



OIL BASINS LIMITED

ABN 56 006 024 764

Annual General Meeting
Presentation
7 November 2007

ASX code OBL

www.oilbasins.com.au

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- Oil Basins Limited (ABN 56 006 024 764) and its subsidiaries are not the legal entity / corporation of the same name registered in Bermuda ("the Bermuda Corporation") and does not dispense the BHP Billiton Petroleum-ExxonMobil Weeks Royalty pertaining to oil & gas production from Bass Strait. None of the Company or its Directors or officers are associated with the Bermuda Corporation and the Company has no interest in any such royalty.
- The information in this document will be subject to completion, verification and amendment, and should not be relied upon as a complete and accurate representation of any matters that a potential investor should consider in evaluating Oil Basins Limited.
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- **Prospective Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. Recipients 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 Company Director Mr Neil Doyle who is a professional engineer (BEng, MEngSc - Geomechanics) with over 26 years standing and has been a full and continuous member of the US Petroleum Engineers since 1981 and by Mr Geoff Geary who is a professional geologist (Bachelor Science – Geology) with over 26 years standing and who is also a Member of Petroleum Exploration Society of Australia. Both Mr Doyle and Mr Geary have consented to the inclusion in this announcement of the matters based on the information in the form and context in which they appear. Specifically the Gippsland Basin technical information is sourced from previous ASX Releases by Permit Operator Bass Strait Oil Company Limited (ASX code BAS).
- Specifically the Canning Basin technical information quoted has been compiled and / or assessed by Mr David Archibald, Managing Director Backreef Oil Limited; who is a professional geologist (Bachelor Science – Geology) with over 26 years standing and who is also a Member Australasian Institute of Mining and Metallurgy and Mr Archibald have consented to the inclusion in this announcement of the matters based on the information in the form and context in which they appear. The Backreef prospect is presently under technical review by the Operator.
- Oil Basins Limited and its directors and representatives are not under any obligation whatsoever to update any of the information contained in this presentation.

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Agenda.



- **Corporate Summary**
- Commercial Agreements Finalised
- The Assets – Gippsland Basin
- The Assets – Canning Basin
- Investment Case
- Leverage to Exploration Success

Corporate Summary.



Corporate description / History

- Company originally listed on ASX as Amskan Ltd on 5 June 1987.
- Prior to corporate restructuring as Oil Basins Limited, Company was formerly Saxon Investment Group Limited and had been suspended for 11 years on the ASX.
- Shareholders agreed to new direction in upstream oil & gas on 30 May 2006 and adopted new name Oil Basins Limited
- Oil Basins successfully re-listed on ASX on 23 August 2006 after raising \$2.528 million and is listed on ASX with codes **OBL** (shares) and **OBLO** (options)

Total Shares & Options on Issue

33,883,774 Ordinary Shares

- 4,000,000 directors shares escrowed 23 August 2008

33,719,991 Options Exerciseable @ 20 cents 30 September 09

- 6,000,000 directors options escrowed 23 August 2008
- 250,000 Unlisted Employee Options (non-escrowed)

Directors & Management

Directors

Kim McGrath	Chairman, BEc(Hons), LLB, CPA
Graeme Menzies	Non Executive, LLM
Neil Doyle	Non Executive, BE, MEngSc, SPE

Management

Melanie Leydin	Company Secretary, BBus, CA
Geoff Geary	Exploration Consultant, BSc, MPESA

Refer to website for complete resume details.

Shareholders

Directors

▪ Neil Doyle	10.5%
▪ Kim McGrath	8.4%
▪ Graeme Menzies	<u>2.4%</u>
Total Directors	21.3%

Others

• Finance Associates	4.6%
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Top 20 Number Shareholders	49.3% 827
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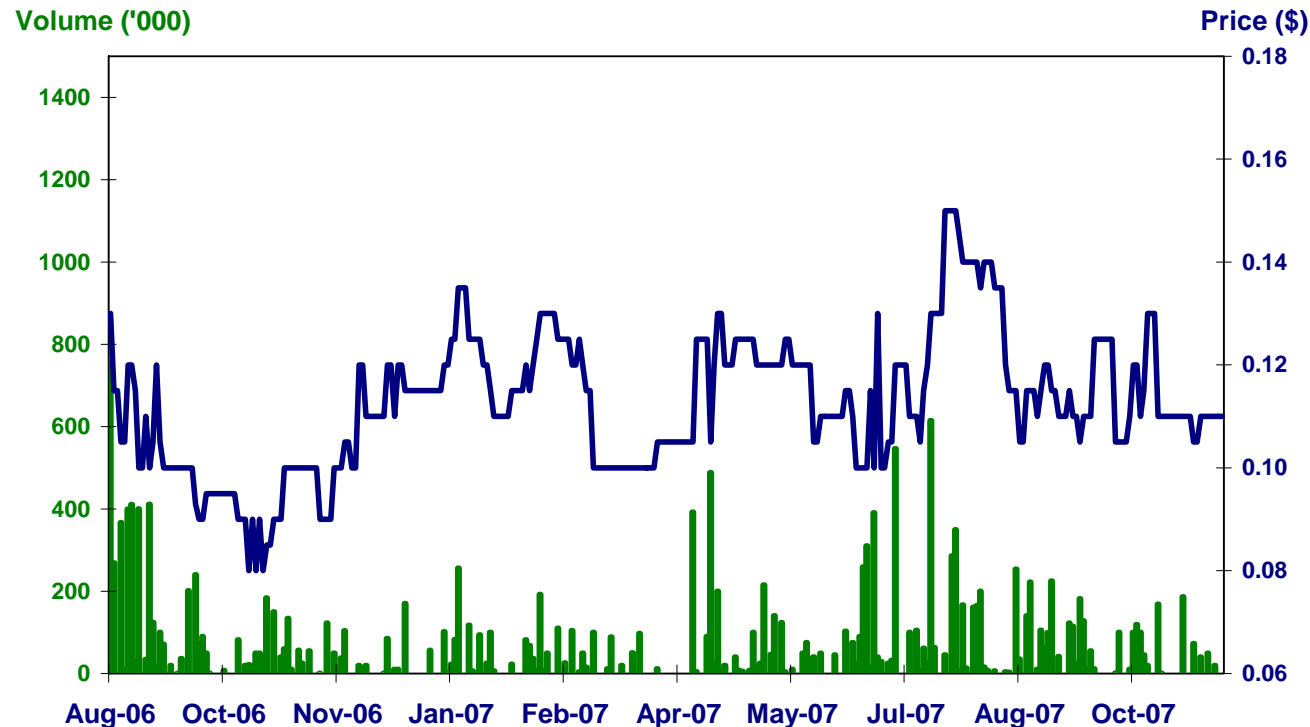
Team have public company experience and strong legal/commercial/technical experience.

