

1 **Appendix 3B**

***New issue announcement,
application for quotation of additional securities
and agreement***

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

OIL BASINS LIMITED (formerly Saxon Investment Group Limited)

ABN

ACN 006 024 764

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary shares and Options to acquire ordinary shares.
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<p>2 Number of +securities issued or to be issued (if known) or maximum number which may be issued</p>	<p>Up to 33,883,774 ordinary shares and 33,469,991 options to acquire ordinary shares at an exercise price of \$0.20 exercisable up to 5.00 pm AEST on 30 September 2009.</p> <p>The Shares include:</p> <ul style="list-style-type: none"> • 14,243,774 ordinary shares presently listed for quotation but suspended from trading; • 14,140,000 new ordinary shares for which quotation is sought; • 5,500,000 ordinary shares for which quotation is not sought and which remain subject to escrow restrictions. <p>The options include:</p> <ul style="list-style-type: none"> • 11,469,991 options for which listing is sought; • 22,000,000 options to acquire ordinary shares for which listing is not sought and remain subject to escrow restrictions.
<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Ordinary shares ranking pari passu with existing shares on issue.</p> <p>Options are options to acquire ordinary shares at an exercise price of \$0.20 exercisable up to 5.00 pm AEST on 30 September 2009.</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes in relation to the shares.</p> <p>The shares rank equally with existing quoted shares.</p>
<p>5 Issue price or consideration</p>	<p>\$0.20 per share. Options are attaching options on the basis of 1 option being granted for every 2 shares allotted and are issued for no further consideration.</p>

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

To fund exploration expenditure on a series of farm-ins detailed in the Company's prospectus lodged with ASIC on 8 June 2006 and for working capital.

The Issue is in support of a proposed application for re-instatement of trading in the Company's securities.

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

Transaction Confirmation Statements were despatched Friday 12 August 2006.

8 Number and +class of all +securities **quoted** on ASX (including the securities in clause 2 if applicable)

Number	+Class
On completion of the Issue and reinstatement of trading, Quoted Securities will be: 28,383,774 ordinary shares <u>and</u> ; 11,469,991 options.	Ordinary Shares. Options are options to acquire ordinary shares at an exercise price of \$0.20 exercisable up to 5.00 pm AEST on 30 September 2009.

Number	+Class
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<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<p><u>At present the only quoted securities are 14,243,774 ordinary shares.</u></p> <p>Unquoted securities therefore comprise;</p> <ul style="list-style-type: none"> • <u>33,469,991 options</u> to acquire ordinary shares at an exercise price of \$0.20 exercisable up to 5.00 pm AEST on 30 September 2009; • <u>19640000 ordinary shares</u> including 14,140,000 new ordinary shares for which quotation is sought and 5,500,000 ordinary shares for which quotation is not sought and which remain subject to escrow restrictions.
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<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>The Company is not presently profitable and no intention exists to pay dividends in the foreseeable future.</p>
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Part 2 - Bonus issue or pro rata issue

<p>11 Is security holder approval required?</p>	<p>Granted 30 May 2006</p>
<p>12 Is the issue renounceable or non-renounceable?</p>	<p>Renounceable</p>
<p>13 Ratio in which the +securities will be offered</p>	<p>3 for 2. Waiver granted by ASX 25 May 2006</p>
<p>14 +Class of +securities to which the offer relates</p>	<p>Ordinary shares</p>

15	+Record date to determine entitlements	15 June 2006
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Rounded down
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Countries outside Australia
19	Closing date for receipt of acceptances or renunciations	29 June 2006 subject to right of Directors to extend the Offer.
20	Names of any underwriters	Patersons Securities Limited. The Issue was underwritten to minimum subscription of \$2,500,000.
21	Amount of any underwriting fee or commission	Management fee of \$60,000. Underwriting and placement fees of 6% of total amount raised.
22	Names of any brokers to the issue	Patersons Securities Limited
23	Fee or commission payable to the broker to the issue	See item 21
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	3% on subscriptions <u>above</u> the underwritten amount where applications are accepted and bear a valid brokers stamp.
25	If the issue is contingent on +security holders' approval, the date of the meeting	30 May 2006: approval granted.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	15 June 2006

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	8 June 2006
28	Date rights trading will begin (if applicable)	The shares in the Company are suspended. No rights trading.
29	Date rights trading will end (if applicable)	The shares in the Company are suspended. No rights trading.
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	See item 29. Lodge form of renunciation with broker.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	See item 29. Lodge form of renunciation with broker.
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	By private treaty and by executing form of renunciation.
33	+Despatch date	12 August 2006

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1 being:

A further 14,140,000 new ordinary shares increasing the number of ordinary shares listed from 14,243,774 shares to 28,383,774 ordinary shares **with a further 5,500,000 ordinary shares being subject to escrow remaining unlisted at this time;**

and

11,469,991 options **with a further 22,000,000 options to acquire ordinary shares being subject to escrow remaining unlisted at this time.**

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

This list will be provided on completion of the Issue

- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

These distribution schedules have been provided following completion of the Issue

- 37 A copy of any trust deed for the additional +securities
Not Applicable

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

N/A

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class
N/A	N/A

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Date: 21 August 2006

Sign here:


(Director/Company secretary)

Print name: GRAEME ALAN MENZIES

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+ See chapter 19 for defined terms.