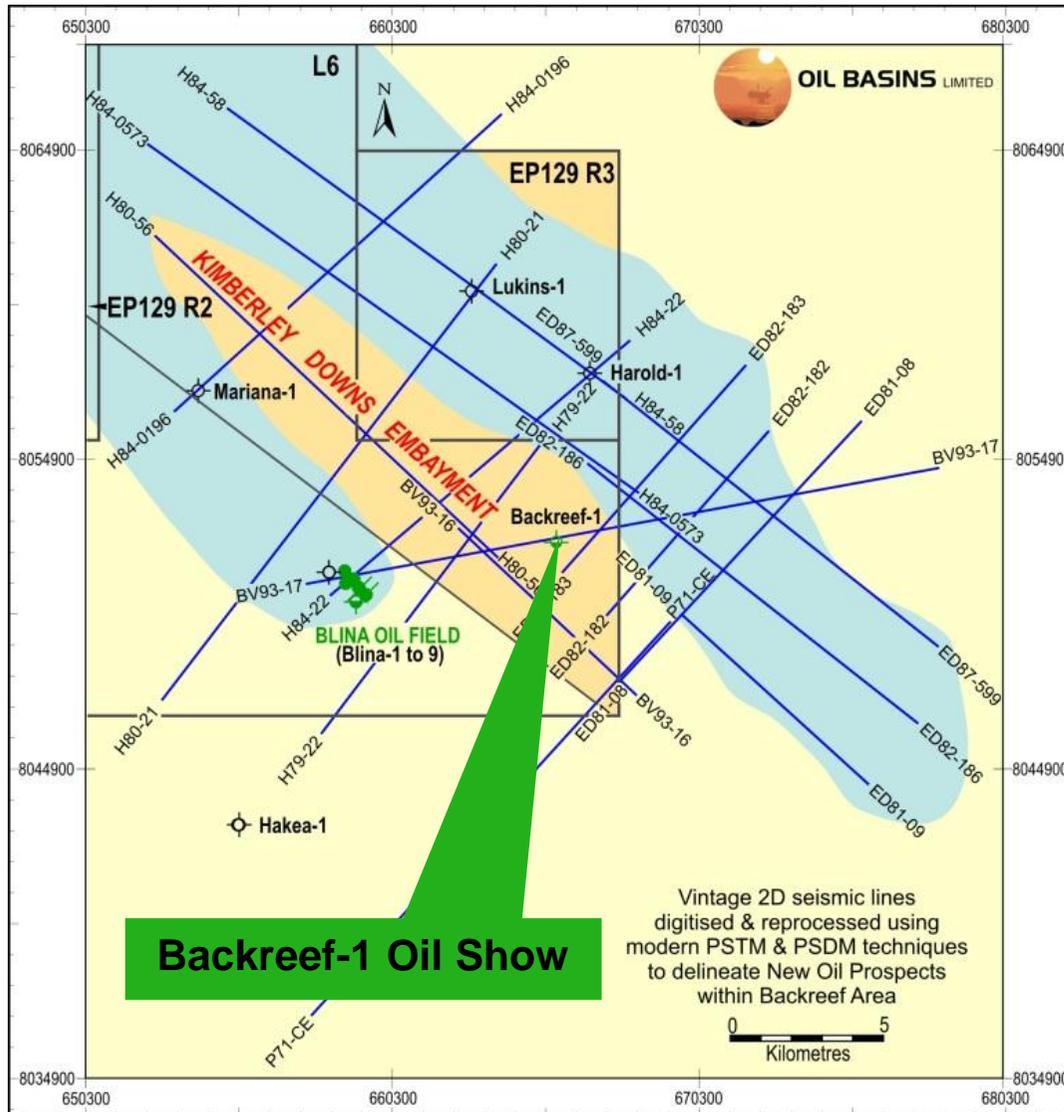


Oil Bearing Dolomites depicted by red shaded zones

Petrophysical Assessment of Backreef-1 Logs delineated:

- Porosity circa 22% - but permeability tight
- Reservoirs :Yellow Drum equivalent & Gumhole dolomites – porosity circa 22%
- Gross Reservoir interval 48.9m
- Net Oil Pay interval 39.2m
- Risked Net Free oil (pre-stimulation) 3.9m

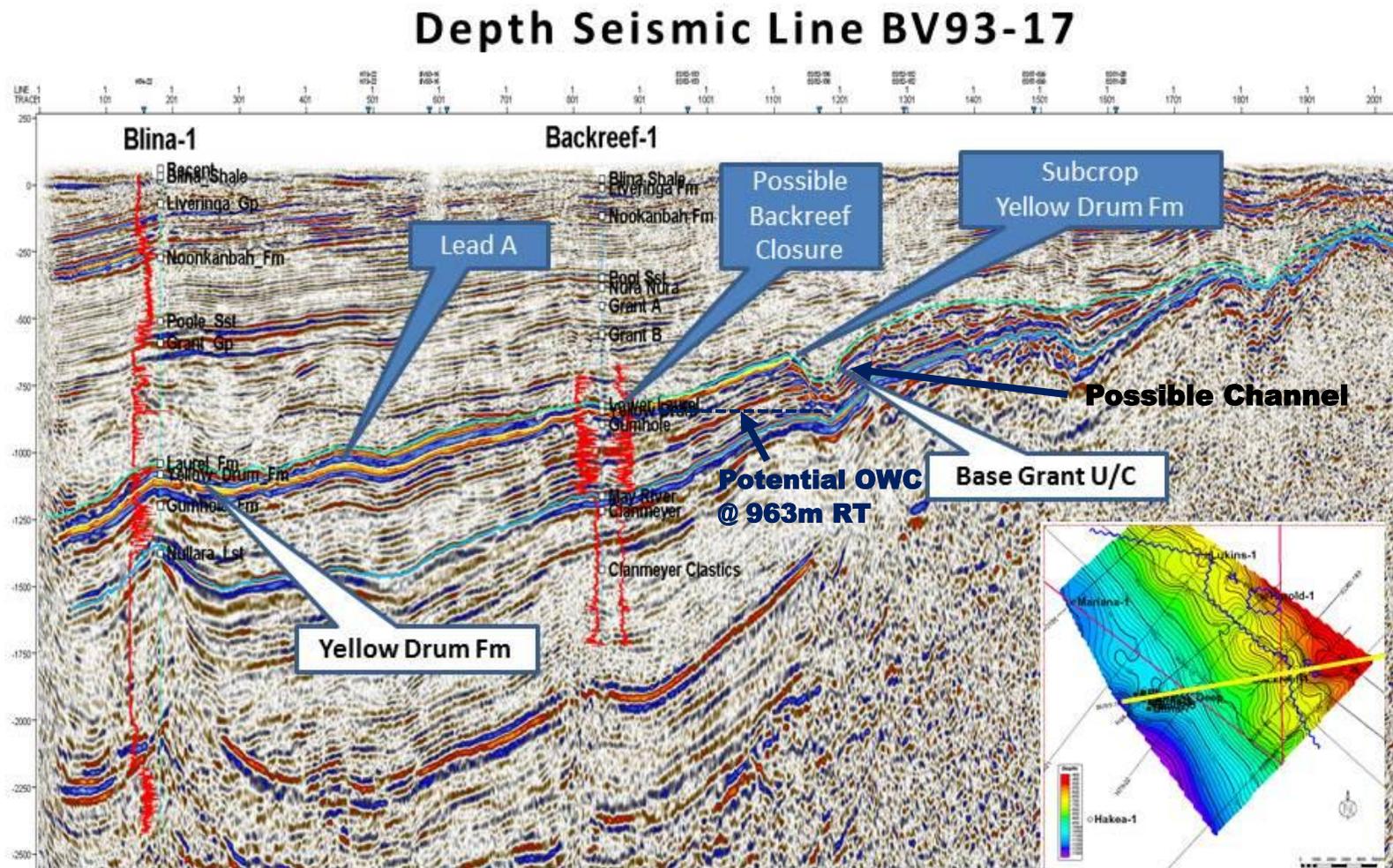
New Assessment of Kimberley Downs Embayment



Reprocessed Lines Kimberley Downs Embayment - Canning Basin

- Vintage analogue 2D seismic lines reprocessed using modern 3D seismic reprocessing PSTM, PSDM & inversion techniques
- Identified new oil plays
- Backreef-1 oil show discovered on line BV93-17 within Licence L6 – validates approach (intersected formations within 3m of prognosis)
- Some 16 vintage lines presently being re-digitised & reprocessed
- Work was completed late June 2011

New Geological Interpretation Line BV93-17 – Cross-section of potential New Oil Play of circa 50 sqkm



The possible extension of the Backreef Prospect updip to the East is postulated to extend some 10km plus to the North North West (NNW) – providing Subcrop seal can be established