Shareholders & Market Capitalisation.



- **12 month Trading Range** **High – 16 cents; Low – 8 cents**
- **Market Capitalisation** **\$3.75 million @ 11 cents close 5 November**
- **Cash position (end Sep 07 Qrt)** **\$0.905 million (G&A costs circa \$34kpcm av)**

Share Price Performance since Relisting 23 August 2006



Corporate Summary - Strategy.



- Company is primarily a Non-Operator.
- Company will look at “Strategic Assets” – both exploration and production.
- Above all else the key focus is “Absolute Leverage” yielding investors returns whether by success or monetising assets – basic Rules of Thumb.
- First move advantage = CHEAPEST ENTRY.
- Leverage – **always aim wherever possible for multiple points of leverage:**
 - (a) – off permit prospectivity ‘Position’ (ie the best place to find oil is next to known oilfields – substantially increases POS)
 - (b) – off nearby ‘Explorers Activity’ – adds value “gold rush” / land grab.
 - (c) – off nearby ‘Hubs / Infrastructure’ – adds significant strategic value.
- Finally ‘Sweat the Assets’ whether by drilling “prospect” and/or Farmout/trade = EXIT.

Corporate Summary - Exploration Focus Areas.



CANNING BASIN

Rights to 50%
Blina Back Reef Play JV
Area
Rights to 20% DR9



GIPPSLAND BASIN

Rights to 12.5%
Vic/P41



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- **Commercial Agreements Finalised**
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Significant Commercial Agreements Finalised since last AGM.



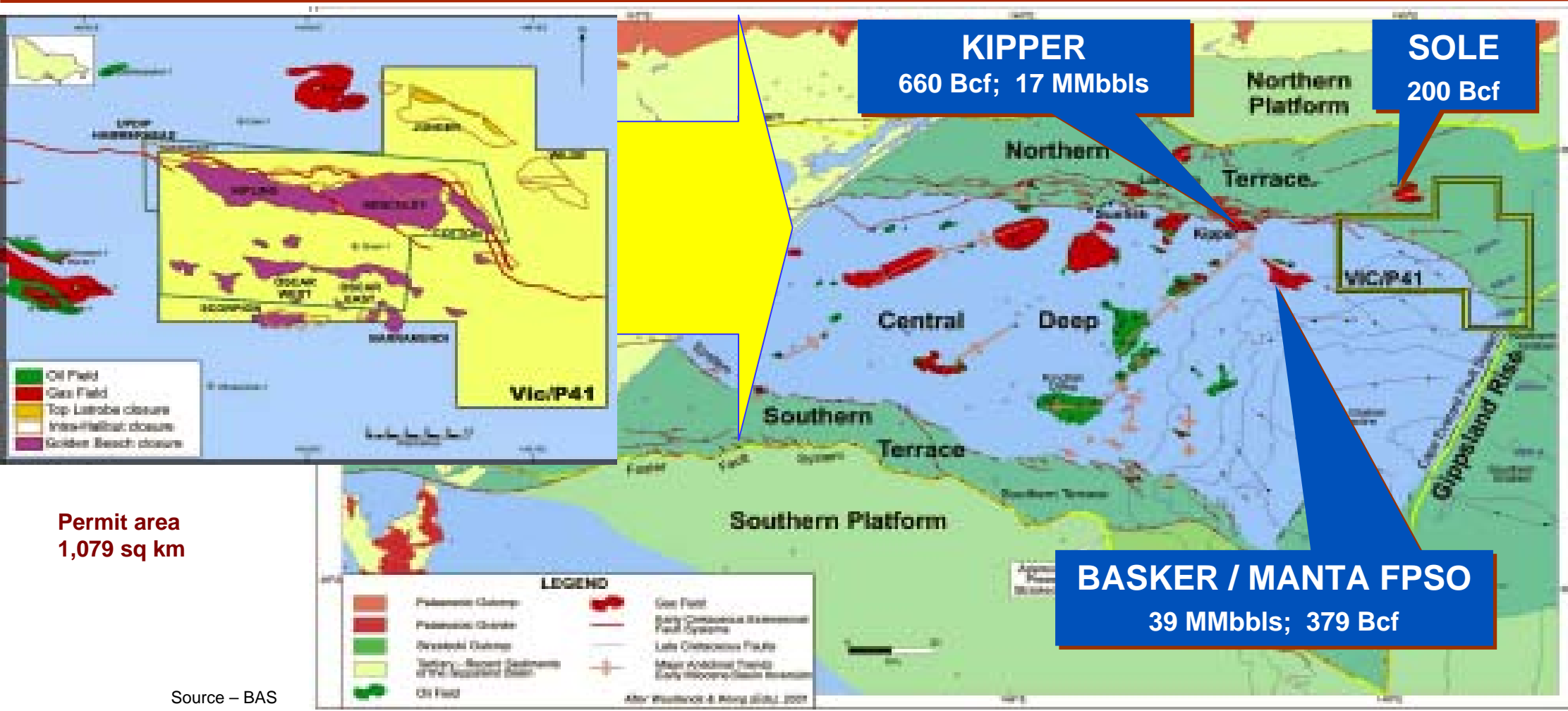
- **January 4, 2007** – OBL formally executed a formal Deed of Variation and Assignment Agreement with Golden Dynasty, Terratek and Backreef Oil whereby Oil Basins (subject to regulatory approvals) is immediately assigned 35% of the Blina Back Reef Play JV Area subject to the terms of the earlier Oil Basins Farmin Agreement executed on May 29, 2006. Terratek consents to a partial assignment of 15% from Backreef's remaining 35% participating interest in the Blina Back Reef Play JV Area to Oil Basins. The assignment is subject to Oil Basins exercising an option to acquire the 15% by no later than March 31, 2007.
- **January 16, 2007** – Department of Primary Industries (DPI) approves the OBL Farmins(s) on Gippsland Permit Vic/P41.
- **31 March, 2007** – Oil Basins executes its 15% option to the Blina Back Reef Play JV Area and seeks a farmin for 20% of DR9 Canning Basin (containing the Selene prospect)
- **May, 2007** – Oil Basins restructures its 35% ownership holdings Blina Back Reef Play JV Area.
- **22 August 2007** – Oil Basins gains complete registration with WA Department of Industry Resources (DoIR) of its holdings in Blina Back Reef Joint Venture, including all registrations of its subsidiaries.
- **October 2007** – Oil Basins (inconjunction with Backreef Oil) applies for Application L07-1 Canning Basin.

