

VERUS INVESTMENTS LIMITED

ABN 59 009 575 035

30 November 2007

Company Announcement Office
Australia Securities Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Ms

RE: ST GABRIEL 1 WELL

The Company is pleased to announce that it has executed a Participation Agreement with Drillmar Oil & Gas, Inc. ("Drillmar") to acquire an additional 10.0% Working Interest in the St Gabriel 1 well. This is in addition to its 2.0% Working Interest earned through its joint venture with Austin Exploration Limited and now brings its total interest to 12.0%.

In March 2007, drilling of the St Gabriel 1 well was halted 500 feet short of target depth of 10,800 feet due to abnormally high pressure formation. Estimated high drilling costs to that point and the risk of drilling due to the high pressure saw Austin recommend to the joint venture partners that the prospect be farmed out to Drillmar.

Drillmar has reprocessed the 3D seismic data and believes that the target is still valid. The Directors believe that for the additional small expenditure for its additional 10.0% Working Interest, that the Company should maintain its original interest in the well prior to the farm out to Drillmar.

The Company has negotiated its 10% Working Interest on a non-promoted basis. The amount to be expended by the Company is significantly less what the Company would have expended if Austin had recommended to the joint venture partners in March 2007 to deepen the well.

Drillmar has advised that field works have commenced and that the well deepening should commence next week.

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Please contact me on 02 9233 2520 or 0416 220 007 if you have any queries in relation to the above.

Yours sincerely



Dean L Gallegos
Chairman

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