Oil Projects – Summary of New Oil Play

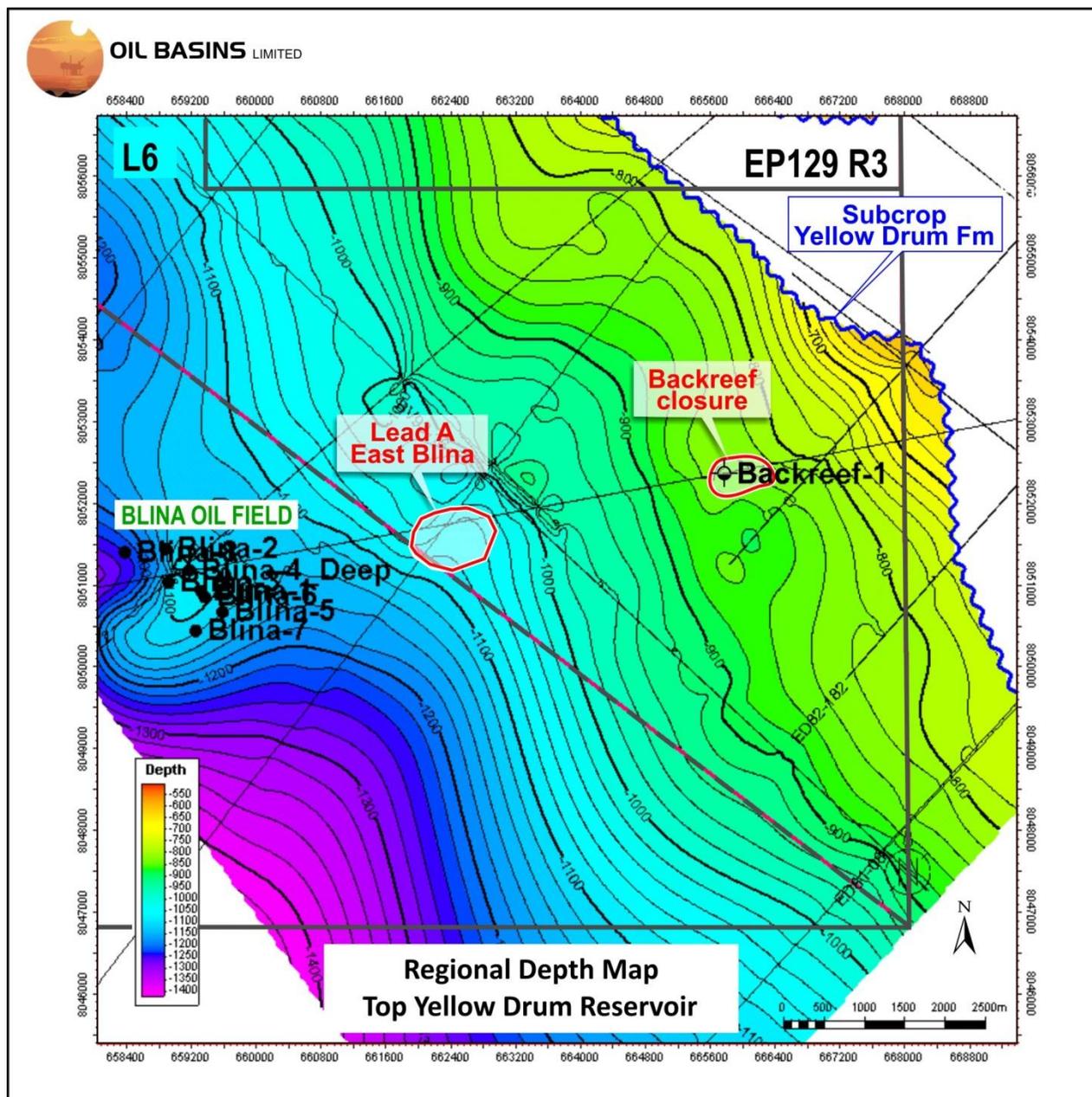
New Oil Play potential 'Company Maker'

- Preliminary interpretation of PSTM & PSDM analysis has defined the extent of the shallow **'New Oil Play'**.
- Evident that the potential Backreef Oil Pool maybe either distinct/isolated or part of a **“larger higher risk potentially multi-MMbbl prospective stratigraphic feature”** within Yellow Drum dolomites extending with “no evident closures” – the Backreef-1 potential OWC is circa 963m RT and the lateral extent and risk in the north and updip in the east is dependent upon an adequate seal being evident between the subcrop and unconformity at the base of the lower Grant formation.
- **Number of smaller “Blina size” oil pools evident** – the minimum closure Backreef Prospect & Lead A (renamed **East Blina Prospect**)
- Lead A becomes very low risk should the Backreef-1 production test be successful
- Without the production test and possibly a second step out well (and possibly new 2D seismic) it may not be possible to delineate the extent of the 2C/2P resources/reserves in the Kimberley Downs Embayment’s stratigraphic Yellow Drum dolomites
- **Potential company maker**



Oil Projects – Proposed Work Program

New Oil Play potential 'Company Maker'



Proposed Work Program

- Production Test the Backreef-1 well (Oct 2011)

During 2012 – depending on results.

- Either, drill Backreef-2 step out well – objective to core Yellow Drum dolomites and conduct production test.
- Or, drill newly mapped East Blina Prospect



Oil Projects – Canning Basin Next Steps

New Oil Play potential 'Company Maker'

- Company is also presently advanced in seeking farmin interest for Backreef Area **(in particular for both the production test and a second well)**, and has received serious farmin interest from a number of third parties.
- Company has executed confidentiality agreements and comprehensive G&G data relating to Backreef-1 and the recent interpretation of the New Oil Play within the Backreef Area has been exchanged with all these third parties.
- With the conditional MOU in place, a work program lodged with the DMP and preferred equipment selected, OBL will seek formal offers from all interested third parties within the next fortnight.
- **A successful farmout would also 'unlock value' and re-rate the Company, preserve the cash backing and is consistent with the management view of liberating shareholder value and derisking projects wherever possible.**



Oil Projects – Cased Hole Production Test

New Oil Play potential 'Company Maker'

- **During the past 3 weeks the Company has significantly advanced it's plans to conduct a Cased-Hole Production Test at Backreef-1.**
- So as to expedite a test, OBL has entered into a conditional 'non-binding' MOU with Advent Energy Ltd to possibly take the Workover Rig and Test Equipment mobilised circa 4,000km from Roma, Queensland upon completion of their 2 well test program.
- Company has lodged its work program with the DMP and stakeholders last week using this preferred equipment.
- Company holds a production licence to a nearby water well drilled last year by OBL and has a number of previous clearances at this well site including traditional owners
- Appropriate Environment and Petroleum Engineering approvals are being sought from the DMP and the providing all MOU conditions & approvals and Canning weather window permit, the test of the **Backreef Oil Pool** could commence circa 21 October.



Why invest in Oil Basins Limited?

- OBL has significant leverage to conventional Oil & Gas (Onshore & Offshore) & unconventional CSG / USG - **4 significant re-rating opportunities - Appendices.**
- Backreef Area (100% beneficial rights) contains a low cost shallow New Oil Play circa 50 sqkm. which given production testing success may lead to a “company maker” re-rating.
- Backreef Area is now available for future Farm-Out. As operator, OBL has advanced low cost test equipment for a possible late October 2011 production testing of Backreef-1.
- OBL expects to be re-awarded the Retention Lease R3/R1 over the 100% owned Cyrano Oil Field. New work commencing in August 2011 is likely to significantly upgrade the 1C, 2C and 3C resources contained within R3/R1.
- In its 50% (upon award) large 5,000 sqkm onshore Permit 5/07-8EP, Native Title Mediation with the KLC is progressing well and OBL is presently seeking Farm-In interest for USG/CSG – Permit is attractively positioned, has very large gas potential > 250 Tcf GIP and is close to the proposed James Price Point LNG Terminal
- OBL’s East Gippsland permits are likely to be highly attractive for Farm-Ins with the introduction of the new carbon dioxide tax from July 2012. CNOOC has first mover advantage.

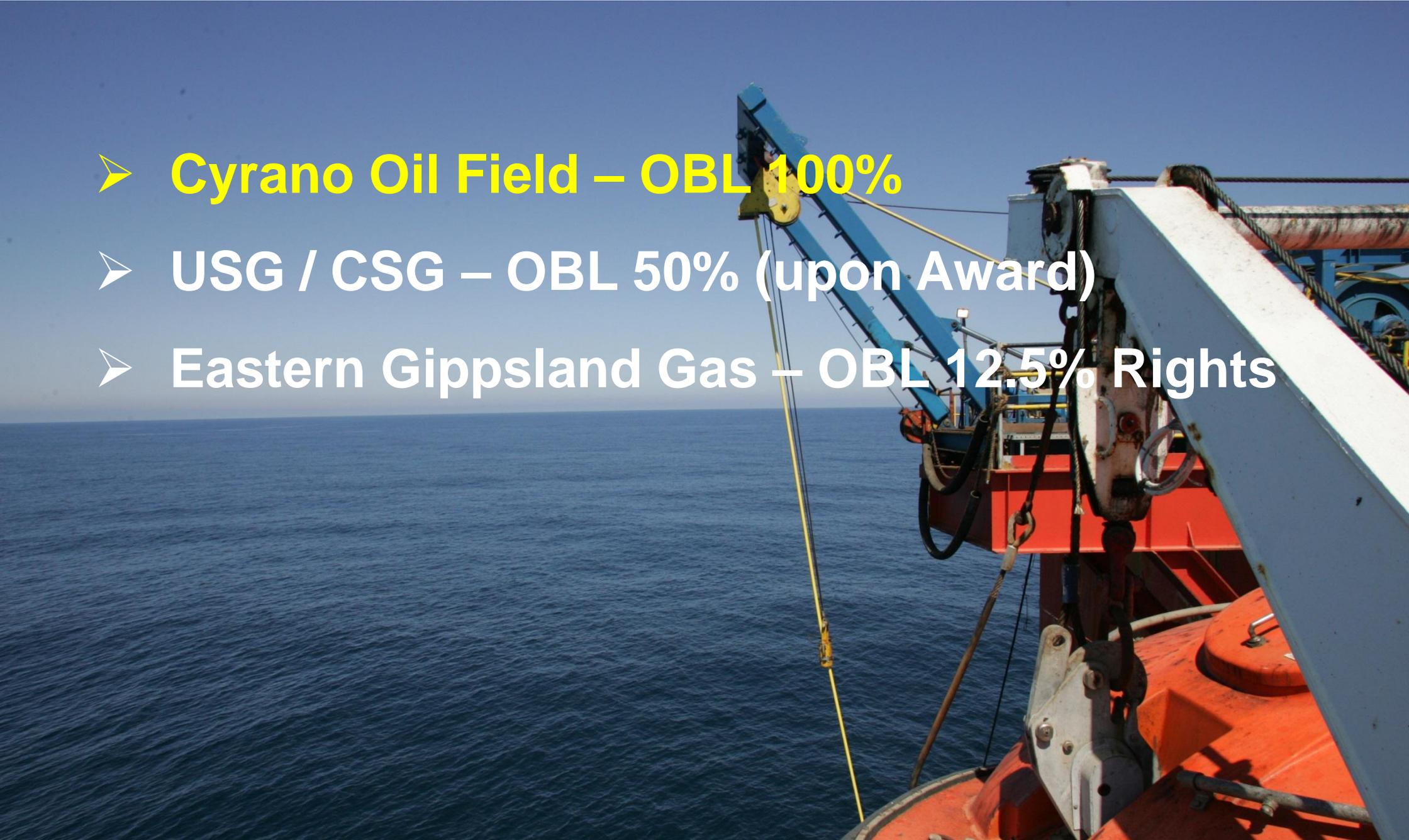
A large nighttime photograph of an offshore oil rig. The rig is illuminated by numerous bright lights, creating a stark contrast against the dark sky. The structure is complex, with many levels and beams. The lights are concentrated on the central part of the rig, with some smaller lights visible on the surrounding platform.

