



OIL BASINS LIMITED

ABN 56 006 024 764

30th January 2017

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

Dear Sirs,

SUSPENSION AND EXTENSION OF EXPLORATION PERMIT VIC/P47 HELD 100% BY OBL – OBL IS OPERATOR

Oil Basins Limited (ASX: OBL) advises that an application to the National Offshore Petroleum Titles Administrator (NOPTA) for a suspension and extension of the duration of the Vic/P47 exploration permit has been approved. Oil Basins Limited (OBL) holds 100% of Vic/P47 and is Operator.

The Vic/P47 permit is located within Australia's premier oil and gas province, the offshore Gippsland Basin, Bass Strait. The Basin is home to the Patricia Baleen (gas), Longtom (gas/condensate), Kipper (gas/oil) and Tuna (gas / oil) permits.

Vic/P47 permit covers 202km² containing the Judith and Moby conventional gas fields. Two-gas discovery wells have been previously drilled within the permit.

Moby-1 was drilled by Bass Strait Oil in 2004. The Judith-1 well was drilled by Shell in 1989 and discovered gas in multiple tight alluvial fan sandstones of the Admiral Formation, Emperor Subgroup.

The Judith Gas Field is located some 2 km north of the Kipper Gas Field and 15 km SSE of the Patricia/Baleen gas fields. A volumetric assessment of the Judith accumulation by Gaffney Cline and Associates in 2013 estimated the P50 contingent Gas Resource at 101 BCF.

The suspension and extension of the permit provides OBL with additional time to complete reprocessing of historic 3D Seismic data across the permit area. The seismic data was initially acquired from seismic surveys completed by Esso/BHP Billiton in 2001-02 and Bass Strait Oil in 2006.

When completed at the end of June 2017 the seismic reprocessing will:

- Further define the extent and detail of the Judith and Moby structures
- Determine the extent of sandstone reservoirs discovered in Judith-1 and Moby-1
- Provide data to attain an improved estimate of the gas resources at both Judith and Moby
- Provide data to optimize a drilling location and allow detail planning of a directionally drilled production well "flightpath" to optimise gas resource recovery.

The granting of this permit suspension and extension is a key step forward for OBL as the Company progresses to rationalize its exploration assets retaining only those assets considered to offer potential to deliver real value to the Company.

