



OIL BASINS LIMITED

ABN 56 006 024 764

14 January 2016

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

Dear Sirs

PERMIT EP487 (DERBY BLOCK) UPDATE

The Directors of Oil Basins Limited (ASX code **OBL**, or the **Company**) are pleased to make the following update on the Company's 50% owned and operated onshore permit EP487 (Derby Block) so as to keep the market fully informed.

OPERATORSHIP

- **OBL wishes to advise the market that it has not resigned as Operator of EP487 and the Company continues as Operator.**
- **OBL has advised Rey Resources Limited (REY) and its subsidiary Rey Lennard Shelf Pty Ltd (RLS) that RLS does not meet the agreed preconditions and minimum legal requirements to perform as Operator in accordance with the permit grant, the DMP Guidelines (July 2015) and under the Joint Operating Agreement (JOA) executed on 29 May 2015.**
- **OBL has formally advised REY and RLS on 13 January 2016 that RLS is in Default under the JOA with respect to a number of matters, including that RLS has not paid the outstanding cash calls for work completed between 1 June 2015 and 31 December 2015.**
- **OBL has commenced planning and costing for the new environmental plan covering drilling and production testing, groundwater monitoring and drilling of bores (as required under the new DMP December 2015 Groundwater Guidelines) and environmental management systems. OBL is also finalising the preparation of Year 2 AFEs in anticipation of the WP variation approval.**

Yours faithfully

Neil Doyle SPE
Director & CEO