



VICTORIA PETROLEUM N.L. A.B.N 50 008 942 827

Incorporated in Western Australia

29 July 2010

**DRILLING REPORT FOR WALLOON COAL MEASURES COAL SEAM GAS PROJECT,
ATP 574P, SURAT BASIN, QUEENSLAND**

Victoria Petroleum NL (Vicpet) has been advised by QGC Pty Limited - a BG Group business (QGC) and the Operator for ATP 574P, that the Pinelands-9 Coal Seam Gas (CSG) appraisal well has completed drilling to a total depth of 659 metres, wire line logs run over the target Walloon Coal Measures and open hole production testing carried out.

Pinelands-9 was drilled as a CSG appraisal well on the Pinelands CSG Project and is the fourth of six wells to be drilled in the Peebs and Pinelands CSG projects in ATP 574P over the next two months. This appraisal drilling program is the continuation of the evaluation of the CSG bearing potential and deliverability of the Walloon Coal Measures.

The aim of this initial and planned follow on drilling over the next six months is to build on the certifiable gross recoverable CSG reserve for ATP 574P to be published in the third quarter 2010.

ATP 574P is interpreted to be situated in the prime Walloon Coal Seam Gas fairway on the western side of the Surat Basin.

Vicpet holds a 30% interest in ATP 574P.

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For information on Victoria Petroleum N. L. drilling activities visit our website at

www.vicpet.com.au