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Rights to 12.5% Gippsland Asset – Vic / P41 3D Seismic plus AVO defined Anomalies.



**Vic / P41 Gippsland Permit is situated in a Highly Attractive Address
Operator has now effectively turned high risk 2D defined leads into lower risk 3D defined prospects – 6 of which are now drill ready.**

Gippsland Asset – Strategic Right to Farm-In to 12.5% Vic/P41 (via a structured deal).



Pre-IPO **FIRST MOVE ADVANTAGE**

In early April 2006, Oil Basins via an initial HoA with Eagle Bay Resources (ASX code EBR) acquired initial rights to 7.5% and via a Option Agreement with Moby Oil & Gas (ASX code MOG) in mid-May 2006 acquired additional conditional rights to a separate 5%.

Both deals were executed prior to Vic/P41 3D seismic being processed and evaluated by Operator, Bass Strait Oil Company Limited (ASX code BAS).

Post – IPO

Company executed Option with MOG and executed formal Farm-In Agreements with EBR and MOG via paying \$0.50 million to EBR and \$0.33 million to MOG.

Formal legal Rights were approved by DA in January 2007 and Oil Basins now has Rights to acquire direct interests in Vic/P41. Current net expenditure circa \$0.90 Million

Pro-rata sharing costs > \$13M – with current 2008F rig rates >US\$400,000 per day, the anticipated equivalent overall Farm-In promote now approximates the industry 2:1 std.

Gippsland Asset – Strategic Right to Farm-In to 12.5% Vic/P41.



Permit interests are now:

Bass Strait Oil Company Ltd (ASX code BAS)	45% (Operator)
Moby Oil & Gas Limited (ASX code MOG)	30% <u>reducing to</u> 25%
Eagle Bay Resources NL (ASX code EBR)	25% <u>reducing to</u> 17.5%
Oil Basins Limited (or nominees)	Potential to <u>increase</u> from 0% to 12.5%

Strategically:

Oil Basins now has Rights to acquire direct interests in Vic/P41 – OBL has the Right but not the Obligation to Farm-In and can reject any Permit Farm-In by a third party. Current investment circa \$0.90 million

Permit is in very good standing with DA; has no ORRI obligations of any kind and has no drilling obligations until 10 September 2010.

Vic/P41 3D has delineated some of the largest undrilled Prospects in the Gippsland Basin.



