



**Essential
Petroleum
Resources
Limited**

ASX ANNOUNCEMENT

24 March 2006

Beach Petroleum increases its interest in the offshore Otway Basin permit VIC/P46

Essential Petroleum is pleased to announce that it has accepted an offer from Beach Petroleum Limited to increase its interest in the offshore Otway Basin permit, VIC/P46, from 17.5% to 50%.

EPR will retain a 25% interest in VIC/P46, and will be substantially carried by its JV partners through an exciting 3D seismic acquisition and drilling program expected to cost in excess of \$20 million dollars.

By increasing its interest in VIC/P46 to 50%, under the provisions of the joint venture agreement, Beach will become the operator of the permit. EPR's work in the permit has identified the primary sedimentological and tectonic mechanisms for reservoir development and this has led to the identification of numerous prospects and leads. Beach's breadth of skills and depth of expertise will ensure it builds on the excellent work done in the permit by EPR's exploration team.

The offer by Beach highlights the validity of the Company's strategy of attracting funding in return for equity in its highly prospective acreage.

Following the execution of a farmout agreement and the assignment of the interest to Beach Petroleum, participants in the VIC/P46 Joint Venture will be:

Beach Petroleum Limited	50% (Operator)
Mittwell Energy Resources Pty Ltd	25%
Essential Petroleum Resources Limited	25%

John Remfry
Managing Director

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