Appendices.

Additional Asset Re-Rating Opportunities



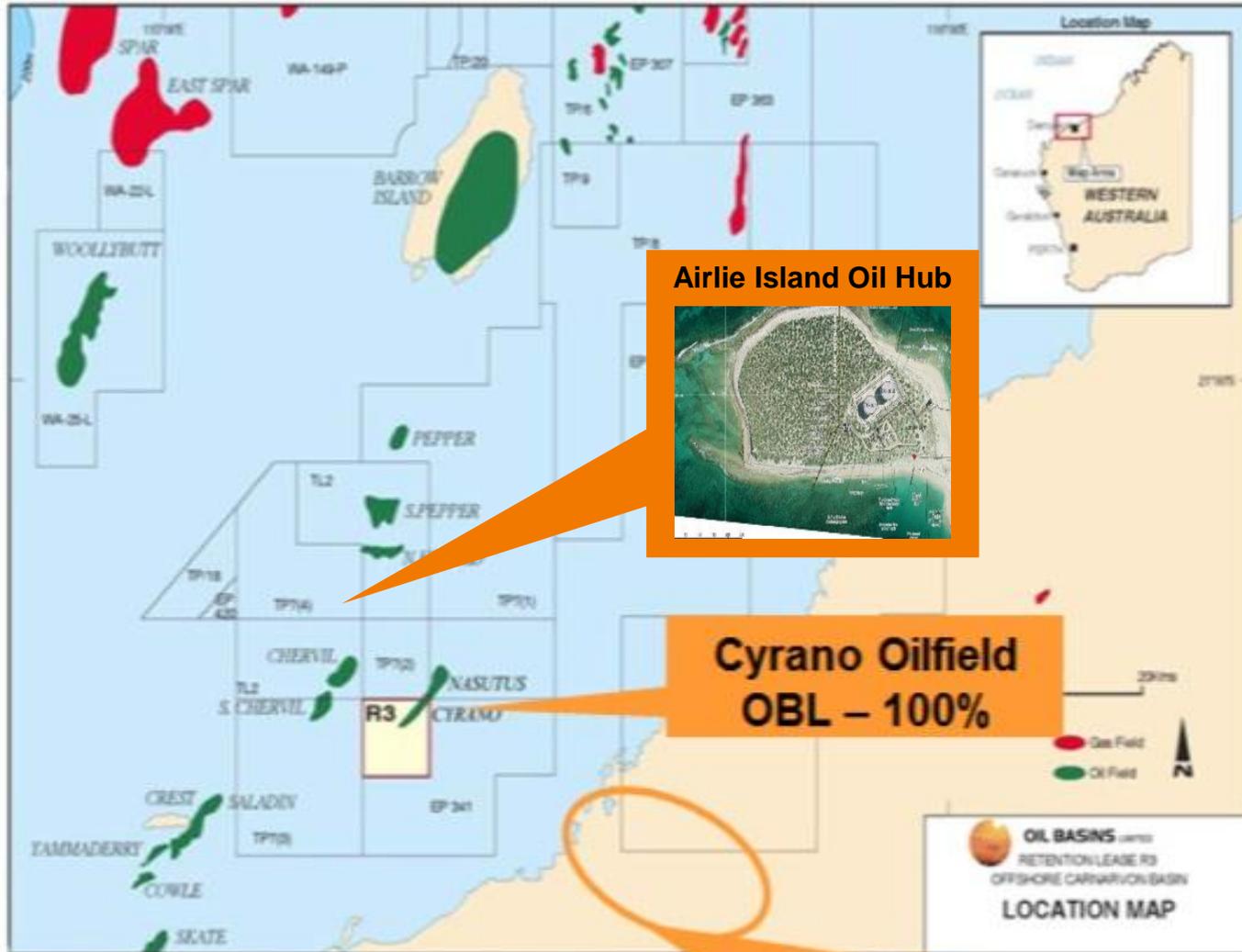
Additional re-rating opportunity #1

- **Cyrano Oil Field – OBL 100%**
 - **USG / CSG – OBL 50% (upon Award)**
 - **Eastern Gippsland Gas – OBL 12.5% Rights**
- 



Oil Projects – Carnarvon Basin

100% Retention Lease R3 (Cyrano Oil Field)



Citic/Mineralogy/RSI DSI Projects (30km to onshore bulk gas customers)

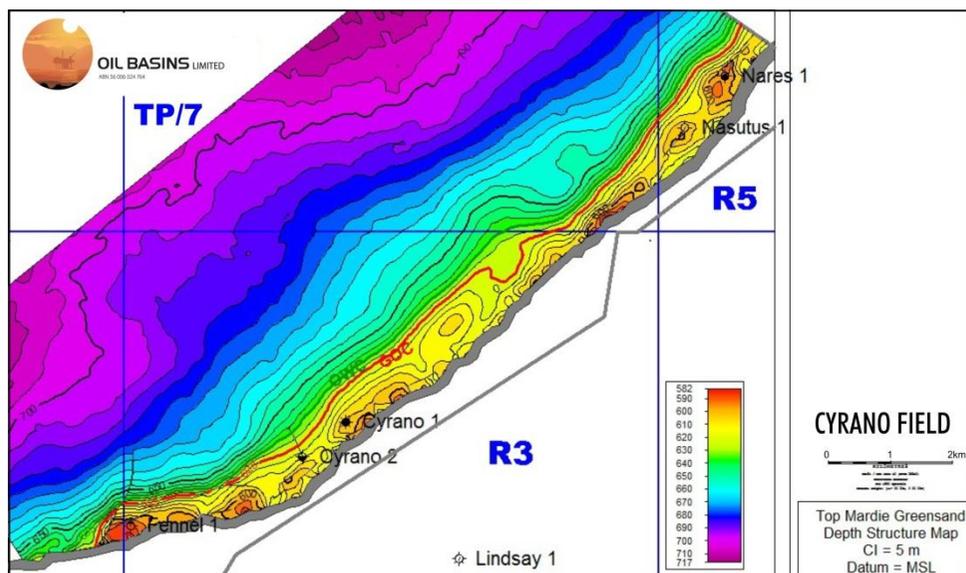
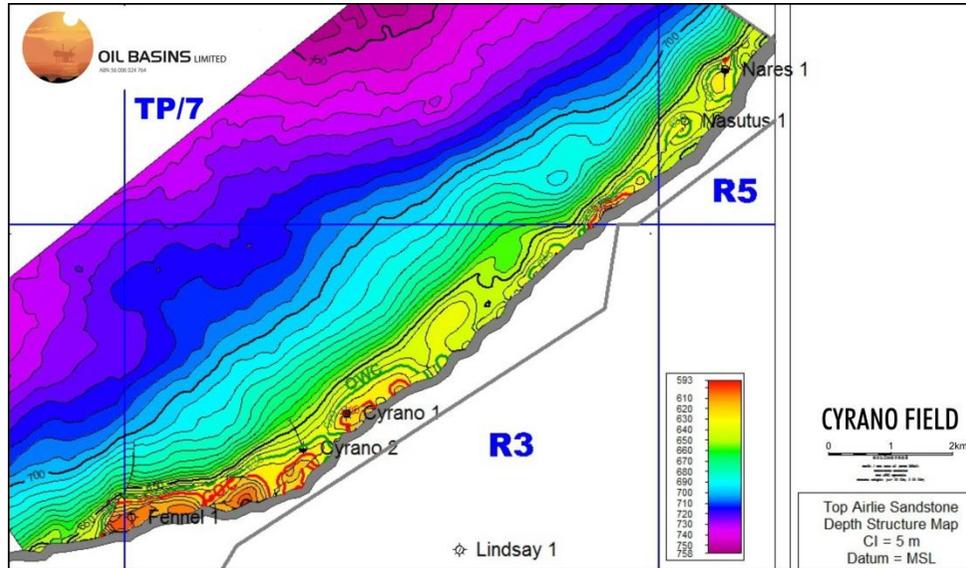
- Oil Basins initially acquired 25% in 2008 and the remaining 75% in October 2010
- OBL acquisition cost circa 30 cents/bbl based upon conservative 2C resources 0.9 MMbbl
- Field contains 10m net heavy 22.8°API, low Sulphur oil, 21m gas cap; crude oil viscosity 3.95cp
- Water depth only 17m & TD modest 600m
- Nearby to Airlie Island – Jetty & 2 x 150,000 storage tanks, gas lift and gas / water separation facilities



Oil Projects – Carnarvon Basin

100% Retention Lease R3 (Cyrano Oil Field)