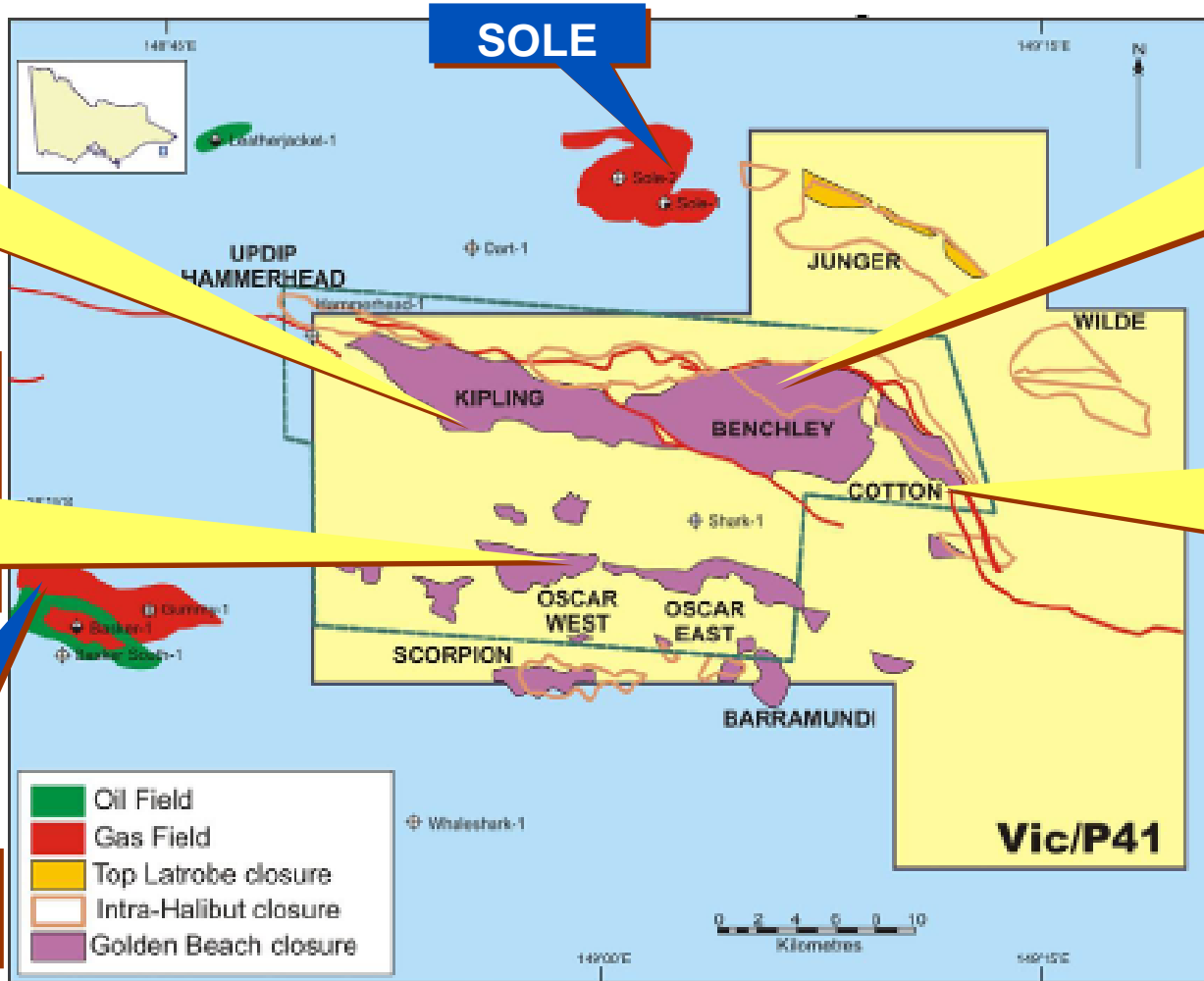
Kipling Prospect

AVO	MMbbls	Bcf
P90	66	388
P50	124	620
P10	205	944

Oscar Prospects

3D def.	MMbbls	Bcf
P90	nil	nil
P50	38	30
P10	83	75

**BASKER / MANTA
FPSO**



Benchley Prospect

AVO	MMbbls	Bcf
P90	89	921
P50	184	1,463
P10	319	2,087

Cotton Prospect

AVO	MMbbls	Bcf
P90	47	nil
P50	73	1
P10	106	4

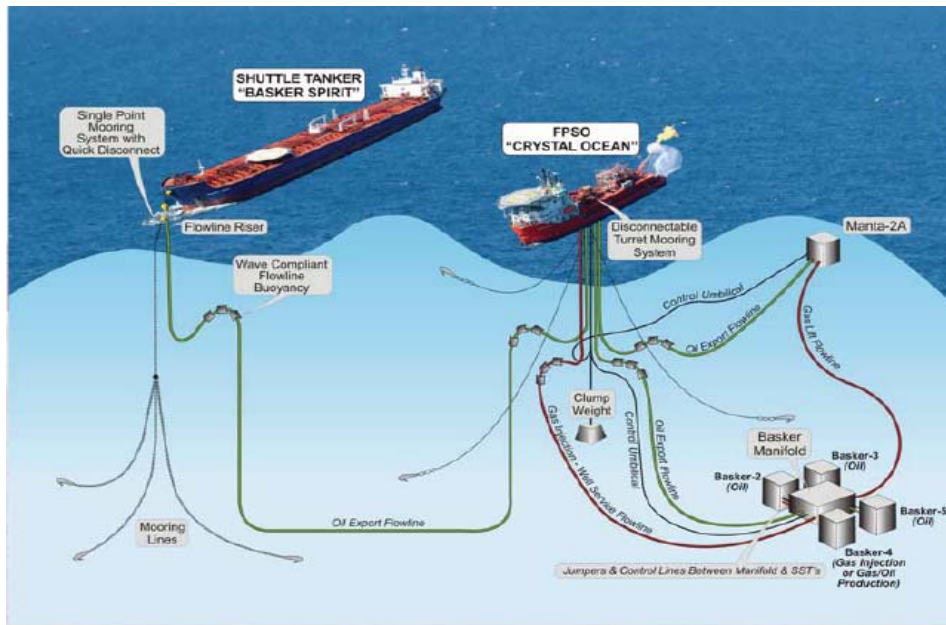
Gross P10 Vic/P41 Upside is 713 MMbbls Oil & 3.1 Tcf Gas

Oil Basins has Rights to an assessed 94.3 MMBoe P50 prospective recoverable resources

Good Gippsland Position - Nearby to Basker/Manta FPSO Hub.



**Nearby Basker/Manta FPSO
JV Interests**
Anzon 40% Operator
Beach 40%
Itochu 20%
25,000 bopd capacity



**Oil Basins Gippsland
Basin Interests
Rights to 12.5% Vic / P41**

Proximity to nearby Field Developments.

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Canning Basin

Acquisition of Blina Back Reef Play JV Area.



Pre-IPO **FIRST MOVE ADVANTAGE**

In February 2006, Oil Basins negotiated an entry into Blina Back Reef Play Joint Venture Area and in early March 2006 executed conditional HoA with Backreef Oil Limited for 22.5% subsequently raised by early April 2006 to 35%.

Oil Basins executed a Formal Conditional Farm-In with Golden Dynasty Resources Ltd, Backreef Oil on 5 May 2006 – subject to a number of requirements including a successful Oil Basins IPO raising a minimum of \$2.5 million and Golden Dynasty attaining 80% of Terratek Oil Tools – permit EP129R2 & R3 and licence L6 holder.

Post – IPO

Golden Dynasty acquired 100% Terratek in September 2006 and executed a farmout to Backreef Oil (Operator) for a 70% interest on 12 October 2006.

Oil Basins acquired an Option for a further 15% interest from Backreef Oil in October 2006 – subsequently executed on 31 March 2007. Oil Basins subsequently split its interests in June 2007 (as permitted in Deed of Variation & Assignment lodged with DoIR in January 2007) and was awarded assignments by DoIR on 22 August 2007.

