



OIL BASINS LIMITED

ABN 56 006 024 764

31 January 2017

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

December 2016 Quarterly Activities Report

Highlights

- Approval of “Suspension and Extension” of Vic/P47 by NOPTA
- Renewal of R3 (Cyrano) Retention Lease by Western Australia DMP
- Settlement with former CEO

Vic/P47

The company’s application to National Offshore Petroleum Titles Administrator (NOPTA) for a suspension and extension of the duration of the Vic/P47 exploration permit was 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.

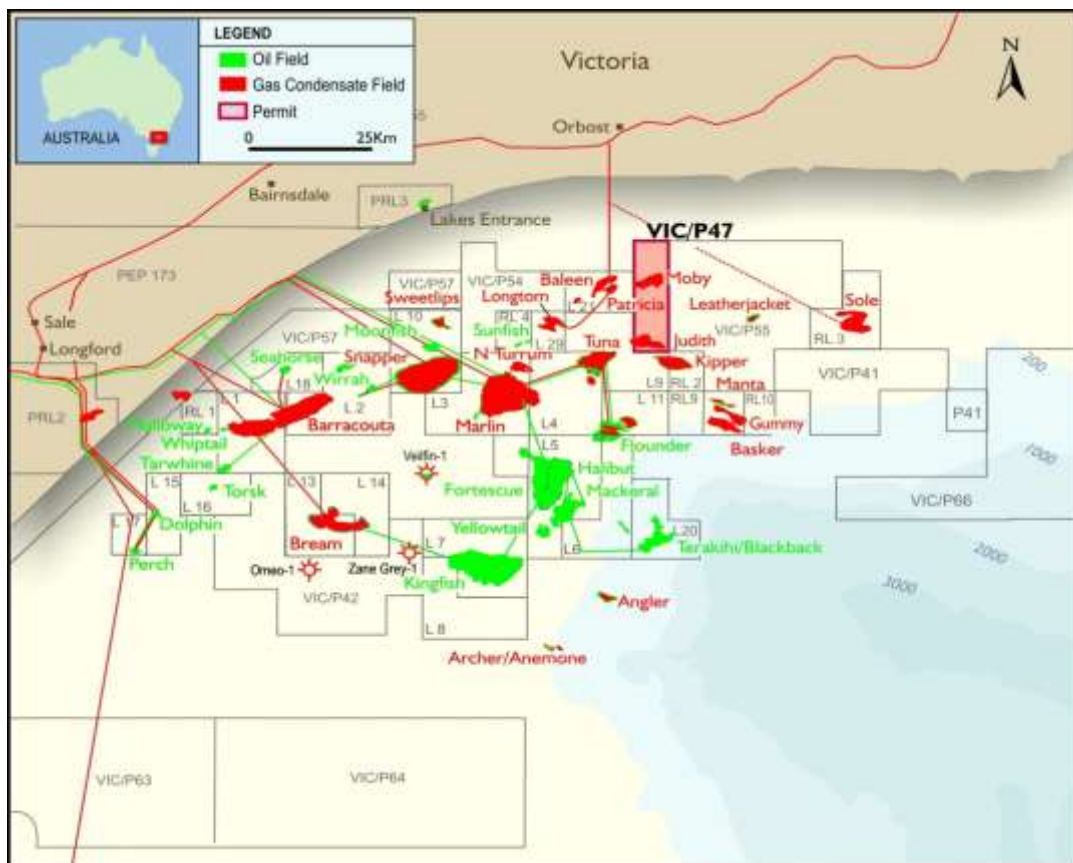


Figure 1 – Vic/P47 Permit Location – Gippsland Basin, Bass Strait

R3 (Cyran0)

The company’s application to the Western Australia Department of Mines and Petroleum (DMP) for a renewal of Petroleum Retention Lease R3 (Cyran0) has been successful. DMP have advised OBL of its intention to grant renewal of the Retention Lease for a period of 5 years.

The Cyran0 Oil Field was discovered in 2003. OBL holds 100% and is Operator of the 81 km² Retention Lease. The field is defined by four (4) vintage wells and 3D seismic. The field is located in shallow water at depths of 15 - 17m with productive reservoirs located at 600m depth.

