



ASX ANNOUNCEMENT

1 March 2001

Anderson & Schwab Australia Limited has completed an independent technical appraisal and valuation of Essential Petroleum Resources Limited's Otway Basin petroleum exploration assets.

Essential Petroleum has an interest in 5 petroleum exploration permits in the Otway Basin including 100% of PEP 151, and an option to acquire an interest in a sixth Otway Basin permit.

The Anderson & Schwab report concludes that based on individual valuations for each of Essential Petroleum's permit interests, the combined realistic value is \$13.52 million dollars. If however, a premium based on the advantages gained through the contiguous cover the permits offer is applied, the realistic value is in the range of \$14.87 to \$15.55 million. Essential Petroleum's Managing Director, Mr John Remfry stated that the word 'realistic' in this case means the value that an informed and knowledgeable company could be prepared to pay to fully acquire Essential Petroleum's equity in each permit.

The Anderson & Schwab report is based on data and reports completed by previous and in some instances, current permit holders and supplied to Anderson & Schwab by Essential Petroleum.

Mr Remfry stated that the significance of this valuation is that when it is added to the \$7.5 million dollars raised from Essential Petroleum's recent IPO, and assuming a full take-up of the options on issue, the implied value of Essential Petroleum's shares is \$0.27 per share.

An executive summary of the report and the full report are available on the Company's website at www.essentialpetroleum.com.au.

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