Canning Basin – 50% Blina Back Reef Play Joint Venture Area.

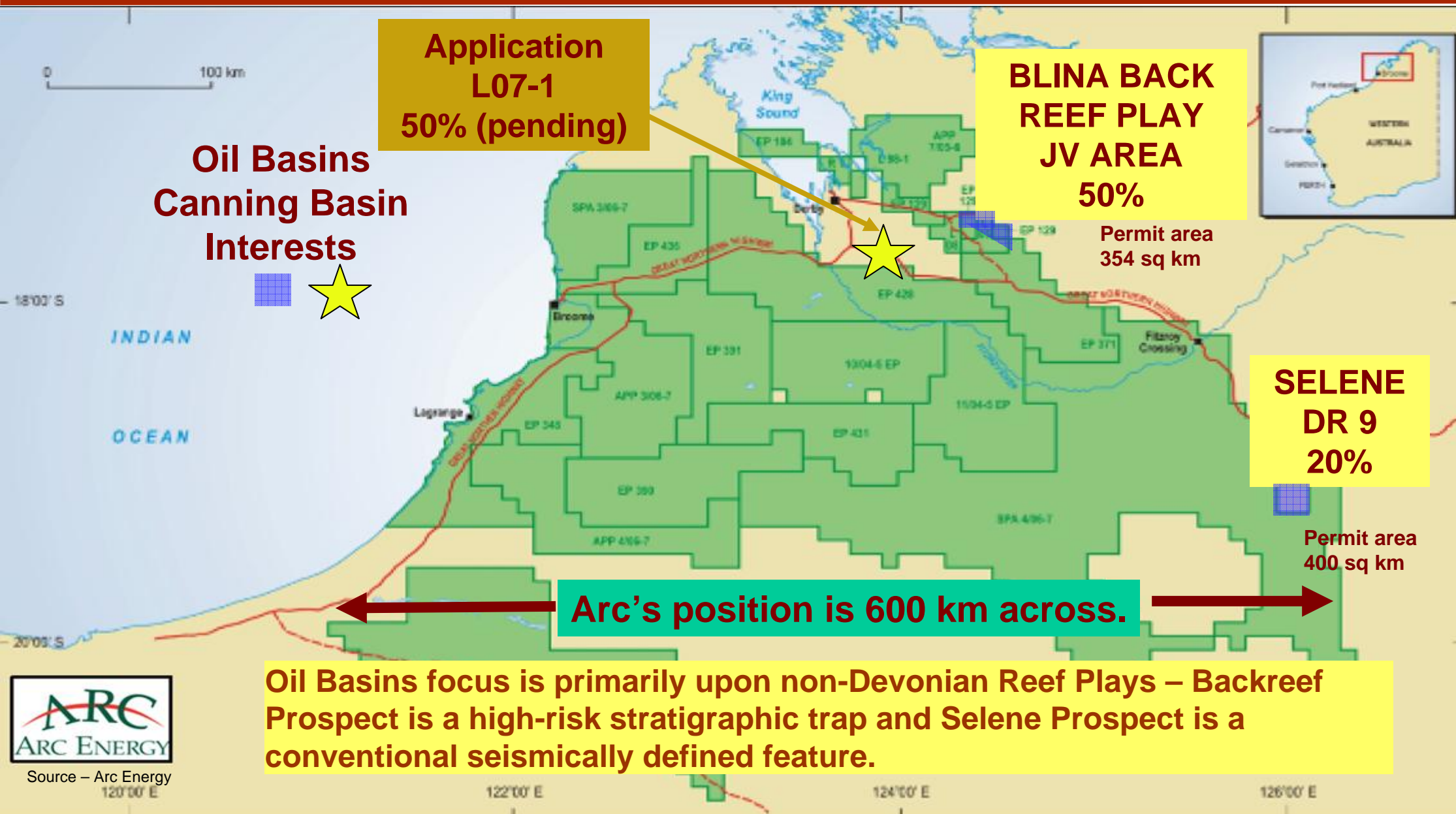


- The Blina Back Reef Play Prospect Backreef-1 is situated within an existing Production Licence L6 – renewed on 19 May 2006 for 21 years and nearby the under-utilised existing Blina Oil Hub crude pipeline, pumping and transport infrastructure, which may likely lead to a rapid development of the field (upon success).
- OBL presently holds formal legal rights to 50% and has since restructured its initial 35% interest into **3 wholly owned SPV's (approved by WA DoIR in August 2007)** so as to facilitate interest from third party Farminees.

