23 October 2014

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

Dear Sirs

GIPPSLAND BASIN UPDATE
(CORRECTION TO ASX RELEASE 17 OCTOBER 2014)

The Directors of Oil Basins Limited (OBL, ASX code OBL, or the Company) are pleased to make the following ASX announcement to update shareholders and investors on the Company’s ongoing activities in Vic/P41 and Vic/P47 (Figure 1).

HIGHLIGHTS:

- Granting of the extension allows OBL Group (net 35.435%) to fully evaluate Vic/P41 and to finalise drill ready prospect(s).
- 3D reprocessed seismic interpretation and Quantitative Inversion (QI) and Amplitude versus Offset (AVO) nearing completion with the Operator Bass Strait Oil Company Ltd (ASX code BAS) positive outcomes for the prospectivity in Vic/P41.
- New mapping confirms existing prospects and firms up the Kipling West prospect straddling Vic/P41 and contiguous to BAS’s wholly owned Vic/P68.
- Vic/P41 Operator reports early discussions with international partners commenced and anticipates formal farm-out activities including opening of the dataroom planned to commence end October 2014.
- Six month extension in Vic/P41 aligns the required work program with the expected timetable for the nearby Basker Manta Gummy development.
- Vic/P47 Joint Venture Partners (OBL Group 25%) has recently on 15 October 2014 lodged a formal application to vary the Vic/P47 Year 5 work program to comprise reprocessing 200 sqkm of the Northern Fields 3D over the southern part of Vic/P47 and conducting a seismic inversion of the new reprocessed 3D in lieu of drilling an exploration well.
Vic/P41 Extension Approved

OBL wishes to advise that the Vic/P41 Joint Venture (refer to Figure 2) has recently attained consent and approval of the National Offshore Petroleum Titles Administrator (NOPTA) for the suspension and extension of the current mandatory Year 3 Work Program by a period of 6 Months until the 28 May 2015 and the extension of the 5 year term until 28 May 2017 (refer to Table 1).

The Vic/P41 Joint Venture Participants are (OBL Group net 35.435%):

- Bass Strait Oil Company Limited (ASX code BAS) 64.565% and Operator
- Oil Basins Limited (ASX code OBL) 17.935%
- Shelf Oil Pty Ltd (OBL’s 100% owned subsidiary) 17.50%

Offshore Exploration Permit Vic/P41 Update – OBL Group net 35.435%

In late July 2014, BAS on behalf of the Vic/P41 Joint Venture applied to suspend and extend Petroleum Exploration permit Vic/P41 under the Offshore Petroleum and Greenhouse Gas Storage Act 2006. The Joint Authority has formally advised the Company that it has granted a six month extension to permit year 3 work program and a corresponding six month extension to the permit term.

The revised Vic/P41 Permit minimum work program is shown in Table 1 below.
The granting of the six month extension is significant as it not only demonstrates the support for the Joint Venture activities in Vic/P41 by the Joint Authority but also affords the required time to complete the activities necessary to enter into the Year 4 exploration well period thereby enhancing the value of permit to prospective Farmines.

The Exploration permit Vic/P41 (circa 539 sqkm) is located in the offshore Gippsland Basin, approximately 40 kilometres south of the Victorian coast – refer to Figure 1.

With OBL Group holding net 35.435% of Vic/P41, the permit provides the Company with significant exposure to the easterly extension of proven producing trends. The recent acquisition of equity in the nearby Basker-Manta-Gummy (BMG) Retention Leases by Cooper Energy Limited (ASX code COE) provides the opportunity for prospective resource in Vic/P41 to be commercialised in addition to the nearby redevelopment of the BMG infrastructure.

As previously advised to the ASX by the Operator BAS on 18 July 2014, the reprocessing and merging of multiple 3D datasets and selected Quantitative Inversion (QI) and Amplitude versus Offset (AVO), including 430 sqkm within the Vic/P41 permit has been completed.

Recent mapping by BAS of the Nomb 3D (Figure 3) has confidently differentiated the Kipling, Kipling West and Benchley prospects. BAS reports that the superior resolution of the new data has allowed detailed analysis of the coexistence and interaction of the Rosedale Fault System, pinch-out of the Golden Beach Group reservoir and the volcanic seal. Depth mapping was based on key interval velocities tied to all relevant wells for the Top Campanian event.

A circa gross $700,000 QI study using the reprocessed data was undertaken to determine if the seismic response seen in the Kipper Field is similar to that seen in the Vic/P41 prospects. The Kipper Field is one of the last significant developments in the Gippsland Basin and contains 620 billion cubic feet of recoverable gas and 30 million barrels of condensate/LPG. The objective of the QI work is to produce seismic inversion datasets predictive of reservoir and possible hydrocarbons over the entire study area. This will provide direct comparison between anomalies representative of hydrocarbons in the Kipper Field and any such anomalies present in prospects such as Kipling and Benchley in Vic/P41 (Figure 2).
Figure 1
Offshore Exploration Permit Vic/P41 – 3D seismic and AVO defined Prospects
OBL Group net 35.435%

Figure 2
Nomb3D Top Campanian Depth Grid
Courtesy of BAS
This work is now complete and BAS advises the ASX on 16 October 2014 that data associated with the QI/AVO analyses is expected to be received in the next few days.

BAS advises that the forward work includes:

- Finalising the Nomb 3D mapping aiming at the identification of additional prospectivity across Vic/P41 and BAS’s 100% owned permit Vic/P68.
- Revising the resource estimates for the mapped prospects.
- Integrating the inversion data into the Nomb3D interpretation.

BAS has advised OBL that it anticipates further updates to the ASX will occur once this new work has progressed.

Vic/P47 Variation Application

OBL wishes to advise that the Vic/P47 Joint Venture (refer to Figure 4) has on 15 October 2014 applied to NOPTA for the Variation of Year 5 work program (as referred to above) with the objective of defining a de-risked drilling target within the Permit.

The Vic/P47 Joint Venture Participants are (OBL Group net 25%):

<table>
<thead>
<tr>
<th>Company</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seaquest Petroleum Pty Ltd</td>
<td>40.00% and Operator</td>
</tr>
<tr>
<td>Enegex N.L.* (ASX code ENX)</td>
<td>19.25%</td>
</tr>
<tr>
<td>Moby Oil &amp; Gas Ltd</td>
<td>15.75%</td>
</tr>
<tr>
<td>Oil Basins Limited (ASX code OBL)</td>
<td>12.50%</td>
</tr>
<tr>
<td>Shelf Oil Pty Ltd (OBL’s 100% owned subsidiary)</td>
<td>12.50%</td>
</tr>
</tbody>
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* subject to NOPTA approval and registration

Shelf Oil

So as to further assist funding and liberating value to shareholders, OBL also offers Shelf Oil Pty Ltd as an immediate entry platform for a Third Party into the now high priced East Coast Gas Market. In addition to owning net 17.5% of Vic/P41 (highly prospective for wet gas), Shelf Oil owns net 12.5% of nearby Exploration Permit Vic/P47 which hosts the undeveloped Judith Gas Field and the undeveloped Moby Location (all defined in 3D seismic).

Confidential discussions continue with a number of interested parties.

Yours faithfully

Neil Doyle SPE
Director & CEO
Figure 4
Permit Vic/P47 hosts the Moby Gas Field Location and the Judith Gas Discovery
All defined in 3D seismic – OBL Group net 25%
(Note – only technical uncommercial heavy oil discoveries were recorded at both the Flathead-1 and the Whale-1 exploration wells)