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Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
Sydney NSW 2000

Dear Sirs

APPOINTMENT OF OIL BASINS LIMITED AS MANAGER OF VIC/P41 FARM-OUT

The following announcement is made by Oil Basins Limited (“**OBL**” or the “**Company**”; ASX codes “**OBL**” and “**OBLOA**”) so as to keep the market fully informed.

As mentioned in the OBL March 2010 Quarterly Report released to the ASX on 30 April 2010, the Company is pleased to advise that as a result of the recent Vic/P41 Joint Venture Meeting, OBL was appointed agent on behalf of the Vic/P41 joint venture for Managing the Farm-Out.

Broad information of the key exploration attributes of this Farm-In opportunity is presented in the attached Permit Summary and duly qualified Exploration & Production Companies or International Independents seeking an attractive strategic investment in one of Australia’s premier hydrocarbon provinces should contact OBL directly.

Kim McGrath
Chairman

VIC/P41 FARMIN OPPORTUNITY

GIPPSLAND BASIN EXPLORATION PERMIT VIC/P41 OFFSHORE SOUTH EAST AUSTRALIA

EXPLORATION OPPORTUNITY IN A PROVEN PROLIFIC PETROLEUM PROVINCE

- High volume, drill ready exploration prospects defined on modern (2006) 3D seismic data
- Under explored permit - two 1980's wells drilled on 2D, both invalid tests
- Prospects on migration path out of present day oil generative kitchen
- Well defined field analogues – Kipper, recent new discovery South East Remora-1 and Basker/Manta/Gammy
- Nearby to SE Australian growth energy market
- Well developed regional infra-structure
- Significant equity & Operatorship available - all Joint Venture partners looking to Farm-Out

PERMIT AND GIPPSLAND BASIN SUMMARY

Offshore permit Vic/P41 is an attractive address situated ontrend to nearby discoveries – namely Kipper, Basker-Manta-Gammy and Sole within a proven hydrocarbon basin. Oil Basins Limited on behalf of its Joint Venture Partners, as agent on behalf of the Vic/P41 joint venture for Managing the Farm-Out, is now seeking immediate expressions of interest from duly qualified Farminees on attractive industry terms.

Exploration permit Vic/P41 is located on the north eastern margin of the offshore Gippsland Basin, in south east Australia's Bass Strait (**Figure 1**). The permit covers an area of some 1,079 sqkm, in water depths of 120-1500m.