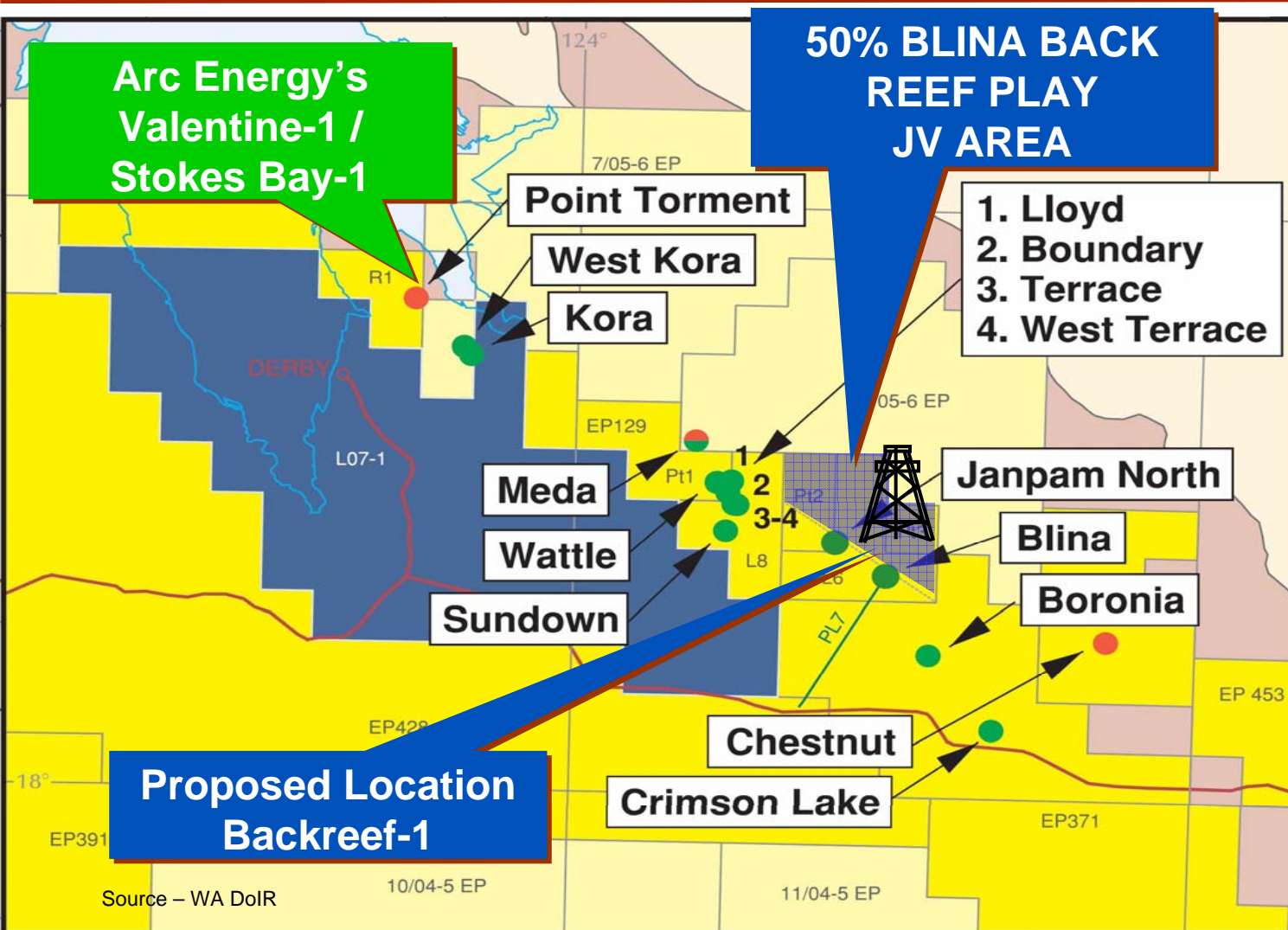
Backreef Oil Limited	20% (Operator)
Terratek Drilling Tools Pty Ltd (100% owned by Arc Energy Limited ASX code ARQ)	30%
Oil Basins Limited (or nominee)	20%
OBL Backreef No. 5 Pty Ltd	5%
OBL Backreef No. 10 Pty Ltd	10%
OBL Backreef No. 15 Pty Ltd	15%

OBL has a significant opportunity for interested 3rd parties for portions of its 50% interest in Canning Basin Blina Back Reef Play JV Area, including the Backreef-1 Prospect.

Proximity to Arc Energy's Canning Basin Acreage.



Good Canning Position – adjacent to established Blina Hub / Pipeline.

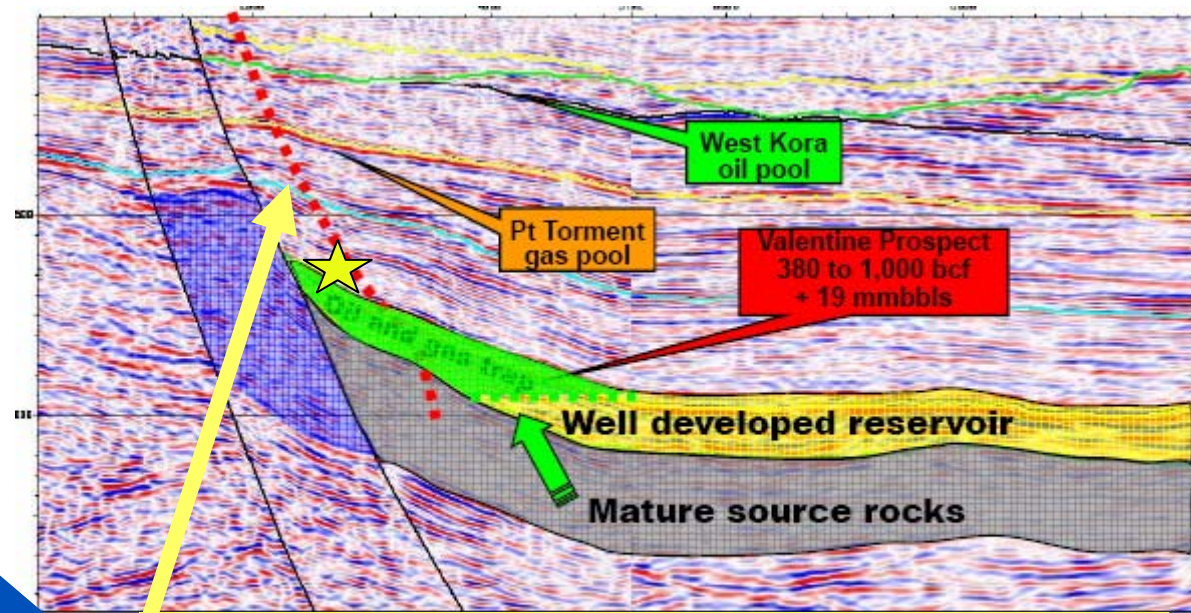
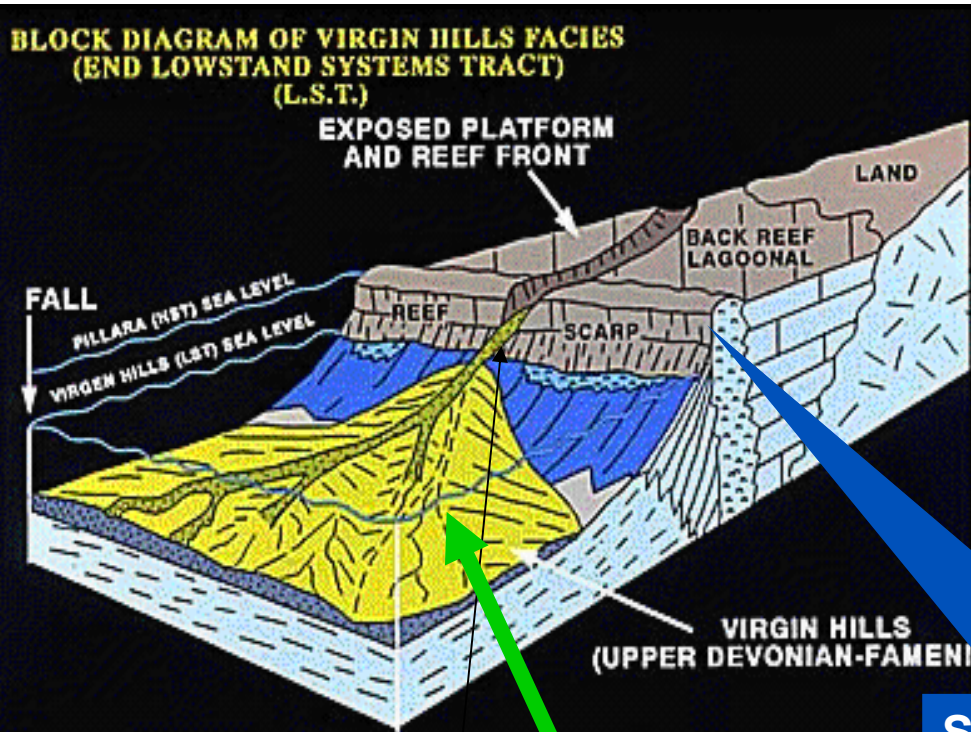