New OBL Assessment – March 2011



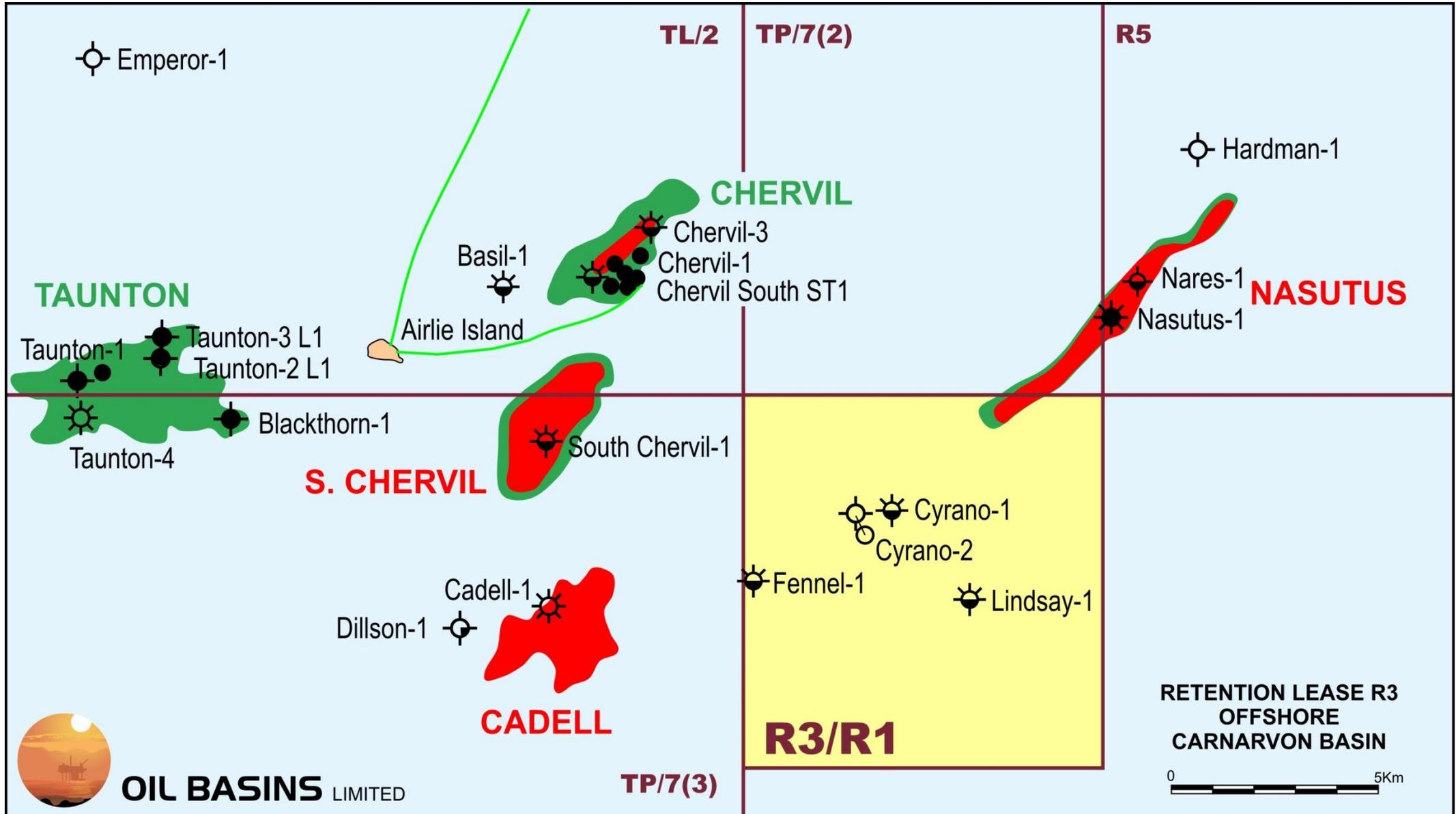
- Oil Basins now owns 100%
- New re-mapping & risked OIP Assessment
 - P90=5.42 MMbbls
 - P50=10.13 MMbbls
 - P10=18.19 MMbbls
- Risked 2C is conservatively assessed at 1.5MMbbls
- Cyrano -1, 2 (2002/03) is on tend to a similar undeveloped Nasutus Oil Field discovery (1999)
- New mapping reveals scope for significant extension of R5 Nasutus Oil Field into R3
- Oil field defined by 3D seismic >\$12m spent (3 wells drilled in total – 5 if include the R5 wells)
- Low-cost entry & hub-potential or Unitisation
- Proximity to nearby infrastructure – Airlie Island
- Field development, either standalone or unitised, will require electric submerged pumping (ESP) and horizontal drilling technologies



Oil Projects – Carnarvon Basin

100% Retention Lease R3 (Cyrano Oil Field)

Previous View



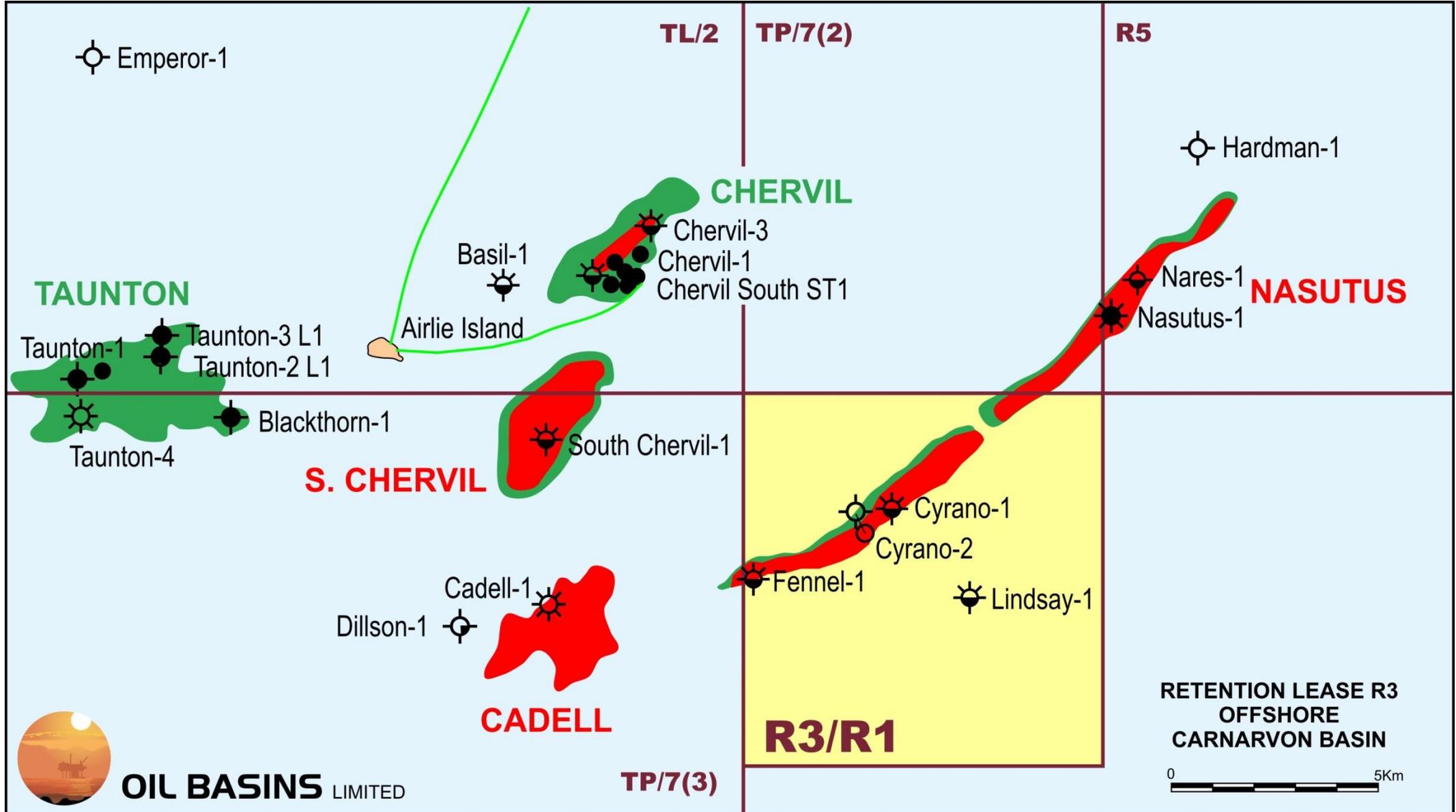
OIL BASINS LIMITED



Oil Projects – Carnarvon Basin

100% Retention Lease R3 (Cyrano Oil Field)

Present View



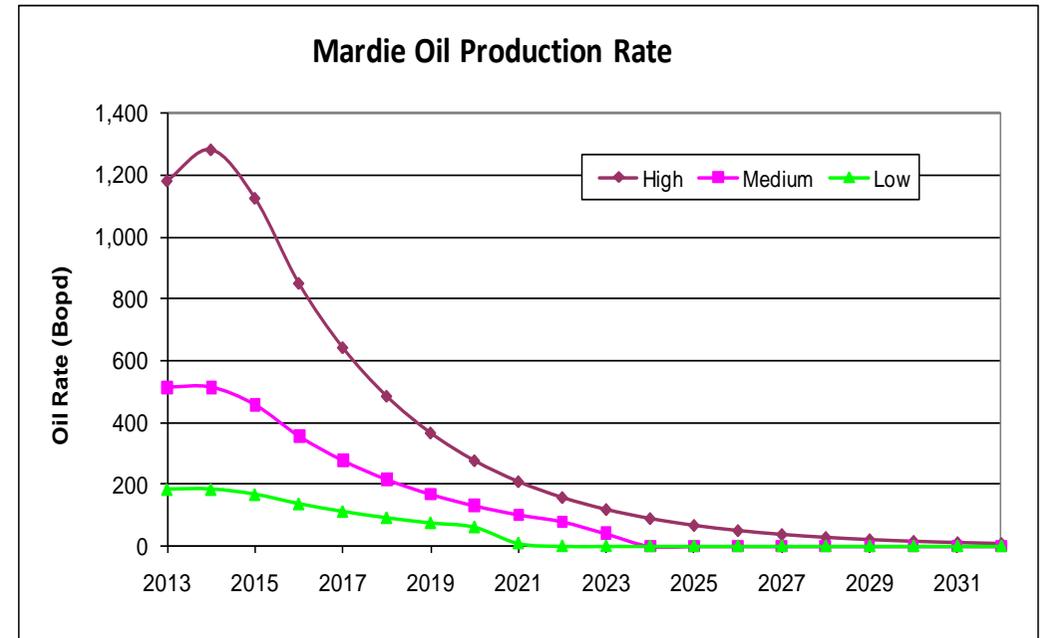
OIL BASINS LIMITED



Oil Projects – Carnarvon Basin Next Steps

Undeveloped Oil Field potential ‘Company Maker’