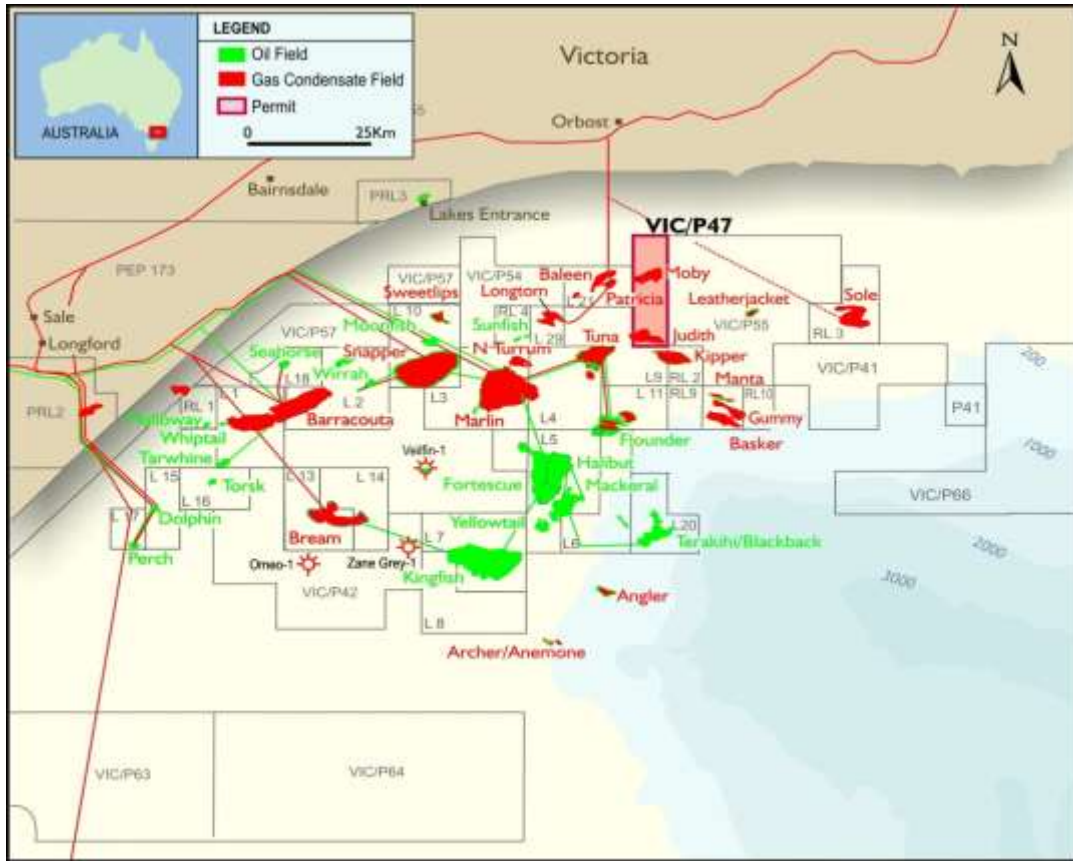


Figure 1 – Vic/P47 Permit Location – Gippsland Basin, Bass Strait

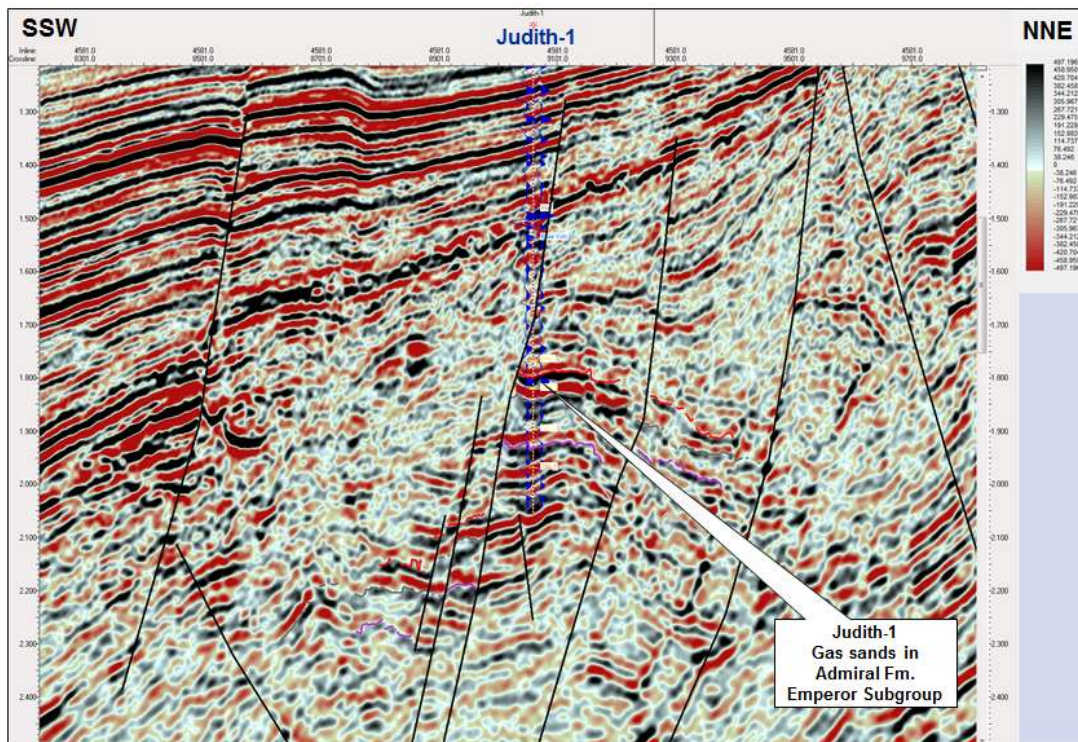


Figure 2 – Seismic section through Judith-1 gas discovery.