Nearby Blina Facilities



Transportation costs are circa A\$17.00 to A\$18.00/bbl – a commercial discovery may justify recommencement of shipping from Broome terminal, reducing costs to circa A\$6.00/bbl

Prognosed stratigraphic onlap play – current analogies/results being investigated.



Stokes Bay prospect is a stratigraphic onlap trap

NOTE - The untested section, which is the target of the proposed Backreef-1 well, is similar to the talus slope fan, depicted in yellow above, but is on the other or "back reef" side of the reef.

Scarp of Limestone Reefs similar to Blina & Harold

Examples of prognosed backreef fan compared with regional surface outcrops – Winjana Gorge



★ Operator Backreef Oil & OBL are reviewing location of Backreef-1 inlight of Arc's results

Rights to 50% Backreef-1 Prospect Stratigraphic Trap.



Permit **Blina Back Reef Play JV Area**
(formerly part of L6, EP129 R2 & R3)

Operator **Backreef Oil**

Proposed TD 1,800m (5,905 ft) ★

Area 72 sq km (18,200 acres)

Max. Gross Pay 500m (1,640 ft)

Net to Gross 8% ie 40m (131 ft)

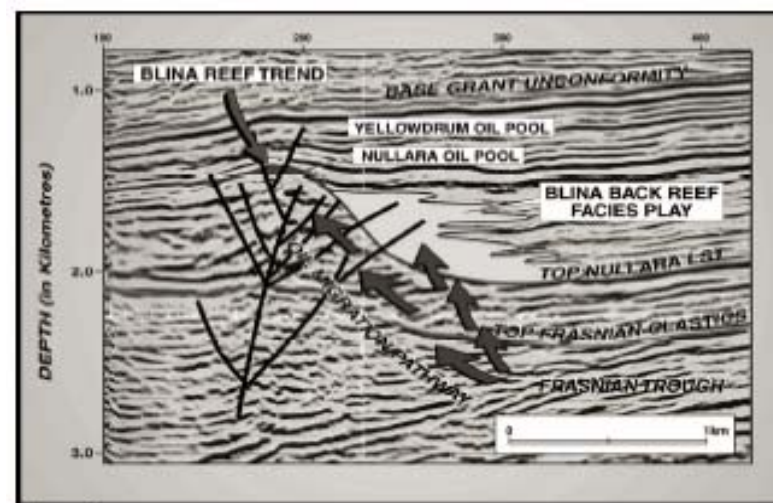
Rock Volume 36,000 x 10⁶ cubic m

Reservoir	Porosity	15%
Lowstand Clanmyer Fm	So	65%
	FVF	1.2

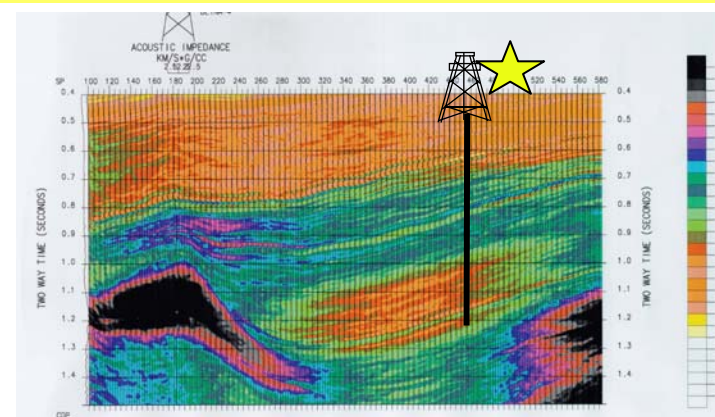
Gross Oil-In-Place **900 MMbbbls**

Recoverable Reserves **270 MMbbbls**
(prospective potential recoverable)