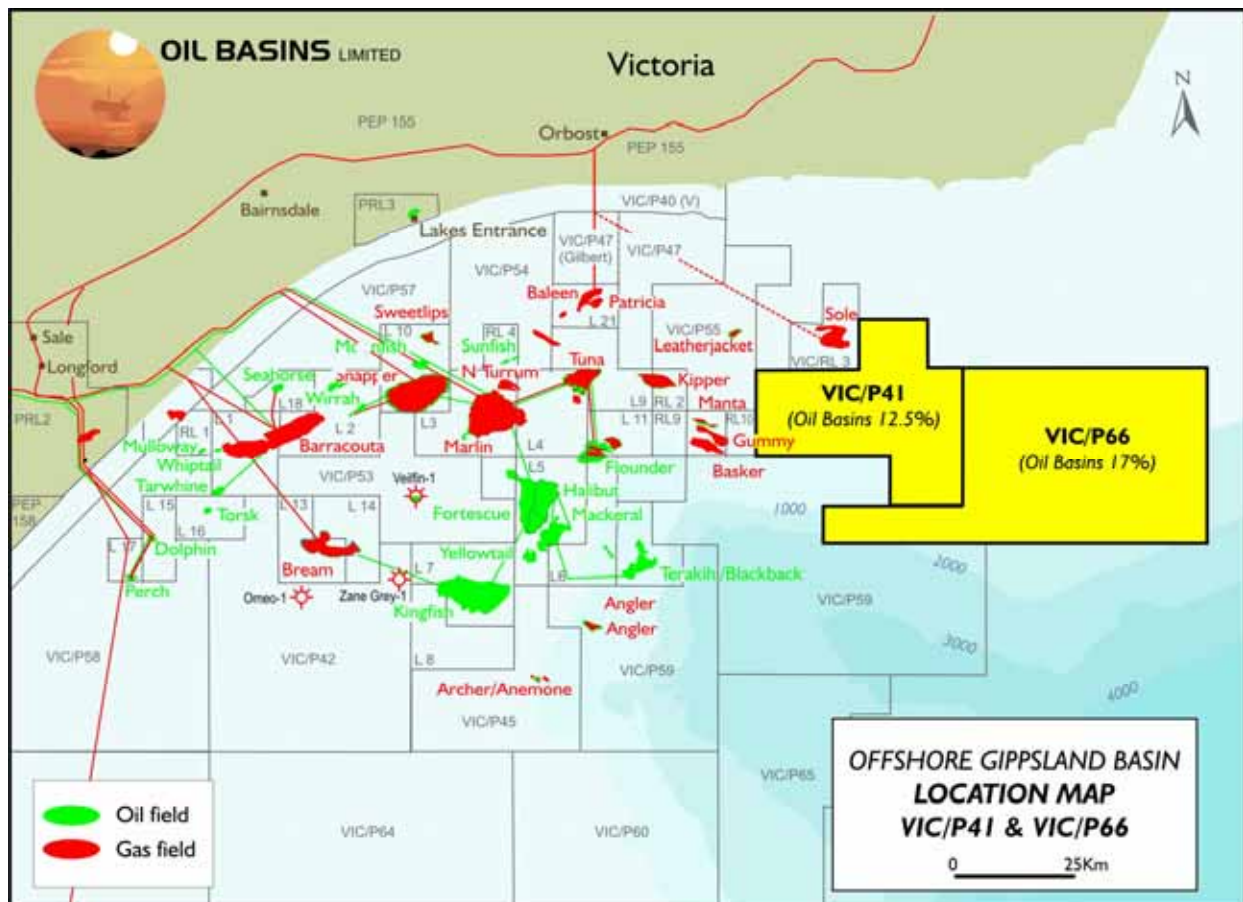


Figure 1 : Location of Gippsland Basin permits with Oil Basins Limited equity, including Vic/P41

OWNERSHIP

The Vic/P41 Joint Venture consists of:

Bass Strait Oil Company Ltd	45% and Operator
Moby Oil & Gas Limited	30% (reducing to 25% - subject to farmin by OBL)
Strategic Energy Resources Limited	25% (reducing to 17.5% - subject to farmin by OBL)
Oil Basins Limited, or nominee	12.5% (subject to farmouts by MOG and SER)
Over-riding Royalties	Nil

All JV partners (including OBL) are looking to farmout equity in order to fund exploration drilling. The Year 4 well commitment due to be drilled by 10 September, 2010 now varied with permission of the authorities to Year 5 and is not required until 10 September 2011 (refer to **OBL December 2010 Quarterly Report**). This permit is presently in very good standing and Company obligations for 2009/2010 are relatively modest by industry standards.

The Gippsland is a proven prolific basin. It is Australia's premier crude oil province as well as a major gas producer with initial proven reserves of ca 4.2 billion barrels of crude/condensate, 720 MMbbls LPG and 11.2Tcf natural gas. Estimated remaining reserves were about 270 MMbbls crude/condensate, 165 MMbbls LPG and 4.2 Tcf gas as reported end 2007. The estimated "yet to find" resources in the basin are substantial with the United States Geological Survey P50 estimate being 600 million barrels of liquids and 5 Tcf of gas.

Exploration within the basin can be considered at a mature stage but only for the Top Latrobe Group play which met with substantial early drilling success. However, the focus is now on the far less explored intra Latrobe plays targeting the basal Halibut, Golden Beach and Emperor subgroups (Figure 2) which are expected to be major contributors to future hydrocarbon discoveries in the basin.

