

## ASX ANNOUNCEMENT

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### **Chairman says two exploration wells in three months mean exciting times ahead**

The Chairman of Melbourne-based Essential Petroleum Resources Limited, Mr John Cornelius, today said the next three months would be an exciting period for shareholders, with two exploration wells to be drilled.

Addressing shareholders at today's annual general meeting in Melbourne, Mr Cornelius said drilling of Koroit West No.1 would begin as early as three weeks from today, with a second well Banganna No.1, due to spud between 24 February and 12 March 2003.

"Both wells give shareholders exposure to the potential for high value discoveries in the short term," Mr Cornelius said.

The wells are located north of Port Fairy in the Otway Basin. Essential Petroleum holds seven permits in the onshore and offshore Otway Basin and is the only listed oil and gas explorer with its prime focus on this region.

Koroit West No.1 is a follow up to Port Fairy No.1, which discovered oil and gas earlier this year.

Mr Cornelius said Port Fairy No.1 may soon yield further news.

"Port Fairy No.1 has been slow to reveal its secrets, as is often the case with oil and gas exploration wells, but it has made a highly significant discovery of an oil and gas bearing zone in the Flaxman/Basal Belfast formation.

"Engineering studies are being undertaken to determine whether the field is commercially viable. The results of these studies are expected early in the first quarter of 2003."

Essential Petroleum also has an active offshore exploration program over two permits – VIC/P46 and VIC/P50. The company recently announced that the giant energy trading and commodity company Mitsui would farm in to VIC/P46, earning up to a 32.5% interest by carrying part of the cost of exploration.

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