Net OBL Share 135 MMbbbls ★



Schematic View of Blina Back Reef Play

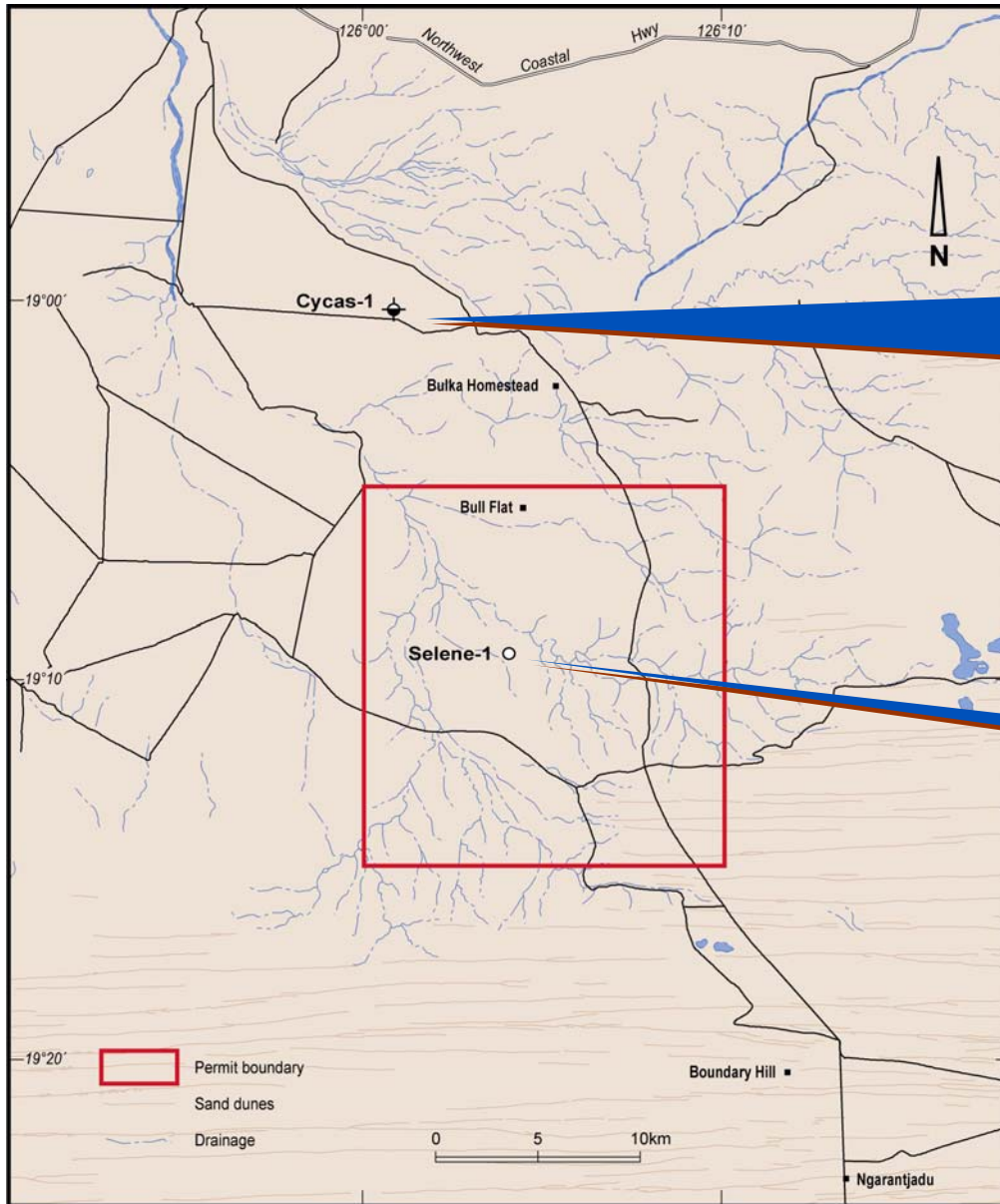


Schematic proposed location of Backreef -1

★ Operator Backreef Oil & OBL are reviewing location of Backreef-1 in light of Arc's results

Canning Basin

DR 9 Selene – 20% interest.



Nearest well Cycas-1 drilled 1983 by IEDC (now Kufpec) – which encountered significant oil shows over 305m in the Anderson fm

Location of Selene-1

Selene-1 Prospect Fault-independent structure.

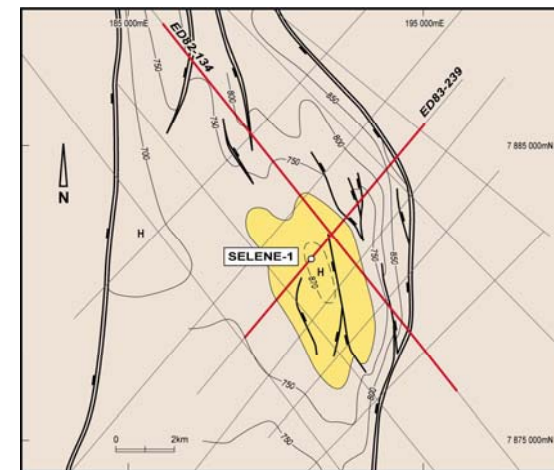


Permit	DR9 (formerly EP366) DR 9 Granted *Pending Aboriginal Heritage Approval
Operator	Backreef Oil (former Operator SOCDET, technical estimates below)
Proposed TD	2,400m (7,875 ft)
Area	18.0 sq km (4,550 acres)
Max. Gross Pay	100m (328 ft)
Max. Net to Gross	50% ie 50m (164 ft)
Av. Net Pay	20m (65 ft)
Rock Volume	360 x 10 ^6 cubic metres
Reservoir	Porosity 15%
Anderson Fm	So 70%
	FVF 1.2
Gross Oil-In-Place	357 MMbbls
P50 Rec. Reserves	107 MMbbls (prospective potential recoverable)

Net OBL Share 21.4 MMbbls



Base Grant Fm Time Structure Map



Top Betty Fm Time Structure Map

OBL presently holds Rights to 20% (upon funding 33% of well - gross cost of \$2.0 m)

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- The Assets – