



Essential
Petroleum
Resources
Limited

ASX ANNOUNCEMENT

11 June 2004

Drilling Report No. 3 – Killarney EPRL No. 1 Well at 9.00am, 11 June 2004 PEP 152 Otway Basin, Victoria

Essential Petroleum Resources Limited advises that the drilling of Killarney EPRL No. 1 has reached a depth of 258 mKB. 9 5/8" casing has been set to a depth of 255.8 mKB. The current operation is waiting on the cement to harden prior to rigging up the blow out preventers.

The Killarney EPRL No. 1 well is located approximately five kilometres to the east of the Victorian coastal town of Port Fairy and 12 kilometres south of the Western Victorian Portland to Port Campbell gas pipeline.

The co-ordinates of the drilling location are:

Latitude: 38° 21' 22.28" S
Longitude: 142° 15' 24.30" E
Datum: GDA 94

The well is a follow-up to the Port Fairy No. 1 discovery well and will target gas and light oil in the Waarre Sandstone at a depth of about 1,414 metres KB. The well is expected to take approximately 4 –5 days to reach primary target depth after the surface casing has been set.

The Killarney EPRL No. 1 well is being drilled in the Victorian petroleum exploration permit PEP 152.

The interest holders in PEP 152 are:

Essential Petroleum Resources Limited (Operator)	84.41%
Lakes Oil NL	15.59%

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