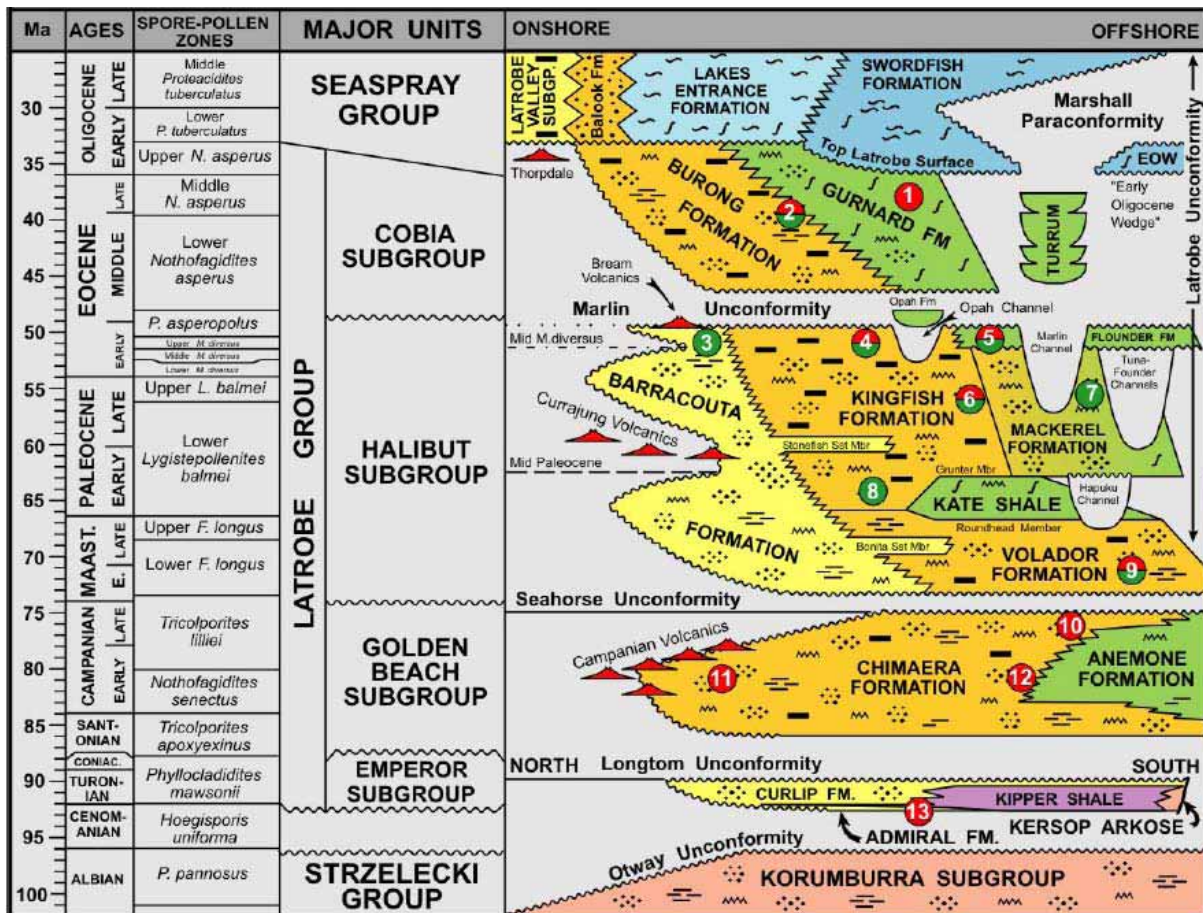


Figure 2 : After 45 years of exploration the Gippsland Basin geological stratigraphy and play types are well understood

PERMIT PROSPECTIVITY

The unsuccessful Hammerhead-1 (1982) and Shark-1 (1989) are the only wells drilled in the permit. Both were defined on 2D seismic with subsequent evaluation on 3D seismic data showing them to be structurally invalid tests. Vic/P41 remains under explored by the drill bit. Yet nearby commercial fields, including Sole (Top Latrobe), Kipper (Golden Beach Subgroup), Basker/Manta/Gummy (basal Halibut and Golden Beach subgroups) and Longtom (Emperor Subgroup), demonstrate a working petroleum system in adjoining permits. In terms of exploration risk, Vic/P41 is well located with respect to the basin's proven petroleum system. Given the nearby oil/gas fields and the regional geologic framework, the presence of reservoir/seal pairs and access to hydrocarbon charge are not significant risks. Furthermore, charge modeling indicates an enhanced chance of a dominant oil phase migrating into the permit's traps. Source rocks are expected to be present day oil generative in kitchens immediately south/south west of Vic/P41. All nearby fields demonstrated the effectiveness of fault closures. Hence intra Latrobe trap definition is considered the main geological risk.

