



Essential
Petroleum
Resources
Limited

ASX ANNOUNCEMENT

25 July 2006

Bass and IOR Farm into PEP 151 and PEP 150, Victorian Otway Basin

Essential Petroleum Resources Limited (EPR) is pleased to announce that Bass Strait Oil Company Limited (Bass) and Inland Oil Resources Pty Ltd (IOR) have elected to farm into the Victorian Otway Basin permits PEP 151 and PEP 150, see attached map. As announced to ASX on 25 November 2005 and 9 February 2006, Bass and IOR respectively have earned the right to farm-in through their participation in the drilling of the Pritchard-1 well in PEP 151.

As farm-in obligations in PEP 151 have been met, Bass and IOR will each be assigned a 25% interest in the permit. Following the execution of deeds of assignment and assumption, the participants in the PEP 151 Joint Venture will be:

Essential Petroleum Resources Limited	50% (Operator)
Inland Oil Resources Pty Ltd	25%
Bass Strait Oil Company Limited	25%

In PEP150 each company will earn a 15% interest by contributing to the drilling of a well in the permit on promoted terms. Following the execution of farmout agreements, the participants in the PEP 150 Joint Venture will be:

Beach Petroleum Limited	50% (Operator)
Essential Petroleum Resources Limited	20%
Inland Oil Resources Pty Ltd	15%
Bass Strait Oil Company Limited	15%

EPR welcomes Bass and IOR as joint venture partners.

EPR acknowledges IOR's status as a leader in oilfield development and production in remote onshore locations. IOR's considerable skills in downstream activities will be invaluable to both joint ventures. EPR also acknowledges the sound technical skills and considerable Otway Basin experience of the Bass team.

The Bass and IOR farm-in to PEP 150 and PEP 151 endorses the significant contribution Pritchard-1 has made to understanding the hydrocarbon potential of the Late Cretaceous Discovery Bay High and Tertiary Portland Trough.

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