

ASX ANNOUNCEMENT

18 January 2002

Drilling Report No. 8 – Port Fairy No. 1 Well at 1.00pm, 18 January 2002 PEP 152 Otway Basin, Victoria

Essential Petroleum Resources Limited advises that the Port Fairy No. 1 drilling operation encountered the top of the Flaxman Formation at 1341 mRT and is drilling ahead at a depth of 1410 mRT.

Two drilling breaks of up to 3 metres thickness each have been encountered with up to 550 units of gas with compositions ranging from C1 to C5.

The Port Fairy No 1 well is located approximately 2 kilometres to the north of the Victorian coastal town of Port Fairy and 12 kilometres south of the Port Campbell to Portland, Western Victoria, gas pipeline.

Interests in the Port Fairy No. 1 well are:

Essential Petroleum	84.41%
Lakes Oil NL	15.59%

Interest Holders in PEP 152 are:

Essential Petroleum	33.9%
Origin Energy Petroleum Pty Ltd	50.51%
Lakes Oil NL	15.59%



John Remfry
Managing Director

Enquiries: Mr John Remfry, Managing Director
Phone: (03) 9699 3009
Facsimile: (03) 9699 3110
Email: info@eprl.com.au