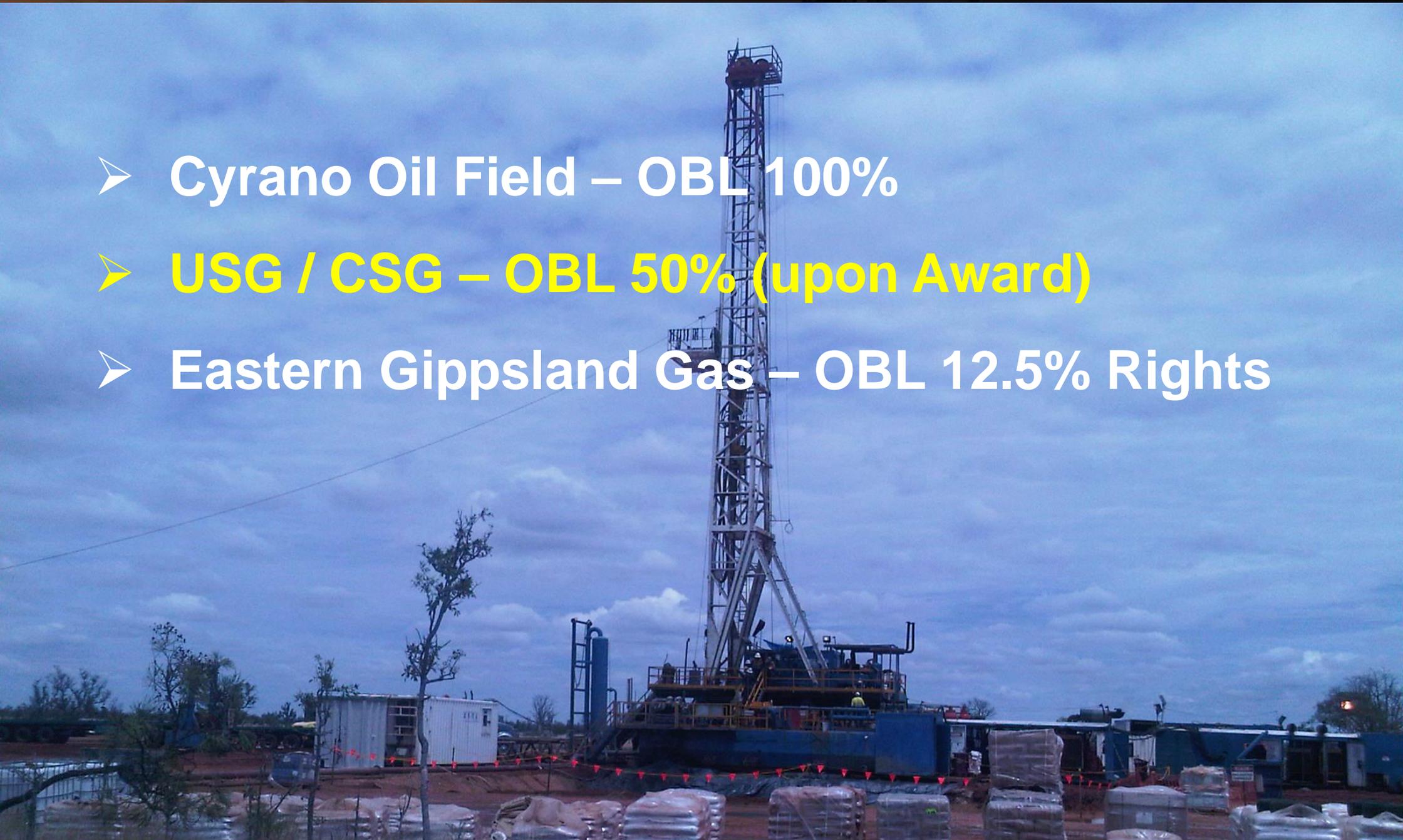
- Retention Lease Renewal expected soon.
- OBL intends to undertake intensive reservoir engineering, facilities and geotechnical studies aimed at determining schemes to economically develop the oil reserves at R3 Cyrano Oil Field.
- Delineate similar risked 1C, 2C & 3C resources estimate for R5 extension into R3 – likely to considerably enhance the current uneconomic daily production rate (see Figure)
- Development schemes may include both standalone hub, utilizing the Airlie Island onshore facilities (if eventually upgraded by the Airlie Joint Venture), possible unitisation with R5 Nasutus Oil Field and possible bringing the oil via pipeline to new oil and gas handling facilities at Onslow.
- **Potential company maker**



Sheer size of remapped P50 (circa 10MMbbls OIP) & application of new extraction technologies and field simulation to investigate increase in oil recovery factors “RF” & boost risked 2C resources to approx. net 2.5MMbbls to 4.0MMbbls plus similar net scope for recovery from the R5 Extension



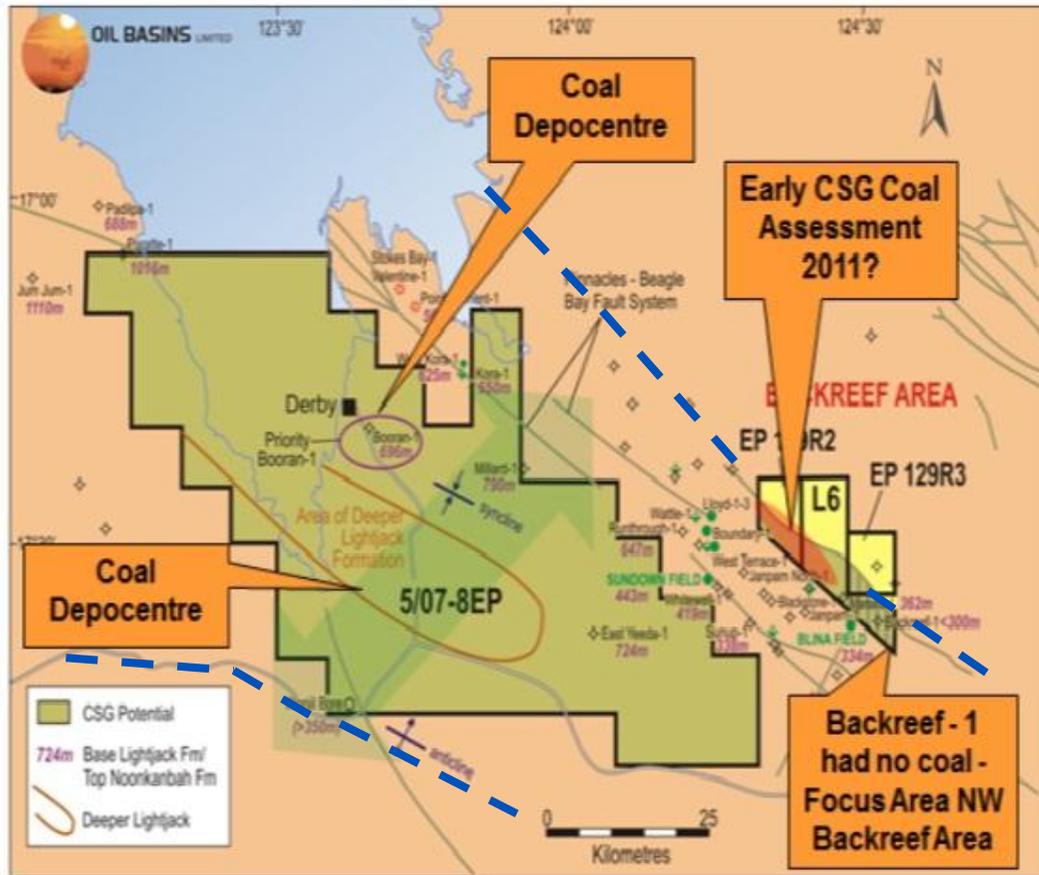
Additional re-rating opportunity #2

- **Cyrano Oil Field – OBL 100%**
 - **USG / CSG – OBL 50% (upon Award)**
 - **Eastern Gippsland Gas – OBL 12.5% Rights**
- 



CSG Projects – Canning Basin

Permit 5/07-8EP appears to be “sweet spot” for CSG – OBL 50% Designated Operator



- Independent expert coal measures study commissioned & completed assessed historic data
- 2 coal depocentres delineated considered highly suitable for CSG – thick & deep coal
- 1 petroleum well, Booran-1 (only 3km from Derby), max coal thickness 20m > previous perception of 4m across entire coal province
- Historic coal exploration concentrated on shallow coal near known out-crop of Permian Lightjack Formation (eg Rio Tinto 2004 & Rey Resources 2009/2010 to South & South East & Curran 2010 to East)

Extent of northern Coal Measures – uplifted 67 Mile Fault
Very High Ash Content >45% south of Fenton Fault
Permit is large at 5,087 km²

Permit 5/07-8EP appears to be “sweet spot” – uniquely favourable for CSG exploration



CSG Projects – Canning Basin

Permian Lighjack coal extensive & favourable for CSG

- **Study shows coal occurs at least 300 m depth & 3 m thick over entire Permit 5/07-8 EP**
– these settings are considered minimum for analogous CSG production Surat Basin Permian Thermal Coals.
- Canning Basin Permian coals more deeply buried than presently & suggested high average vitronite values measured for these coals indicate that gas saturation maybe higher than occurring in Surat Basin Permian coals.



**Nearby Permian Lightjack coal cores
Rio Tinto Exploration (2004)**

- High Estimate 118.2 Billion tonnes**
- Best Estimate 80.2 Billion tonnes**
- Low Estimate 50.6 Billion tonnes**

**Above estimated Lightjack Formation
'in-situ coal volumes' - substantial**



CSG Projects – Canning Basin

Ind. Exp. Report delineated substantial CSG prospectivity

	GROSS LOW ESTIMATE (TCF)	GROSS BEST ESTIMATE (TCF)	GROSS HIGH ESTIMATE (TCF)
PERMIT EP5/07-8EP	4.1	6.5	9.6
BACKREEF AREA	0.2	0.3	0.4
	<u>4.3</u>	<u>6.8</u>	<u>10.0</u>

Possible Recoverable Gross CSG 2P Resources (TCF)

	NET LOW ESTIMATE (TCF)	NET BEST ESTIMATE (TCF)	NET HIGH ESTIMATE (TCF)
50% - PERMIT EP5/07-8EP	2.05	3.25	4.80
100% - BACKREEF AREA	0.20	0.30	0.40
	<u>2.25</u>	<u>3.55</u>	<u>5.20</u>