To address this, the JV acquired the Oscar 3D seismic survey in 2005. Interpretation and mapping of the 3D data has led to major advances in the understanding of the permit's geology and overall prospectivity, identifying diverse exploration opportunities and defining several intra Latrobe prospects (Figures 3 and 4).

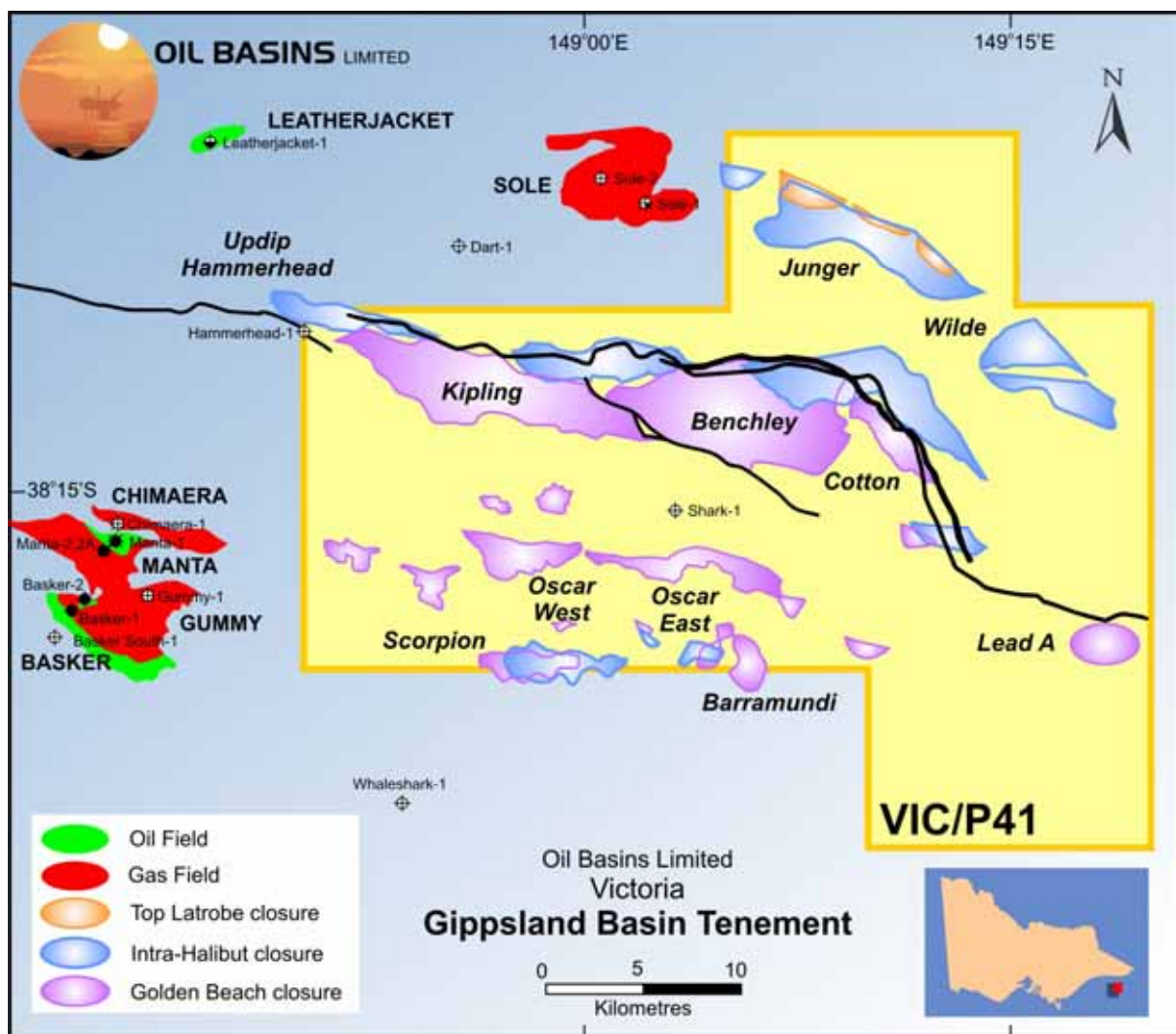


Figure 3 : Vic/P41 Hosts a significant number of 3D Defined Prospects and Leads of well established and regionally defined play types

The 3D defined prospects can be considered in two groups:

- Kipling, Benchley and Cotton - fault closures on the downthrown side of the Rosedale Fault system on trend with the analogue Kipper field.
- The Oscar prospects (particularly Oscar East and West) - downthrown fault closures, south of the Rosedale Fault, on trend with the analogue Basker/Manta/Gummy fields.

Importantly, Kipper and Basker/Manta/Gummy being downthrown fault closures demonstrate the effectiveness of cross fault seals in this part of the basin (**Figure 4**).

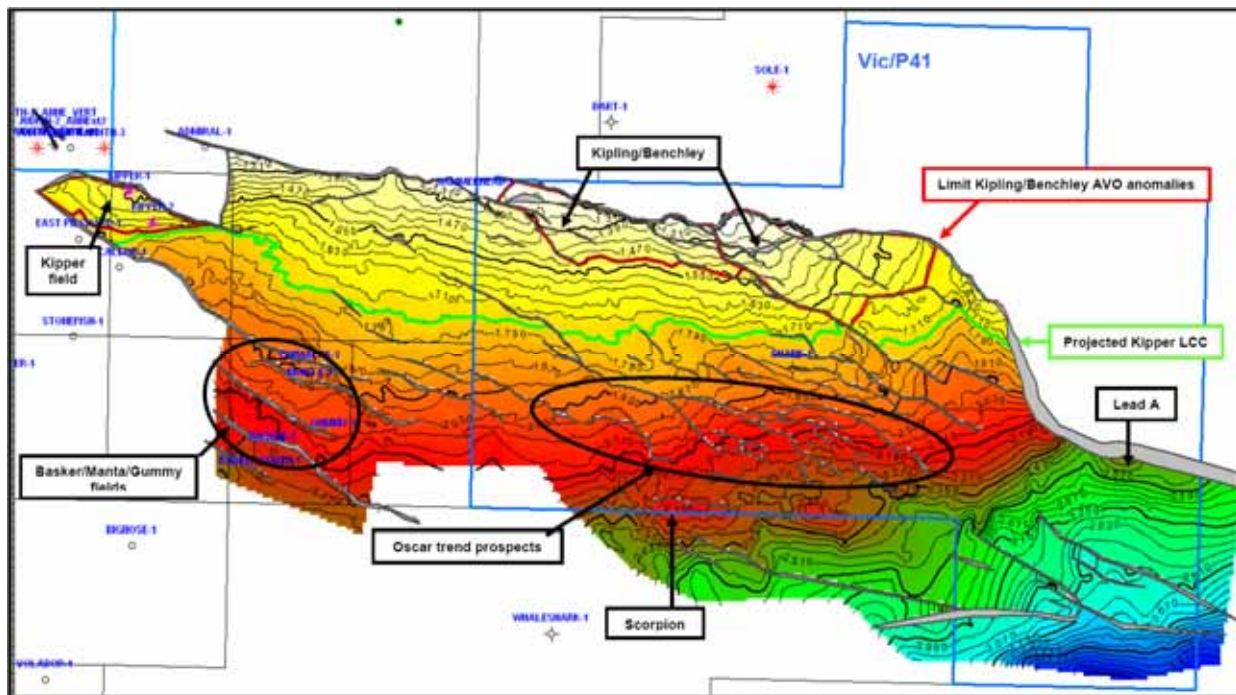


Figure 4 :

