



Essential
Petroleum
Resources
Limited

ASX ANNOUNCEMENT

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Essential Petroleum announces spud date for first exploration well in Otway Basin

Recently listed oil and gas explorer Essential Petroleum Resources Limited expects it will begin drilling its first exploration well – McNamara Park No. 1 on 24 May 2001.

The exploration well is located 15 kilometres west of Mt Gambier in the South Australian section of the Otway Basin. Targeting a new gas prospect, McNamara Park No. 1 could be brought on stream quickly to service the shortfall in energy markets in South Australia and Victoria.

The primary target zone is at a depth of 1892 metres, which Essential Petroleum and its partners expect to reach about a week after the spud or drilling commencement date.

McNamara Park No. 1 is located in Petroleum Exploration Licence 72 (PEL 72), in which Essential Petroleum has a 25% interest. Origin Energy holds 75% and is the operator of the permit.

The well is the first in an aggressive seven-well exploration program by the Melbourne-based explorer in the Otway Basin over the next three years.

Essential Petroleum Managing Director, Mr John Remfry, said the spud date had been delayed by the recent success of other oil and gas explorers in the Victorian section of the Otway Basin.

“The drill rig for McNamara Park No. 1 was tied up unexpectedly because its last five wells – all in the Otway Basin - have been completed as gas producers. This unusually high success rate has delayed the start of our program, but we are pleased that recent discoveries have enhanced the prospectivity of the Otway Basin.

“We believe that Essential Petroleum has the most prospective exploration acreage and offers the highest leverage for investors to the onshore Otway Basin.

“As well as improved prospectivity, the Otway Basin is attracting greater interest because of its close proximity to energy-hungry markets in the south east of Australia. This means low development costs and short lead times to bring discoveries into production,” Mr Remfry said.

Essential Petroleum listed on the Australian Stock Exchange on 9 February after successfully raising \$7.5 million through an Initial Public Offer. This will fully fund the company’s exploration program for the next three years.

For more information, contact:

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