



OIL BASINS LIMITED

ABN 56 006 024 764

3 February 2016

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

Dear Sirs

EP487 (DERBY BLOCK) UPDATE VARIATION TO WORK PROGRAM APPROVED

HIGHLIGHTS

- **Oil Basins Limited (OBL) is pleased to advise that the EP487 (Derby Block) Joint Venture has been successful in its application to have the Work Program for Year 1 now deemed complete and the Work Program Year 2 variation approved by the WA regulator, the Department of Mines and Petroleum (DMP)**
- ✓ **In support of the variation application OBL has in 4Q2015 reprocessed more than 140 line km of vintage 2D and integrated more modern 2D and 3D regional seismic and a full suite of public available information on nearby Basin Centred Gas (BCG) discoveries.**
- ✓ **Impact is that OBL as operator will now prepare commencing the preparation of environmental and operations approvals for a 2 well program specifically focusing upon deep BCG in 4Q2016.**
- ✓ **OBL has completed the mapping and reported to the ASX on 15 January 2016 that the independent assessment of overall gross prospective potential recoverable P50 resources down to 5000m within the onshore eastern portion of the Derby Block is now 28.7 Tcf with 717.7 MMbbls of associated condensate, in accordance with SPE PRMS (2011).**
- ✓ **OBL notes that this preliminary independent assessment was conducted prior to recent public announced production testing results at nearby Valhalla North-1 and Asgard-1. When full results are announced, OBL will prepare a further independent assessment (revised for the impact of these fracking results) on the overall gross prospective potential recoverable P50 resources down to 5000m.**

The Directors of Oil Basins Limited (ASX code **OBL**, or the **Company**) are pleased to release the following update in respect of the Company's 50% owned onshore Exploration Permit EP487 (Derby Block) as a matter of record.

EP487 – Permit Interests

Oil Basins Limited	50% and Operator
Rey Lennard Shelf Pty Limited	50%
Backreef Oil Pty Limited	0.5% ORRI (effective - pending)
Oil Basins Royalties Pty Limited	2.0% ORRI (effective - pending)

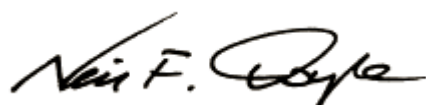
The WA regulator, the DMP, has on 2 February 2016 formally approved that the EP487 Joint Venture vary the work program condition of Year 1 requiring the completion of 500 km New 2D Seismic Survey and Indicative Minimum Expenditure for Year 2 (**Table 1**):

Under this approved variation, **Year 1 is now deemed complete**. The EP487 (Derby Block) completed Year 1 work program and newly approved Year 2 work program is as follows.

EP487			
Permit Year	Year End	Minimum Work Requirements	Expenditure (AUD)*
1	13.12.15	Replace 500 km New 2D Seismic Survey with Attaining Environmental Plan Approvals for 533.7km 2D Seismic Survey and Reprocessing minimum of 140 line km of Vintage 2D Seismic to assess deep unconventional Laurel formation prospectivity as delineated by encouraging test results in nearby on-trend EP371 R2 BCG discoveries (Valhalla North-1 and Asgard-1).	\$1,010,000
2	13.12.16	Two (2) Deep Exploration Wells	\$12,500,000
3	13.12.17	Two (2) Exploration Wells	\$3,000,000
4	13.12.18	200 km New 2D Seismic Survey	\$1,100,000
5	13.12.19	One (1) Exploration Well	\$1,125,000
6	13.12.20	One (1) Exploration Well	\$1,125,000

Table 1

Yours faithfully



Neil Doyle SPE
Director & CEO