Permit Vic/P41 illustrating structural relationships between Kipper Field and Kipling/Benchley 3D defined prospects (could form one closure) and the Basker / Manta / Gummy Fields and Oscar Prospect trends

Vic/P41 prospect volume potential is high. Projection of the lowest closing contour from the Kipper field suggests that Kipling and Benchley may form a single prospect of approximately 180 sqkm within the Vic/P41 permit boundary (Figure 4). Kipper, Kipling and Benchley exhibit similarly anomalous AVO data. Based on the Kipper analogue (gas with an oil rim), the AVO response can be interpreted as crestal gas caps at Kipling and Benchley with the combined downdip oil potential being estimated at about 500 MMbbls recoverable. The Kipling and Benchley gas potential is also very substantial being estimated at 3+Tcf recoverable.

Recently, on 22 April 2010, Esso Australia, an ExxonMobil subsidiary, reported that they had encountered oil and gas at the **South East Remora-1** exploration wildcat well. Located 35 km off the Victorian coast in Bass Strait and 3km north of the **Marlin Platform**, the well was drilled in 57 metres of water to a total depth of 3,602 metres below sea level, the wildcat discovered oil and gas in the Latrobe and Golden Beach groups in the Gippsland Basin. The well is included in the Gippsland Basin Joint Venture between Esso Australia Resources (50%, operator) and BHP Billiton Petroleum (Bass Strait) (50%). Data analysis and additional studies are being conducted to evaluate the discovery.

The importance of the **South East Remora-1** discovery is that it has been made on the downthrown side of the Rosedale Fault – due West to but on a similar geological setting to the Vic/P41 Kipling/Benchley Prospects and the nearby Kipper Gasfield. Verifying and derisking the play type prognosed by the Vic/P41 JVPs.

The Oscar prospects offer well defined fault traps with good access to modelled oil-mature kitchens. Seismic anomalies indicative of hydrocarbons are not present nor expected given the Basker/Manta/Gummy analogues. Potential volumes are attractive as exemplified by Oscar East with ca 10 sqkm closure and estimated at circa 131 MMbbls oil in place. The leads mapped on 2D data are also of interest particularly Scorpion and Lead A with estimated in place volume potential of 90 and 130 MMbbls respectively. AVO anomalies are associated with Lead A but the lack of relevant well control and the 1.5 x 5 kms seismic grid are limiting factors in the assessment of the anomalies.

FARMIN TERMS

All Joint Venture Partners (**JVPs**) are now looking to farmout equity in the Vic/P41 permit in return for funding exploration drilling in the permit. Farmin terms are negotiable, but will include the ability of the duly qualified third-party Farminee to earn a significant interest in Vic/P41 for a minimum 100% free carry payment of at least one or more wells and Operatorship to be immediately granted upon executing the Farm-In Agreement with the JVPs

Oil Basins Limited has been appointed as agent on behalf of the Vic/P41 joint venture for Managing the Farm-Out and ALL confidential enquiries should be directed to Neil Doyle as follows:

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DISCLAIMER

- *The above information has been sourced from data prepared by the Vic/P41 Permit Operator. The information in this document will be subject to completion, verification and amendment, and should not be relied upon as a complete and accurate representation of any matters that a potential Farminee should consider in evaluating Vic/P41.*
- ***Company and JVP investors should specifically note that 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 and JVP prospects is that no oil or gas will be discovered.***
- *The technical information quoted has been compiled and / or assessed by Company Director Mr Neil Doyle who is a professional engineer (BEng, MEngSc - Geomechanics) with over 26 years standing and has been a full and continuous member of the US Petroleum Engineers since 1981 and by Mr Geoff Geary who is a professional geologist (Bachelor Science – Geology) with over 26 years standing and who is also a Member of Petroleum Exploration Society of Australia. Both Mr Doyle and Mr Geary have consented to the inclusion in this announcement of the matters based on the information in the form and context in which they appear.*