



# OIL BASINS LIMITED

ABN 56 006 024 764

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1 August 2007

Company Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
Sydney NSW 2000

Dear Sirs

## BACKREEF RESOURCES PROSPECTUS LODGED WITH ASIC

Oil Basins Limited (**ASX code: OBL**) are pleased to announce that the Prospectus for the initial public offer (IPO) of Backreef Resources Limited (**Backreef**) was lodged with ASIC on 31 July 2007. The Prospectus is available on the Backreef website, [www.backreef.com.au](http://www.backreef.com.au). Backreef is planning to raise up to \$8.0 million (before costs) through the issue of up to 40.0 million shares at 20 cents each. The Offers are not underwritten and the minimum subscription for these Offers is 30.0 million shares raising \$6.0 million (before costs).

### BACKREEF OFFER TIMETABLE

There will be a Priority Offer to OBL shareholders with a record date of 8 August 2007. Applications under the Prospectus are due to open on 8 August 2007. The indicated closing date for all Offer applications is 12 September 2007. The expected date for the quotation of Backreef shares on the ASX is 27 September 2007 (refer to Table below).

Prospectus lodged with ASIC	31 July 2007
Record Date for OBL Priority Offer	8 August 2007
Opening Date	8 August 2007
Offer Closing Date	12 September 2007
Allocation of shares and dispatch of holding statements	24 September 2007
Quotation of Backreef shares on the ASX	27 September 2007

### Backreef Offer Indicative Key Dates (dates subject to change)

### PRIORITY OFFER TO OIL BASINS SHAREHOLDERS

Oil Basins Limited ("OBL") is pleased to announce that it has negotiated that all OBL shareholders registered at the Record Date (close of business 8 August 2007) will have priority in respect of applications totaling up to 5,000,000 Shares offered under the Backreef Resources Limited Prospectus which is raising money for the exploration of and participation in the drilling of prospective areas for oil and gas in the onshore Canning Basin in Western Australia. The priority allocation to OBL shareholders will only operate for applications made on or before 5:00pm WST on the Closing Date,

subject always to the right of the Backreef Resources Limited (“**the Company**”) to close the Offer early.

**OBL shareholders may apply for as many shares as they wish under this Priority Offer.**

The Company will endeavour to accord all OBL shareholders this priority, however, the Company retains the absolute discretion regarding the allocation of Shares in the Priority Offer. The final allocation of Shares between applicants in the Priority Offer will be determined solely by the Company. The Company will not be liable to any OBL shareholder that is not allocated shares.

Applicants in the Priority Offer should note that their applications may be subject to scale back. OBL shareholders may participate in the Public Offer. The Directors of Backreef Resources Limited who hold shares in OBL have indicated their intention to participate in the Priority Offer.

In addition, OBL has reached an agreement with Backreef Resources Limited that any interested and eligible OBL shareholders will be directly mailed a Backreef Resources Limited Prospectus if they contact Backreef’s Company Secretary as follows:

Mr Jay Stephenson  
Unit 6, 36 York Street  
North Perth WA 6006  
Telephone : 08 6468 0388  
Fascimile : 08 9228 0704  
Email : info@backreef.com.au

**Although, a copy of the Backreef Resources Limited Prospectus will be generally available on the Company’s website [www.backreef.com.au](http://www.backreef.com.au).**

Applications for Shares under the Priority Offer must be made using the Priority Offer Application Form (**ie the form with a green section on the upper left corner**) as attached to the Backreef Resources Limited Prospectus.

**Other than in relation to the establishment of the Priority Offer, OBL and its Directors do not endorse or take any responsibility for the Backreef Resources Limited Prospectus or any matters contained therein but OBL does commend the opportunity to its shareholders for serious consideration.**

## **BRIEF PROFILE OF BACKREEF RESOURCES LIMITED**

Backreef is an oil exploration company entirely focused on the Canning Basin. It has been created with two key strengths:

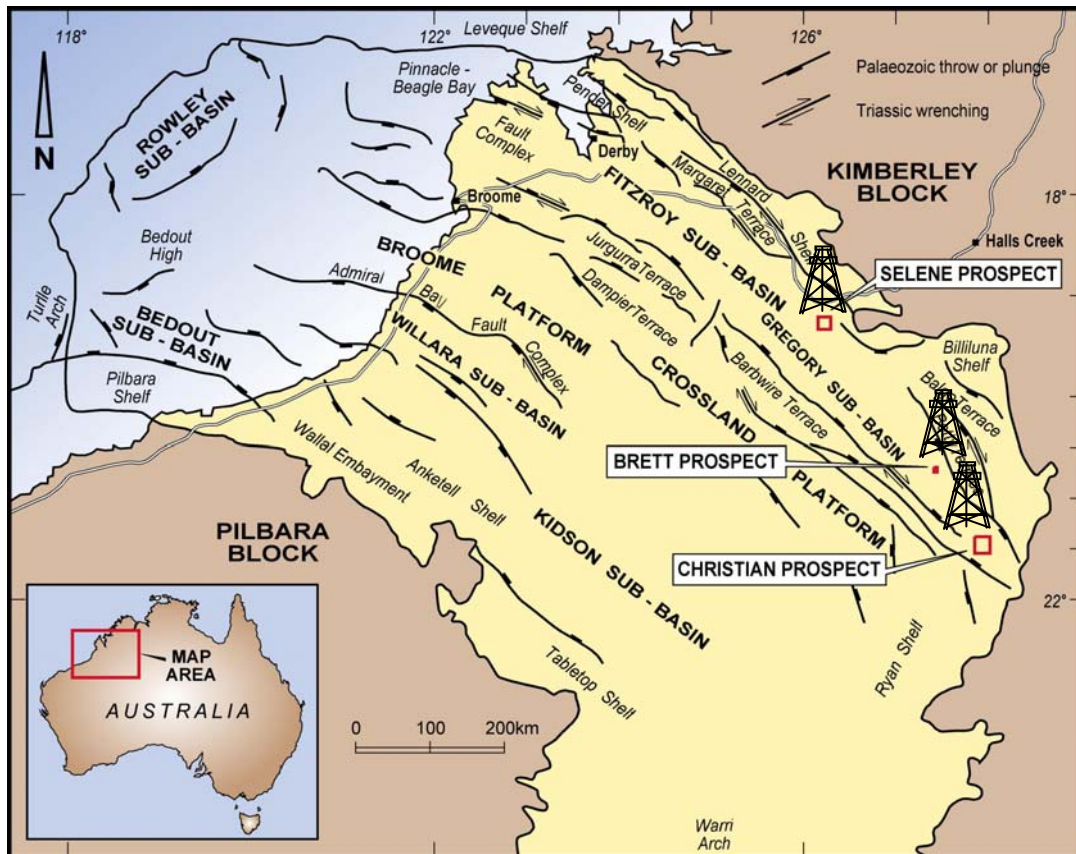
- Successful professional team
- High leverage to large prospective potential recoverable resources – overall net share in excess of 350 million barrels

Backreef is an oil exploration float formed to drill three prospects in the Canning Basin: namely Selene, Christian and Brett. These are some of the largest onshore oil prospects projected to be drilled in Australia in the next few years, with an average prospect size in excess of 250 million barrels (prospective resources – [refer to Note](#)). Backreef’s operating philosophy is to have large percentage interests in large prospects that have a good geological chance of being discoveries.

Backreef will be led by David Archibald, Executive Chairman an experienced petroleum geologist with both extensive upstream industry commercial and operating experience (including drilling operations in the Canning Basin during 2006). In addition he is the Managing Director of Backreef Oil Limited, the Operator of the Blina Backreef Play Joint Venture Area (OBL rights to 50%). He will be supported by Robert Arendts, Executive Director, an accountant with extensive oil and gas financial and upstream operating experience. In addition, the board is rounded-off with two highly experienced non-executive directors with hands-on northwestern Australia experience. Based in Broome, George Morris, Non-Executive Director has had a wealth of experience in all phases of oil exploration in the Canning for

over 30 years, and Rodney Illingworth Non-Executive Director a pastoralist, managing a significant cattle ranch in the Northern Territory has had extensive dealing with the traditional owners in native title issues and in remote capital development programs for over 20 years.

The Gregory Sub-Basin, part of the Canning Basin, is a large rift basin with a subsequent left-lateral wrenching phase. It has a thick sequence of source, seal and reservoir rocks, and large scale structuring. As such, this part of the Canning Basin has the classic ingredients for hosting large oilfields. A large amount of seismic over this area was generated in the 1980s after the second oil shock, but little drilling was done by comparison.



**Location of Backreef's Canning Basin Prospects**

In effect, Backreef is drilling the three most attractive prospects, in terms of size and seismic definition, generated by that substantial body of work by previous operators.

Note - Prospective Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. Investors should not infer that because "prospective resources" are referred to that oil and gas necessarily exist within the prospects. An equally valid outcome in relation to each of the Company's prospects is that no oil or gas will be discovered.

The technical information quoted has been compiled and / or assessed by Mr David Archibald, Executive Chairman Backreef Resources Limited; who is a professional geologist (Bachelor Science – Geology) with over 26 years standing and who is also a Member of the Australasian Institute of Mining and Metallurgy. Mr Archibald has consented to the inclusion in this announcement of the matters based on the information in the form and context in which they appear.