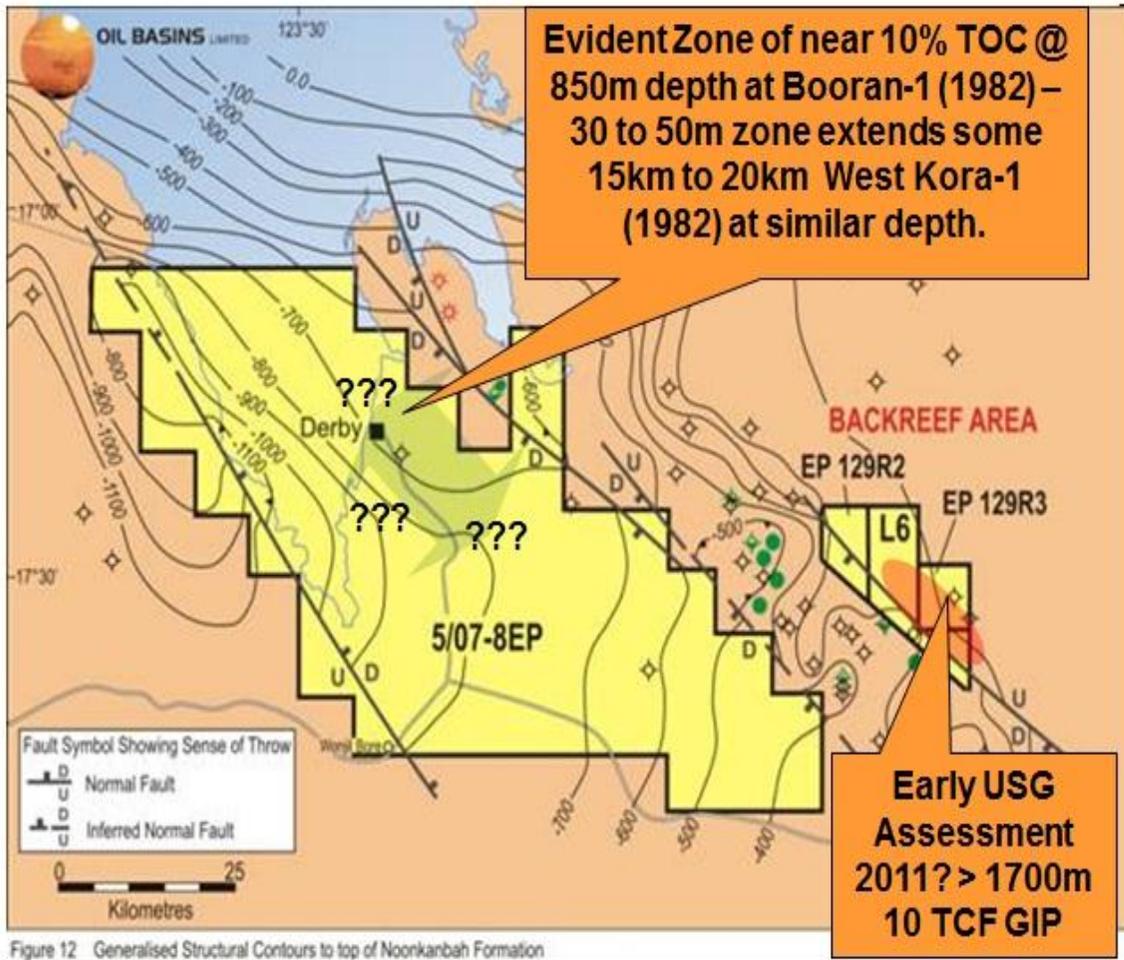
Possible Recoverable Net CSG 2P Resources (TCF)

**Company’s net prospective risked 2P resources assessed at between 2.2 Tcf to 5.2 Tcf
As coal occurs at favourable depths for CSG – exploring for CSG may “de-risk Canning”**



USG Projects – Canning Basin

Ind. Exp. Report concluded both Permits are highly attractive for USG



- Potential new energy source
- Independent Expert Report delineated USG prospective potential of both exploration areas
- 6 formation units ALL occurring within 5/07-8EP are ALL relevant to USG – evidence of high TOC's approx 10%
- USG potential of Kimberley Downs Embayment feature requires deeper exploration to > 2500m with cores cut & analysed from circa 1700m
- Potential to re-enter and deepen Backreef-1, preliminary results encouraging for USG

The un-risked USG prospectivity assessment based upon only 'one' of 'six' evident shales



USG Projects – Canning Basin

Ind.Expert Report has delineated substantial USG prospectivity

	GROSS LOW ESTIMATE GIP (TCF)	GROSS BEST ESTIMATE GIP (TCF)	GROSS HIGH ESTIMATE GIP (TCF)
PERMIT EP5/07-8EP	101.2	253.1	506.2
BACKREEF AREA	4.3	10.7	21.3
	<u>105.5</u>	<u>263.8</u>	<u>527.5</u>

Possible Potential Unrisked Gross Shale Gas In-Place Resources (TCF)

	NET LOW ESTIMATE GIP (TCF)	NET BEST ESTIMATE GIP (TCF)	NET HIGH ESTIMATE GIP (TCF)
50% - PERMIT EP5/07-8EP	50.6	126.55	253.1
100% - BACKREEF AREA	4.3	10.7	21.3
	<u>54.9</u>	<u>137.25</u>	<u>274.4</u>

Possible Potential Unrisked Net Shale Gas In-Place Resources (TCF)

Early stage exploration but the gross potential is big

Best Estimate – Gross GIP 264 Tcf in each shale formation.

The shallow overlying CSG potential has the ability to potentially de-risk USG exploration.



OBL Canning portfolio USG comparisons

- The un-risked USG prospectivity assessment based upon only 'one' of 'six' evident shales
- Backreef Area circa net 10 to 21TCF GIP potential
- Exploration Permit 5/07-8EP circa net 51 to 253 TCF GIP potential
- Recently New Standard Energy (NSE) farmed out to ConocoPhillips
- Transaction was for circa USD\$108M or circa USD\$1.1m per point
- NSE's assessed Goldwyer Shale Play (circa 120km to south of Permit 5/07-8EP) – based upon 40 to 460 Tcf GIP potential
- Permit 5/07-8EP has both shallow oil and CSG prospectivity & is closer to infrastructure & James Price Point.

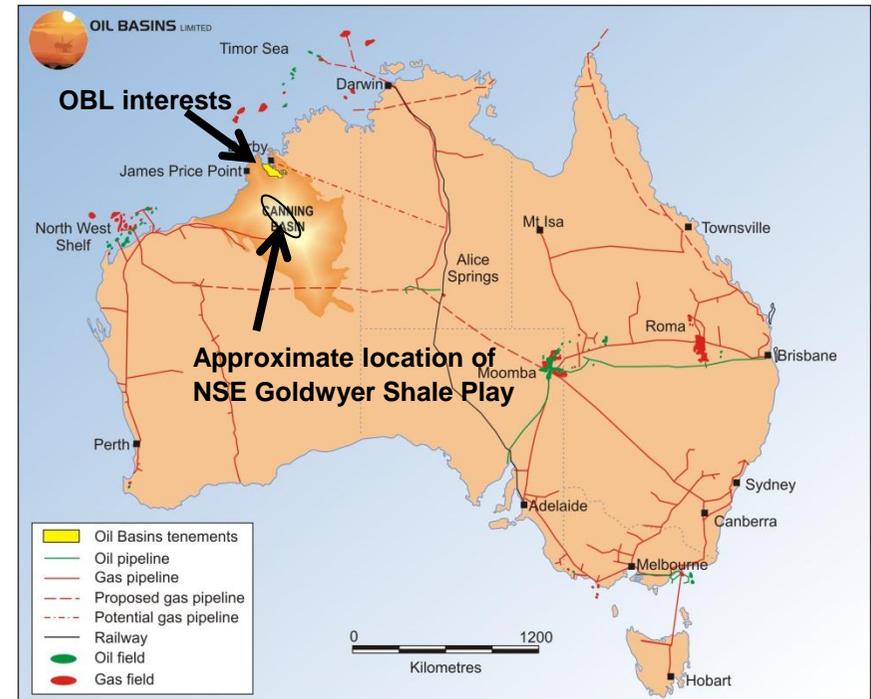
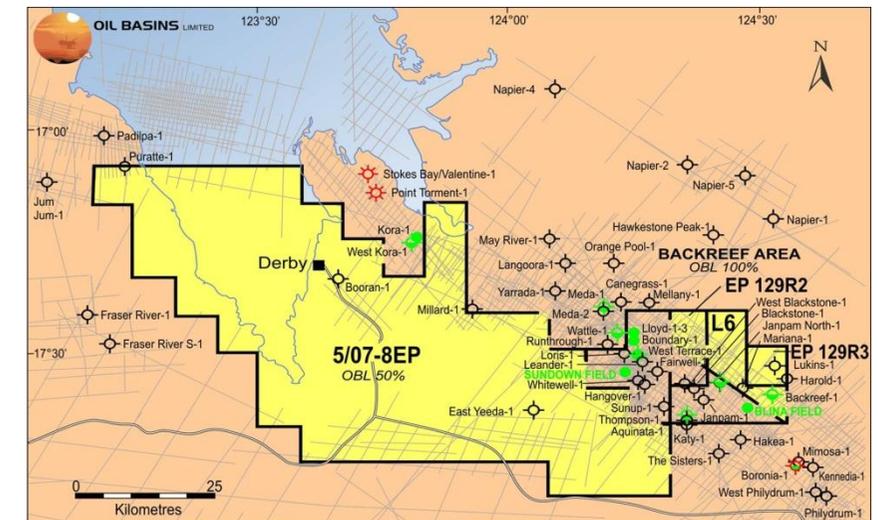


Figure 2 Oil and Gas Pipelines of Australia





Specific Permit 5/07-8EP USG comparisons

New USG Play potential 'Company Maker'

NSE – Goldwyer Shale Play

- Blanket marine shale of Ordovician age
- Black to dark grey shales and claystones with inter-bedded silty intervals
- 4 distinct shale units with total thickness of between 200m and 500m
- Depths to top of the Goldwyer range from 1,000m to 3,000m
- Appropriate maturity, TOC levels and free gas from limited database
- **Unrisked GIP 40 to 480 Tcf**
- Well positioned in the prospective gas window
- Infrastructure will need to develop
- NSE transaction with ConocoPhillips
- Farmin value USD\$108M or USD\$1.1M per % point
- NSE net free carry worth circa USD\$27M

Permit 5/07-8EP Comparison

- **Permit 5/07-8 EP 5,062 km²** – 1.23 million acres
- 6 very thick distinct intervals of thermally mature organic rich marine shales of total thickness are present 50m to 500m
- **Permian Noonkanbah Formation** with approximately 400m of net shale with TOCs of up to 9.37%
- **Permian Winifred Formation** average of 325m of shale in the combined Grant Group with an average TOC value less than 2%
- **Carboniferous Anderson Formation** is a good oil or wet gas potential source rock which has an average net shale thickness of 105m and has TOC values as high as 7.25%
- **Carboniferous Laurel Formation** excellent oil source rocks with an average of 155m of net shale and has TOC values of up to 7.25%.
- **Devonian Gogo Formation** has recorded TOCs of up to 8%, it contains oil prone macerals and is thought to be the major contributor to the Blina oil accumulation – expected to be circa 45 to 50m thick.
- **Ordovician Goldwyer Formation** The unit attains a maximum thickness in the order 500 m in tenements held by NSE to the south of Oil Basins" acreage. The TOC values range from 3.9-62.2%, hence they are extremely rich source rocks and are known to be mature. The average TOC value on the nearby Barbwire Terrace is approximately 6%. It is an exploration target to the south of Oil Basins" acreage.
- **Independent Expert estimates a large potential gas resource within Permit 5/07-8 EP with an approximate range of gross USG unrisked gas initial in place potential GIP from 106 – 527 Tcf**
- **Infrastructure** – ports, roads, airports, towns & facilities nearby.



