



OIL BASINS LIMITED
ABN 56 006 024 764

Suite 304, 22 St Kilda Road, St Kilda Victoria 3182 Australia
Telephone: (+61 3) 9692 7222 Facsimile: (+61 3) 9529 8057
Email: admin@oilbasins.com.au Website: www.oilbasins.com.au

10 August 2010

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

Dear Sirs

STRATEGIC ALLIANCE AGREEMENT BETWEEN OBL & LNG

The following announcement is made by Oil Basins Limited (“**OBL**” or the “**Company**”; ASX codes “**OBL**” and “**OBLOA**”) so as to keep the market fully informed.

Oil Basins Limited and Liquefied Natural Gas Limited (ASX code **LNG**) have signed a non-exclusive Strategic Alliance Agreement (**SAA**) in respect of natural gas, coal seam gas and shale gas in the Canning Basin, Western Australia for the purpose of evaluation and the appropriate development of projects and in particular an LNG production facility in the Canning Basin Region using feedstock from OBL.

OBL will have the right, but not obligation, to invest in any such LNG project up to a maximum of 20% on an at cost basis, however this maximum becomes 30% should OBL and its JV consortia deliver certified 2P gas reserves of at least 1.0 TCF (in accordance with SPE definitions) within 4 years of work programs commencing in the field.

The Directors of OBL are delighted with the SAA with LNG as it demonstrates both confidence and long term support from its new Alliance Partner. In addition to furthering Farminee interest in the Company’s exploration portfolio, it represents a significant potential integrated downstream wealth creation opportunity for OBL shareholders in LNG.

The Company looks forward to a close working relationship with its Alliance Partner LNG who in addition, recently on 27 July 2010, successfully subscribed via a wholly-owned subsidiary to the placement of 6.5 million OBL ordinary shares representing a stake of 4.94% of OBL.

Kim McGrath
Chairman