While holding the Retention Lease OBL has completed;

- Geological and Geophysical Studies
- Reserves and Resources Studies
- Petroleum Engineering Facilities Study
- Reservoir Engineering Assessment of the Cyrano Oil Pool

In the market announcement of 13th April 2016 OBL advised that the Contingent Resources estimated within the Cyrano oil field were;

Contingent Resource (1C)	1.98 MM bbl of Oil.
Contingent Resource (2C)	2.68 MM bbl of Oil.
Contingent Resource (3C)	3.40 MM bbl of Oil.

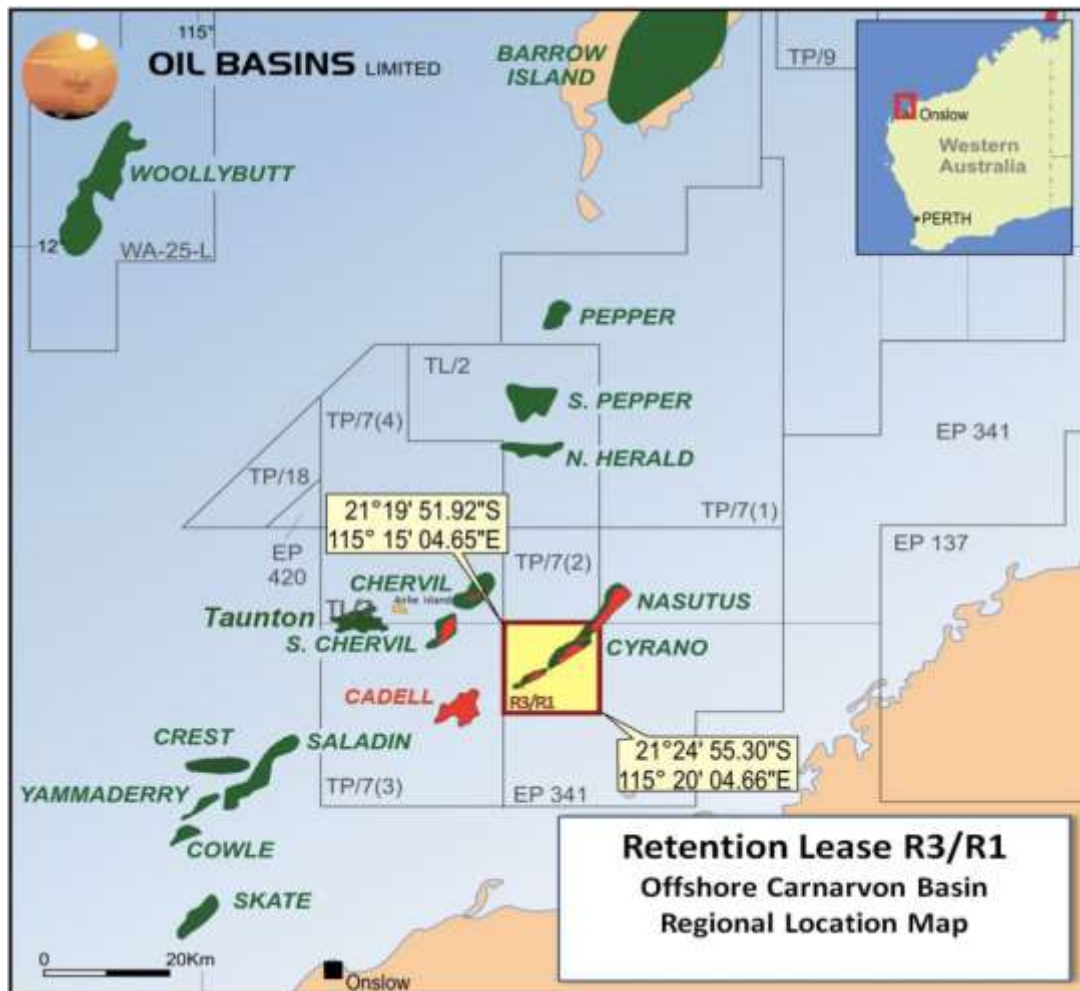


Figure 2 – R3 Retention Lease Location – Carnarvon Basin, Western Australia

Settlement with former CEO

The company reached a settlement with the former CEO in late December 2016.