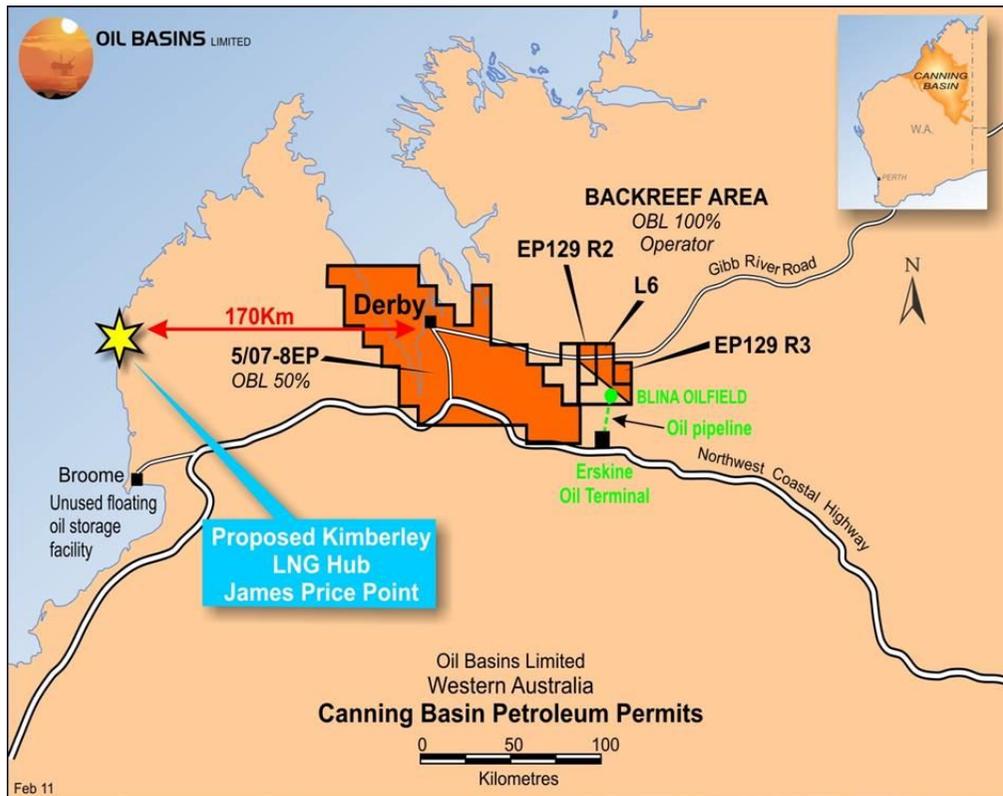
Summary – OBL offers best exposure to Canning

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

LNG Plant Model



LNG Limited's Plant technology ideally suited to moderate gas production build-up CSG / USG to LNG Projects – OBL has SAA to attain upto 30% of Project

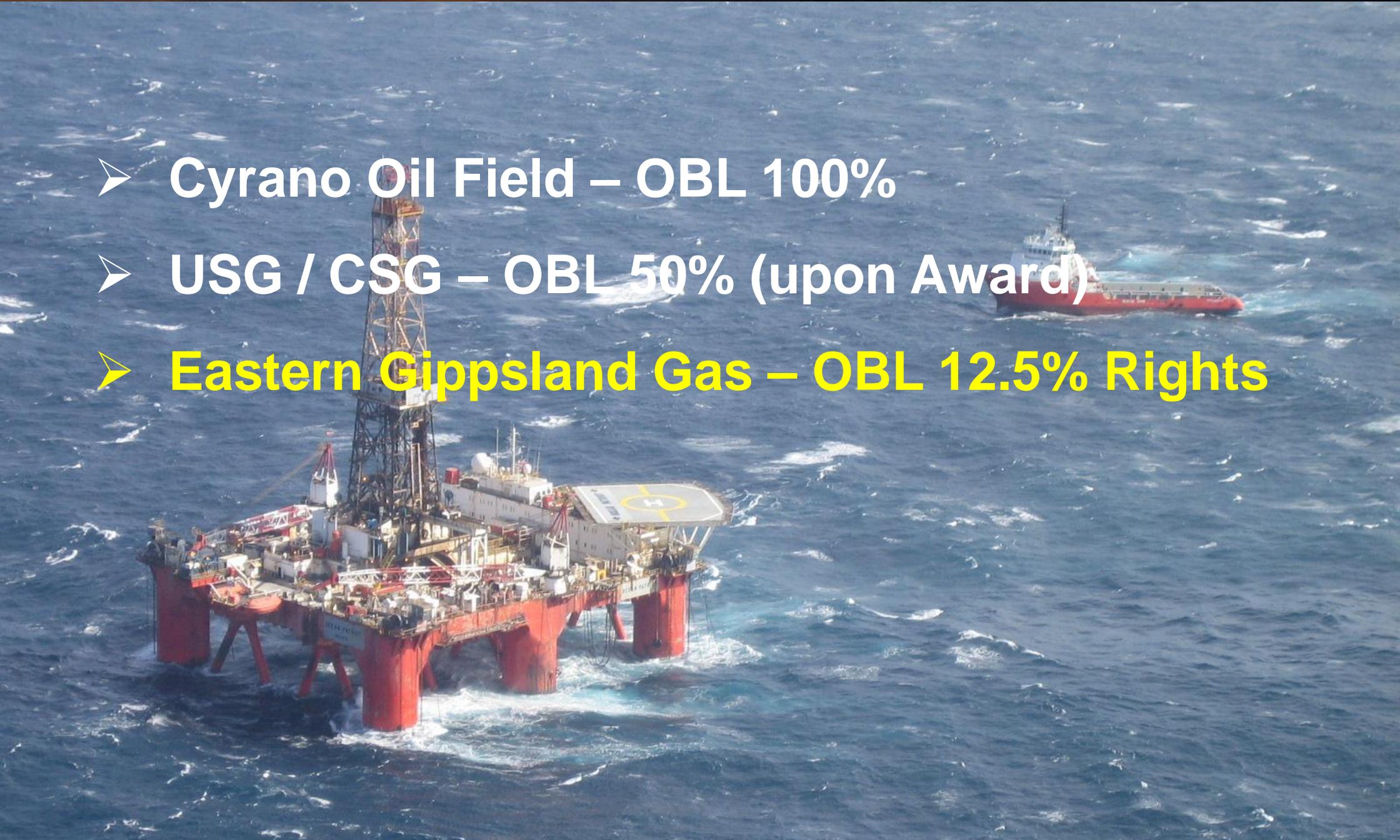


- Potentially significant New Oil Play in Backreef Area
- Should future appraisal drilling and/or oil production tests prove successful – oil could self-fund the future CSG & USG Projects
- Apart from 'domgas' supply – potential for large gas to liquid “GtL” Applications (gasoline, diesel, methanol or wax); Gas to Ammonia / Urea & related Petrochemicals
- Oil Basins' new vision as operator designate CSG Permit 5/07-8EP for range of development options for potentially large volumes of gas attractively located close to established regional infrastructure nearby Derby – Export CSG to LNG / USG to LNG

OBL's has a non-exclusive Strategic Alliance Agreement (SAA) but if USG / CSG is successful - can supply James Price Point LNG Hub Feedstock or Gas to Liquids



Additional re-rating opportunity #3

- **Cyrano Oil Field – OBL 100%**
 - **USG / CSG – OBL 50% (upon Award)**
 - **Eastern Gippsland Gas – OBL 12.5% Rights**
- 

Non-Operated Assets – Oil & NGL Projects

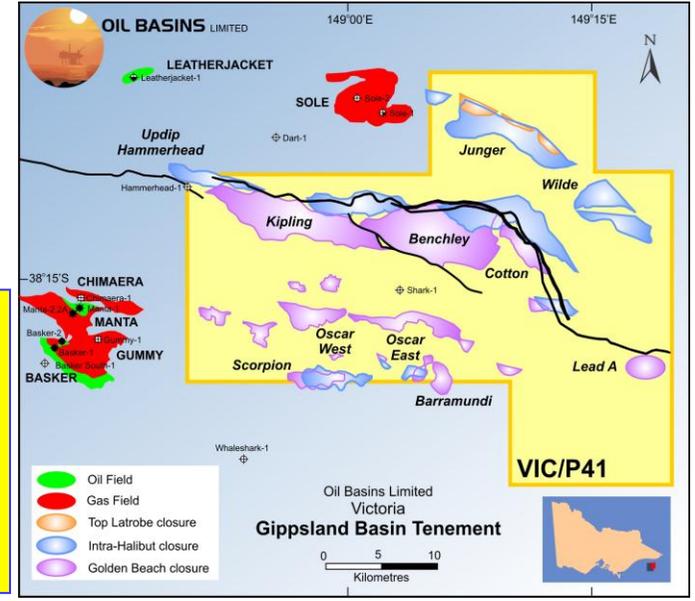
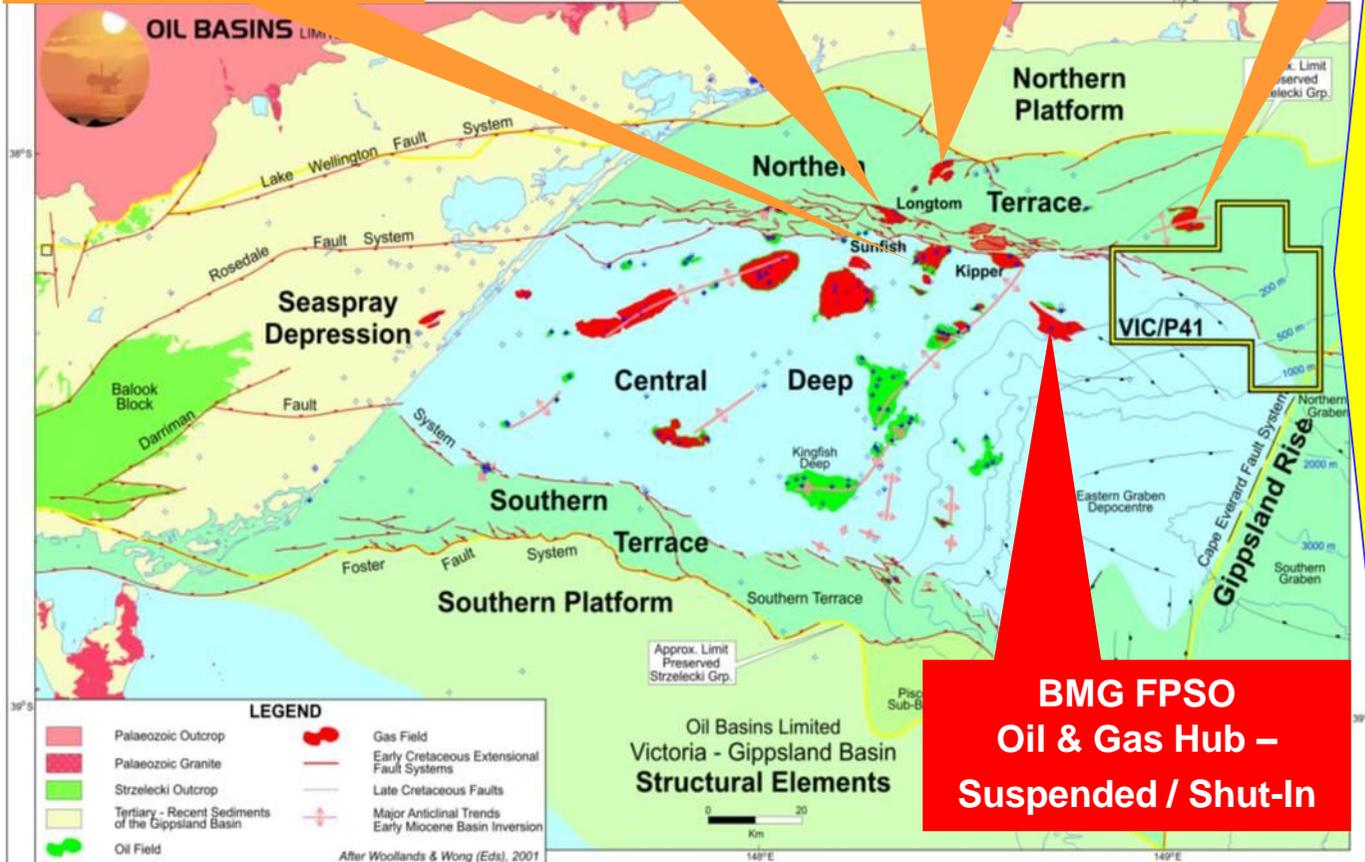
Gippsland Basin - Rights to 12.5% Vic / P41

