



OIL BASINS LIMITED

ABN 56 006 024 764

18 September 2008

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

Dear Sirs

OIL BASINS LIMITED COMMENCES FURTHER LEGAL ACTION AGAINST ARC ENERGY LIMITED

The following ASX Release provides an outline of a legal action brought this week by Oil Basins Limited (ASX code **OBL** or the Company) against Australian Worldwide Energy Limited's (ASX code **AWE**) wholly owned subsidiary Arc Energy Limited (**ARQ**).

The action, to be heard as a matter of urgency, on or before 6 October 2008, is brought in the Supreme Court of Western Australia and is centred around ARQ's purported Notice of Default of 2 September 2008 and Backreef Oil Limited's (**BOL**) and OBL's prior claim of Force Majeure - refer to the previous OBL ASX Release dated 2 September 2008 for details.

ARQ has undertaken not to act upon the purported Notice of Default dated 2 September 2008 in respect of OBL's and BOL's Farmin Agreements over the Blina Back Reef Play Joint Venture Area until this matter is heard.

Additional Clarification regarding Federal Court Costs

In addition, the ASX Release by Buru Energy Limited (ASX code **BRU**) dated 17 September 2008 is noted without comment as to its propriety, but our legal representatives Lavan Legal have yesterday advised OBL that due to the restrictions imposed by the Federal Court on the matter of what costs ARQ can claim due to the adjournment point, this should result in the costs claim against OBL not being substantial.

This release is provided so as to fully inform the market.

Yours faithfully

Kim McGrath
Chairman