



OIL BASINS LIMITED

ABN 56 006 024 764

23 June 2014

ASX Markets Announcements
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
Sydney NSW 2000

Dear Sirs

UPDATE PERMIT EP 487, CANNING BASIN

The Directors of Oil Basins Limited (**OBL**, ASX codes **OBL** and **OBLOB**, or the **Company**) are pleased to make the following ASX announcement to keep the market fully informed.

OPERATIONS – FLORA & FAUNA SURVEY COMPLETE

Further to the ASX Release dated 30 May 2014, OBL wishes to advise that the Permit EP 487 Level 1 Flora and Fauna Survey (**F&F Survey**) over the proposed route of the 500km line km 2D seismic survey was successfully completed on 20 June 2014 (and importantly within the wildflower blooming period).

As earlier advised this F&F Survey was undertaken by OBL as operator EP 487 and was conducted in accordance with the DMP approved Year 1 EP 487 work program with the prior consent and written confirmed acknowledgement of both the relevant landowners and the DMP as required under the Petroleum and Geothermal Energy Resources (Environment) Regulations 2012 of WA.

The F&F Survey was performed by *ecologia* Environmental Consultants Pty Ltd (**ecologia**), a Perth based subsidiary of ASX listed Resource Development Group Ltd (ASX code **RDG**), and their work supported by OBL's Broome based Area Manager.

Field work commenced on 16 June 2014 and was conducted in a safe manner in accordance with the *ecologia* HSE Plan with no incidents or accidents reported in the Permit EP 487 Study Area.

Work by *ecologia* will now focus on identifying the material collected and incorporating this new information into the Permit 487 Environmental Plan

CORPORATE

We advise that OBL has held confidential discussions with Backreef Oil Pty Limited (**BOPL**) and their proposed assignee Buru Energy Limited (ASX code **BRU**) since 29 May 2014 to resolve an agreed way forward on the future ownership of Permit EP 487.

Whilst some progress has been made, no resolution has been agreed to the satisfaction of all parties at the time of this announcement.

On 13 June 2014 OBL forwarded a cash call of circa \$131,000 to BOPL seeking immediate payment as the F&F Survey field work was commencing (now complete) and no joint operating agreement was in place.

In the absence of satisfaction OBL intends to pursue all of its rights.

Further to the discussions on 29 May 2014, the Company advised BOPL that there is a \$300,000 promote payment to OBL associated with the Octanex N.L. (ASX code **OXX**) \$1.75 million OXX priority transaction (duly lodged for registration with the DMP on 21 March 2014) (refer to the OBL ASX Release dated 6 February 2013 which summarises OBL's position).

Full documentation relating to the OBL and OXX Priority Dealing and an agreed form of Joint Operating Agreement (as agreed between OBL and OXX) was served on BOPL on 7 April 2014.

In addition, the Company has recently indicated to BOPL that there is also an outstanding back cost payment of circa \$232,000 which OBL will also be seeking full payment from BOPL from its gross \$725,000 share of proceeds of the OXX priority transaction.

OBL will make further subsequent announcements and updates as appropriate.

Yours faithfully

A handwritten signature in black ink, appearing to read "Neil F. Doyle". The signature is written in a cursive, flowing style.

Neil F. Doyle SPE
Director & CEO