



Essential
Petroleum
Resources
Limited

ASX ANNOUNCEMENT

17 June 2004

Drilling Report No. 6 – Killarney EPRL No. 1 Well at 9.00am, 17 June 2004 PEP 152 Otway Basin, Victoria

Essential Petroleum Resources Limited advises that at 9.00 am AEST Killarney EPRL 1 was at 1485 mKB drilling ahead in the lower Waarre Formation. Reservoir horizons in the Flaxman and upper Waarre Formations were intersected on prognosis but did not contain anticipated reservoir quality sandstones. Drill gas to a maximum of 23.7 gas units including hydrocarbon components to C4 (butane) was recorded within this interval. This interval will be further evaluated with wireline logs. Hydrocarbon drill gas levels remain at approximately 5 to 10 gas units.

Sandstone targets in the basal Waarre Formation, which contained elevated gas at Port Fairy 1, will be intersected late today. The lower Waarre section at the Killarney location is anticipated to be substantially thicker than at Port Fairy 1 and potential for further sands not intersected at Port Fairy 1 remains high. The full target interval will be further evaluated over the next 48 hours.

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 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%

A handwritten signature in black ink, appearing to read 'John Remfry'.

John Remfry
Managing Director

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