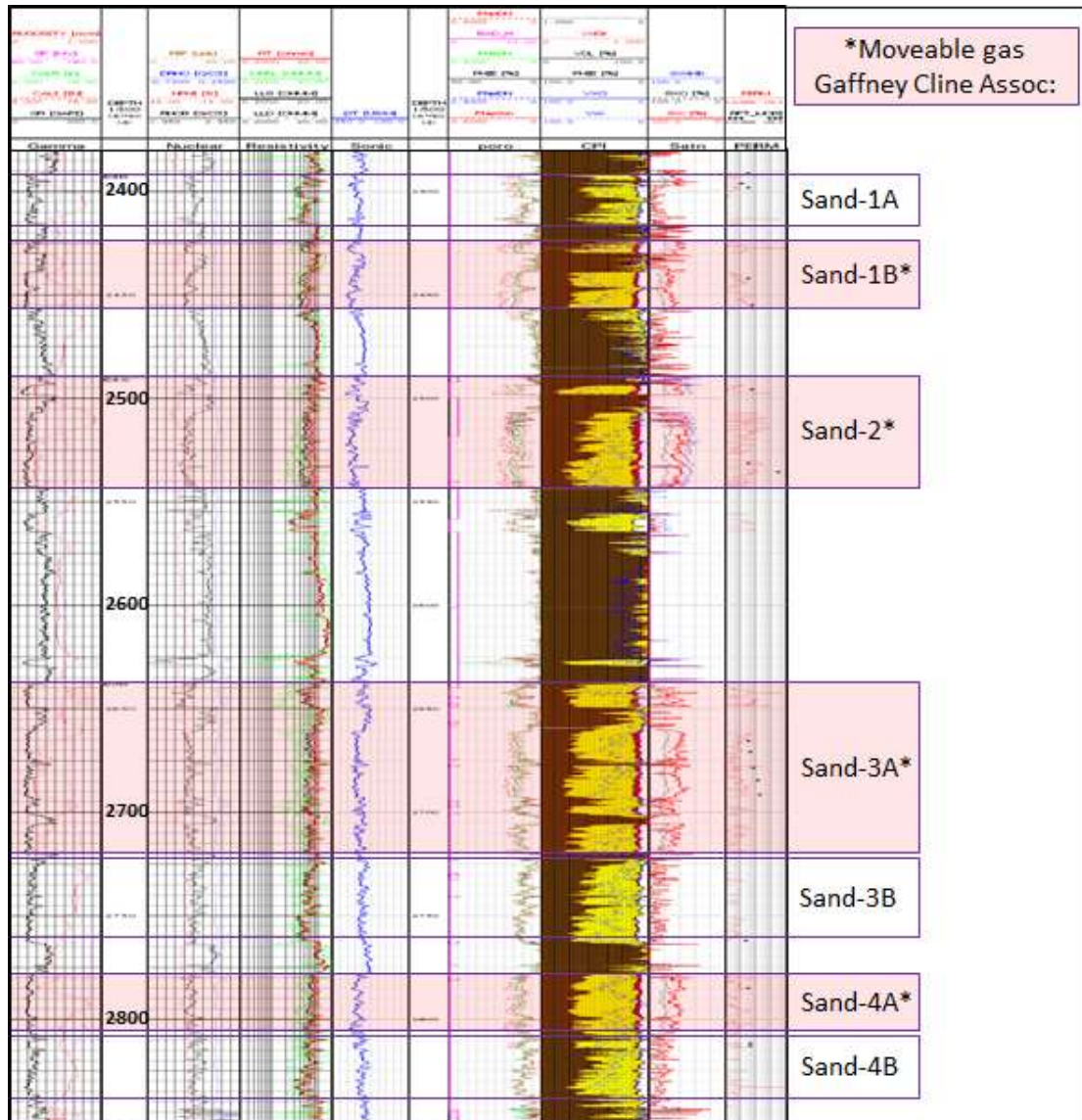


Figure 3 – Judith-1 well log showing Admiral Formation gas sands.

Yours faithfully

Carl Dumbrell
Company Secretary