KIPPER
660 Bcf & 17 MMbbls
Esso/BHP/STO \$2.4BN

LONGTOM
350 Bcf & 4 MMbbls
NXS 100% est.\$400M+

PATRICIA/BALEEN
GAS HUB
STO 100%

SOLE
200 Bcf
STO 100%



Bass Strait Oil Company	45% Operator
Moby Oil & Gas	30%* <u>red.</u> 25%
Strategic Energy Resources	25%* <u>red.</u> 17.5%
Oil Basins	*Rights 12.5%
ORRI	Nil
Permit Area	1,079sqkm

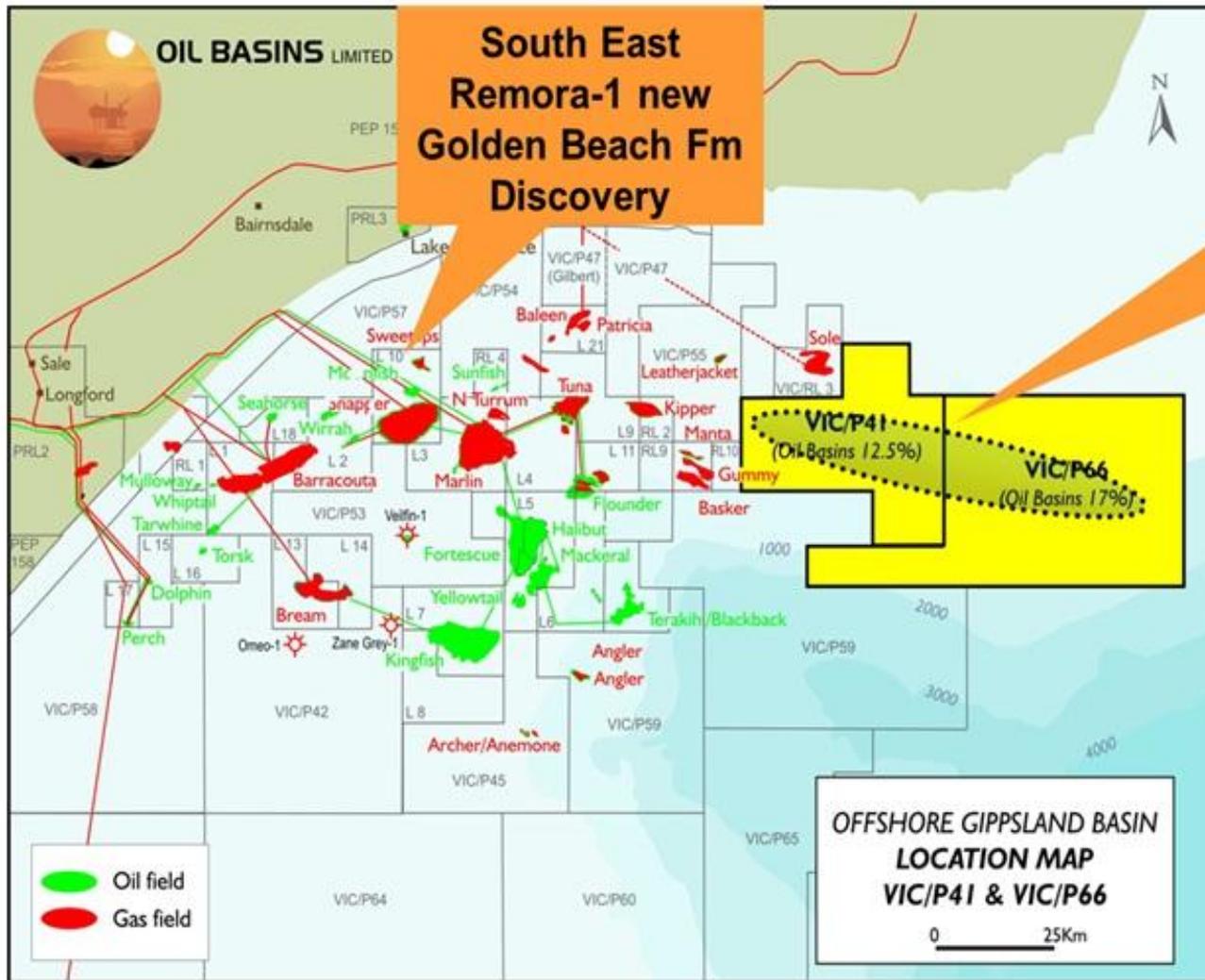
Permit is presently being renewed

Vic / P41 Gippsland Permit situated in highly attractive location nearby infrastructure. Operator effectively turned high risk 2D defined leads into lower risk 3D defined prospects – **6 now drill-ready prospects : Gross 3P estimated at 713MMbbls Oil & 3.1 TCF Gas**



Non-Operated Assets – Oil & NGL Projects

Gippsland Basin - Rights to 12.5% Vic / P41 & 17% Vic / P66



Golden Beach / Rosedale Fault Plays in are extensive in Eastern Gippsland Basin permits Vic/P41 & Vic/P66

Post South East Remora oil discovery by ExxonMobil-BHP Billiton Petroleum Northern Margin Golden Beach / Rosedale Fault is *Potentially Next Big Play in Gippsland Basin*

Operator signed a Joint Study Agreement with CNOOC on 2 August 2011
These “gassy permits” will likely realise value with the advent of CO₂ Tax on 1 July 2012



Gippsland Basin – 12.5% Rights Vic/P41

Farm-Out may be a 'Company Maker' even if OBL retains only 5% to 7.5% free-carried

3D Defined Drill-Ready Prospect Defined by AVO	Comments / Target Reservoir	Probability of Success		Gross Stochastic Prospective Res. (Recoverable)		Net Oil Basins Share Stochastic Prospective Res. (Recoverable)		
				P50		P50		P50
				OIL MMbbls	GAS Bcf	OIL MMbbls	GAS Bcf	Oil & Gas MMBoe6
Kipling	<i>Within Vic/P41 only</i>	Gas	22%	124	620	15.5	77.5	28.4
		Oil	15%					
Benchley	<i>Golden Beach sst</i>	Gas	17%	145	1,366	18.1	170.8	46.6
		Oil	13%					
Benchley	<i>Halibut Sub-Group sst</i>	Gas	24%	39	75	4.9	9.4	6.4
		Oil	16%					
Cotton	<i>Golden Beach sst</i>	Oil / Gas	4%	60	1	7.5	0.1	7.5
Cotton	<i>Halibut Sub-Group sst</i>	Oil	16%	13	-	1.6	-	1.6
Oscar West	<i>Intra-Latrobe ssts</i>	Oil / Gas	25%	19	12	2.4	1.5	2.6
Oscar East	<i>Intra-Latrobe ssts</i>	Oil / Gas	19%	19	18	2.4	2.3	2.8
			Totals	419	2,092	52.4	261.5	96.0

Gross P10 Vic/P41 upside 713 MMbbls Oil & 3.1 TCF Gas

Oil Basins has Rights to circa net 96 MMBoe P50 prospective recoverable resources
 OBL's Farmin has been renewed in 2011 and the promote is now below 1.5 to 1 – creating potential significant strategic upside in how OBL exercises these rights.



Glossary & Petroleum Units

M	Thousand
MM	Million
B	Billion
bbl	Barrel of crude oil (ie 159 litres)
PJ	Peta Joule (1,000 Tera Joules (TJ))
Bcf	Billion cubic feet
Tcf	Trillion cubic feet
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)
PSTM	Pre-stack time migration – reprocessing method used with seismic
PSDM	Pre-stack depth migration – reprocessing method used with seismic converting time into depth
AVO	Amplitude versus Offset, enhancing statistical processing method used with 3D seismic
GIP	Gas initially in place – also known as GIIP
OIP	Oil in place – also known as Stock Tank Oil Initially in Placed (STOIIP)
fm	Formation
sst	Sandstone
OWC	Oil water contact

www.oilbasins.com.au