

ESSENTIAL PETROLEUM RESOURCES LIMITED



No. 3

22 October 2001

Essential Petroleum Resources Limited's first annual general meeting as a publicly listed company was well attended by shareholders and visitors on Tuesday (16 October).

Directors used the opportunity to present detailed information about the Company's exploration plans in the Otway Basin, including exciting news about the location and timing of our next exploration well.

Chairman, John Cornelius, told the meeting that Port Fairy No. 1, in PEP 152 in the onshore Otway Basin, would be the Company's next exploration well.

The spud date is scheduled for late November, depending on drill rig availability.

Essential Petroleum has a 33.9% interest in Port Fairy No. 1. Our partners in the PEP 152 joint venture are Origin Energy (50.51% and Operator) and Lakes Oil (15.59%).

Port Fairy No. 1 is the second in a proposed seven-well exploration program by Essential Petroleum across the onshore Otway Basin, as outlined in last November's prospectus.


The Port Fairy gas prospect, located two kilometres from the coastal township of Port Fairy, has estimated median recoverable gas reserves of 26 million bcf (billion cubic feet). The target is the Waarre Sandstone, estimated to be between 1300 to 1400m and the total depth of the well will be about 1550m depending on the section encountered.

The well is located in close proximity to gas and electricity infrastructure, which means a commercial discovery could be brought into production within six to 12 months at low cost. These advantages, combined with accessible, energy-hungry markets in the south east of Australia, were major factors in our selection of the Otway Basin as our prime exploration focus.

We were pleased to present the meeting with an overview of exploration activity in the Otway Basin, including the location of recent major discoveries both onshore and offshore. These discoveries have greatly enhanced the prospectivity of the Otway Basin and have certainly supported Essential Petroleum's strategic choice of the Basin.

Our early selection of the Otway Basin permits commencing in 1999 enabled the Company to acquire acreage on "ground floor" terms and assemble a strong portfolio across a large part of the Basin.

The next two years will be a busy and exciting period for Essential Petroleum. We look forward to keeping you posted.

The next -news update will be distributed in the near future. If you have any questions about Essential Petroleum in the mean time, please contact Mr John Remfry via e-mail address info@epri.com.au or by calling (03) 9699 3009. You may wish to visit our website at www.essentialpetroleum.com.au. Your comments and feedback are welcomed.

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