



## ASX ANNOUNCEMENT

7 February 2001

### **Essential Petroleum Resources set to begin major Otway Basin exploration program**

Essential Petroleum Resources today announced it had raised \$7.5 million from its recent public offer.

The Melbourne-based oil and gas explorer is scheduled to list on the Australian Stock Exchange on Friday, 9 February 2001 under the ASX code: EPR.

Essential Petroleum issued 37.5 million shares at 20 cents each, with one free attaching option for every two shares. The offer was underwritten by Johnson Taylor Potter Corporate Finance with William Noall Limited as broker to the issue.

Initial market capitalisation at the 20 cent offer price is \$13.6 million.

Chairman, Mr John Cornelius, said the \$7.5 million raised through the public offer would fully fund an aggressive oil and gas exploration program in the Otway Basin, with a minimum of seven wells over the next three years.

"Our focus is now clearly on achieving early exploration success for our shareholders." He said the outlook for Essential Petroleum Resources was highly positive.

"We have prime acreage in the Otway Basin and an exciting new geological model for onshore oil and gas discoveries in the region.

"The company has identified three separate petroleum systems with some 14 associated prospects. These have a combined potential to discover hydrocarbon reserves of more than 200 million barrels of oil and 500 billion cubic feet of gas."

Mr Cornelius said the Otway Basin had received closer attention from larger explorers in the past three months.

"This lightly explored region is becoming more widely recognised for its high prospectivity and growing strategic importance in the energy supply plans of south eastern Australia.

"Gas markets and pipeline infrastructure are growing rapidly, with advanced plans to connect the major metropolitan markets in eastern Australia.

"These are positive developments for Essential Petroleum, which has a prime position in the Otway Basin.

"Buoyant oil prices are also a positive factor in the outlook for the company."



Managing Director, Mr John Remfry, said the company expected to drill its first exploration well in late March or early April at the McNamara Deep gas prospect, near Mt Gambier in South Australia.

"The drill rig for this well is in transit to the Otway Basin from eastern Victoria. It will drill three exploration wells in the Port Campbell area before McNamara Deep. This activity reflects growing interest in the Otway Basin by other explorers," he said.

Essential Petroleum was formed in October 1999 by a highly experienced team, including Mr Cornelius, Mr Remfry, Mr Roger Blake (Director - Exploration and Development) and Mr Wally Westman (Executive General Manager, Drilling and Operations).

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