The company appreciates the concerns and frustration of shareholders that is generated by a settlement payment to former management, however the company believes that this settlement remains in the best interest of shareholders. It limits unnecessary legal costs, quickly brings these costs to an end and allows the company to concentrate its focus on future opportunities.

Strategic Review

The company outlined in its presentation to shareholders at the Annual General Meeting that it is undertaking a strategic review. The objectives of the review are too:

- Align the interest of management and shareholders
- Reduce overall company costs
- Resolve outstanding legal matters
- Determine which projects are best suited for OBL to retain
- Dispose of any projects which are not ideal for OBL
- Turn around the company's share price

Annual General Meeting

The company held its Annual General Meeting in Melbourne on 29 November 2016. All resolutions were passed.

Share registry

The company moved its share registry to Automic following a competitive tender process.

Automic fee structure is significantly less than our previous registry. Automic platform is easy to use and focus on communication with shareholders via email.

We encourage all shareholders to register online to do you bit to help reduce unnecessary postage costs. You can login at <https://automic.com.au> or contact Automic via email at hello@automic.com.au

Finance

At the end of the quarter, 31 December 2016 OBL cash balance was \$333,000. The company significantly reduced cash expenditure in the quarter, a summary of the cash flow for the quarter are attached in the Appendix 5B.

Tenement holding summary

Below is a list of the tenements held by Oil Basins Limited as at 31 December 2016:

Petroleum Tenement	Location	Beneficial Percentage held
Vic/P47	Victoria	100%+
Cyrano R3/R1	Western Australia	100% +
Backreef Area	Western Australia	100% +
EP487	Western Australia	50%

+ Designates that OBL is Operator

Summary

The renewal of the permits for Vic/P47 and R3 (Cyrano) are key steps 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.

We thank shareholders for their ongoing support and welcome any questions they may have.

Yours faithfully



Carl Dumbrell
Company Secretary

DISCLAIMER – GENERAL

Prospective Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. Investors should not infer that because “prospective resources” are referred to that oil and gas necessarily exist within the prospects. An equally valid outcome in relation to each of the Company’s prospects is that no oil or gas will be discovered. Technical Reserves in this preliminary assessment are considered similar to the definition of Contingent Resources (i.e. Low Estimate and High Estimate) with the following important caveat - it must be appreciated that the risked volumes as reported in terms of undeveloped Contingent Resources and Prospective Resources are risk assessed only in the context of applying ‘Geological Chance of Success’. This degree of risk assessment does not incorporate the considerations of economic uncertainty and commerciality and consequently no future development as such can be assured.

The technical resources information quoted has been compiled and/or assessed by Mr Geoff Geary who is a professional geologist (BSc – Geology) with over 32 years standing and who is also a Member of the Petroleum Exploration Society of Australia. Mr Geary has consented to the inclusion in this announcement of the matters based on the information in the form and context in which they appear. Investors should review the ASX materials and independent expert reports previously quoted and the important definitions and disclaimers attached and therein.

Corporate Directory

Board of Directors

Carl Dumbrell
Vaz Hovanessian
Justyn Peters

Company Secretary

Carl Dumbrell

Geological Consultant

Geoff Geary

Registered office

Level 4, 100 Albert Road
South Melbourne Vic 3205

Principle place of business

Level 10, 65 York Street
Sydney NSW 2000

Share Registry

Automic Pty Ltd ACN 152 260 814 Trading as Automic Registry Services
Level 3, 50 Holt Street
Surry Hills NSW 2010
Phone: 1300 288 664
Overseas callers: +61 2 9698 5414
Facsimile: +61 2 8583 3040

Capital Structure

The company currently has issued capital (as at 30 January 2017) of:

Ordinary fully paid shares	(ASX: OBL)	277,441,654
Options expiring 17 November 2018 (Ex \$0.04658)	(ASX: OBLAA)	6,700,000
Options expiring 14 September 2017 (Ex \$0.232)	(ASX: OBLAK)	800,000

Auditors

Deloitte
550 Bourke St, Melbourne Vic 3000

For further information contact:

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