

ASX ANNOUNCEMENT

29 April 2004

Essential Petroleum Increases its Onshore Interests in the Otway Basin

Essential Petroleum Resources Limited is pleased to announce that it has negotiated to increase its onshore permit interests in the Otway Basin, clearing the way for a major program of onshore drilling activity over the next 12 months.

Essential Petroleum's Managing Director, Mr John Remfry, said the Company has agreed to acquire Origin Energy's interests in PEP 152 and PEP 159 for a small cash consideration. Essential Petroleum will become the operator of both these permits.

In addition Essential Petroleum has increased its interest in PEP 150 to 50%.

Completion of these acquisitions is subject to registration of the transfers by the Victorian Department of Primary Industries.

"This outcome is good for Essential Petroleum and for Origin Energy, promoting more rapid exploration in the onshore Otway Basin by Essential Petroleum, whilst allowing Origin to focus on the development of its major discoveries in the offshore Otway Basin" Mr Remfry said.

New permit interests upon completion

	New Permit Interests	Former Permit Interests
PEP 150	Essential Petroleum (50%) Beach Petroleum (50%)	Origin Energy (50%)* Essential Petroleum (25%) Beach Petroleum (25%)
PEP 152	Essential Petroleum (84.41%)* Lakes Oil (15.59%)	Origin Energy (50.51%)* Essential Petroleum (33.9%) Lakes Oil (15.59%)
PEP 159	Essential Petroleum (100%)*	Origin Energy (50%)* Essential Petroleum (50%)

(* denotes operator)



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