



OIL BASINS LIMITED

ABN 56 006 024 764

29 October 2015

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

Dear Sirs

UPDATE ON PERMIT VIC/P41

Oil Basins Limited (“**OBL**” or the “**Company**”; ASX code “**OBL**”) make the following ASX Release as a matter of record only on new work performed by the Vic/P41 Joint Venture – OBL Group 35.435%.

Yours faithfully

Neil Doyle SPE
Director & CEO

28 October 2015

Technical Review Complete - Bass Permits Contain Significant Oil and Gas Potential

- **First comprehensive review of the Leatherjacket Oil Discovery estimates net unrisked 2C Contingent Resources of 8 million barrels of recoverable oil**
- **Identification of significant oil targets on trend with the Leatherjacket Oil Discovery**
- **New gross Prospective Resources of over 1.75 TCF identified in Emperor Formation (unrisked Best Estimate)**

Bass Strait Oil Company Limited (ASX: BAS) wishes to announce the results from its recently completed Gippsland Basin Technical Review (Technical Review). The Technical Review has uncovered significant upside in BAS' 100% owned Leatherjacket Oil Discovery (Leatherjacket). The Technical Review also identified a number of possible oil targets on trend with Leatherjacket and revealed a notable gas play in the Emperor Formation which is similar in characteristic and on trend with the nearby Longtom Gas Field.

Leatherjacket Oil Discovery – Vic/P68 (BAS 100%)

The comprehensive Technical Review of Leatherjacket undertaken by BAS, estimates that net unrisked 2C Contingent Resources contained in the upper Latrobe group reservoirs in Vic/P68 are in the order of 8 million barrels of recoverable oil. This is the first comprehensive review of Leatherjacket since it was drilled by Esso in 1986 resulting in the discovery of an oil column in excess of 25 metres as indicated by wireline logs. Oil samples were recovered using wireline sampling techniques.

Contingent Resource (2) – Leatherjacket (BAS 100%)	1C	2C	3C
Oil (1) (mmbbl)	6.0	8.0	10.9

Table 1: Unrisked Contingent Resource estimates in upper Latrobe group reservoirs, Leatherjacket, offshore Gippsland Basin, Victoria

- (1) Oil: Crude oil from reservoirs
 (2) Probabilistically determined with no development risk applied

Mapping undertaken by the BAS technical team has also identified an additional number of targets on trend with Leatherjacket. These targets, including Leatherjacket itself, will be further evaluated following the acquisition of a 225 square kilometre 3D seismic survey during the 2016/17 Bass Strait weather window. The most significant lead is LJ 3, as illustrated on Map 1 on Page 2.

Prospective Resource (2) – LJ 3 (BAS 100%)	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
Oil (1) (mmbbl)	9	22	57

Table 2: Unrisked Prospective Resource estimates for LJ 3, offshore Gippsland Basin, Victoria

- (1) Oil: Crude oil from reservoirs
 (2) Probabilistically determined with no exploration or development risk applied

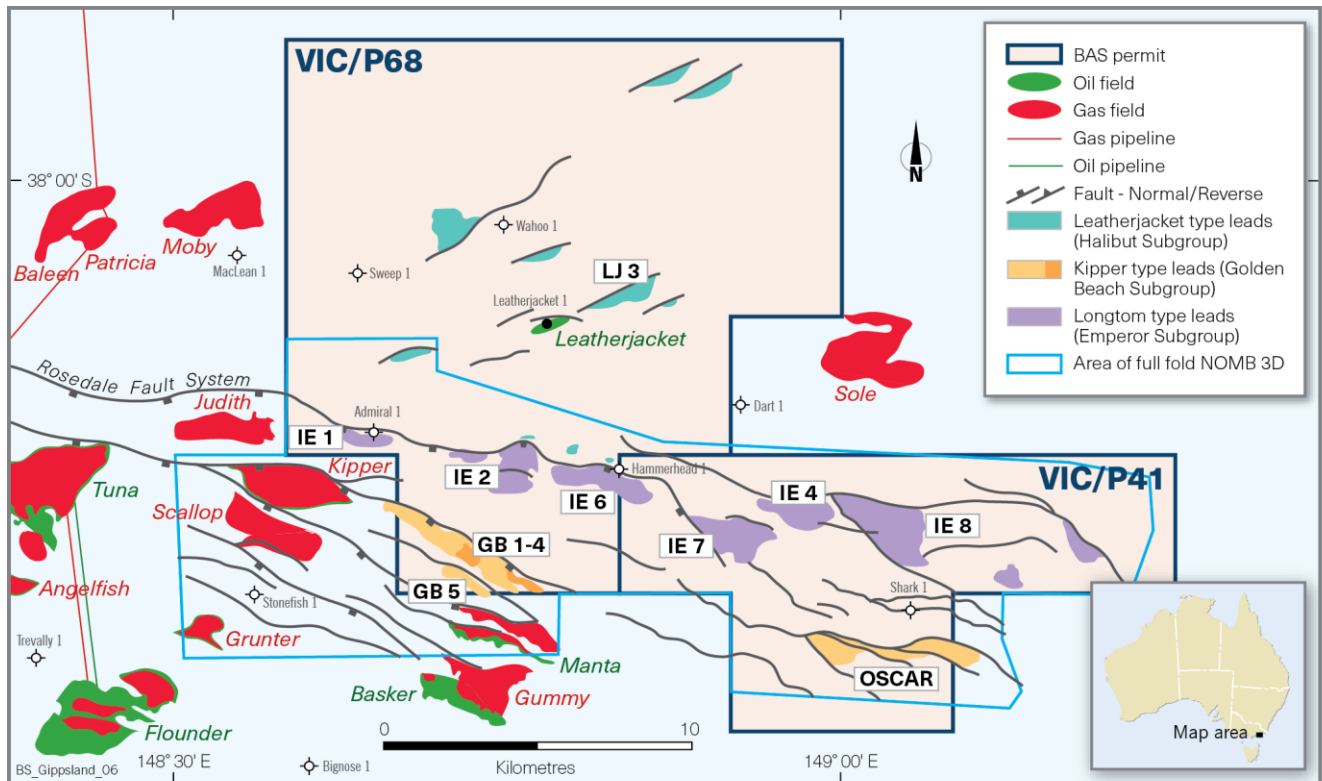
Emperor Formation Gas Potential – Vic/P68 (BAS 100%) and Vic/41 (BAS 64.565%)

The Technical Review also evaluated the gas play in the Emperor Formation in Vic/P68 and Vic/P41 for the first time and concluded that exciting new exploration opportunities exist. The identified targets are similar in characteristic and on trend with the nearby Longtom Gas Field. In a best estimate scenario, the gross unrisked (P50) Prospective Resource contained in the 5 largest leads total over 1.75 TCF of gas.

Gross Prospective Resources (2) – Emperor	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
Gas (1) - IE 1 (BCF)	95	149	247
Gas - IE 2 (BCF)	352	514	765
Gas - IE 4 (BCF)	313	422	566
Gas - IE 6 (BCF)	132	334	876
Gas - IE 7 (BCF)	247	425	737

Table 3: Unrisked Prospective Resources contained in the 5 largest Emperor Formation targets, offshore Gippsland Basin, Victoria

- (1) Gas: Non-associated gas from gas reservoirs
- (2) Probabilistically determined with no exploration or development risk applied – refer to Map 1 below for individual locations



Map 1: New targets identified during the BAS Technical Review

"I am extremely pleased with the work undertaken and the results obtained by the BAS technical team. We believe the size of the targets identified results in the permits having the potential to host economic oil and gas discoveries," Tino Guglielmo, BAS Executive Director, said today.

"The Company's view of the assets has materially changed following completion of the Technical Review. We will immediately commence discussions with third parties who are able to invest in the assets via farm-in alongside BAS," he said.

Mr Guglielmo added, *“We believe that our asset portfolio in the Gippsland Basin continues to increase in value as increasing domestic gas prices compel oil and gas players to seek new and emerging gas prospects in close proximity to gas sales infrastructure.”*

Methodology

BAS has undertaken a Contingent and Prospective Resources assessment using probabilistic resource estimation for the upper Latrobe group reservoirs with respect to the Leatherjacket Oil Discovery and the LJ 3 Oil Lead. The same methodology was used to determine a Prospective Resource assessment for the Emperor Formation leads. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. This approach is consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS).

Analytical procedures used to assess Contingent and Prospective Resources were:

- interpretation of reprocessed 3D seismic data;
- Quantitative Geophysical Study (Inversion) to investigate Lithology and Hydrocarbon distribution;
- detailed time/depth conversion;
- petrophysical and hydrocarbon analysis from the wells drilled in nearby fields; and
- estimation of recovery factors via offsetting well and field data.

The Contingent Resources within Vic/P68 (BAS: 100%) and Vic/41 (BAS: 64.565%) are currently assessed to be contingent because of the uncertainty surrounding the size of a future, commercial field development. BAS notes that the acquisition of 3D seismic intends to reduce the uncertainty of the field size. Further development studies are also likely to be required. The Prospective Resources within Vic/P68 and Vic/41 are currently assessed to be prospective because the resource has not yet been proven by drilling resulting in a field discovery.

The date of this Contingent Resource and Prospective Resource assessment is 28 October 2015.

Cautionary Prospective Resource Statement

These estimated quantities of petroleum that may be potentially recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. These estimates have not been adjusted for such risk. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Qualified Petroleum Reserves and Resources Evaluator Statement

The information contained in this report regarding the Bass Strait Oil Company Contingent and Prospective Resources report is based on and fairly represents information and supporting documentation reviewed by Ms Dianne Muller who is a consultant to Bass Strait Oil Company, is a member of the American Association of Petroleum Geologists and is qualified in accordance with ASX listing rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

BAS Gippsland Basin Permits

Equity interests in the BAS operated permits are as follows:

Vic/P68

Bass Strait Oil Company Ltd 100%

Vic/P41

Bass Strait Oil Company Ltd 64.565% (Operator)

Oil Basins Ltd 17.935%

Shelf Oil Pty Ltd 17.5%

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About Bass Strait Oil Company

Bass Strait Oil Company Ltd (ASX code: BAS) is a petroleum explorer with an exploration portfolio currently focused on southeast Australia, in particular the world class Gippsland basin.

In the Gippsland basin, our portfolio is focussed on the Rosedale Fault Trend on the northern margin of the basin. BAS has high equity interests and operates two permits, Vic/P41 (64.565%) and Vic/P68 (100%) along the trend and these contain both appraisal and exploration targets. These are generally within subsea completion tie back distances to existing developments. The portfolio is covered by extensive 3D seismic datasets. In the Otway Basin, our portfolio comprises of one eastern onshore permit, PEP 150 (15%).

The Company's consistent technical focus on the region and the proximity of the portfolio to infrastructure and market ensures that BAS is well placed to benefit from the changing dynamics of the Eastern Australian gas market.

The Company has a strong committed shareholder base, with the Board and management holding a 24% interest and Cooper Energy holding a 22% interest. The Board's focus is to extract value from its Gippsland Basin permits for all shareholders.

The BAS exploration permit portfolio targets both conventional oil and gas and unconventional gas plays. It contains a balance of offshore and onshore activity with near term appraisal opportunities and longer-term exploration opportunities. The Company believes that this acreage position provides high-impact discovery potential.

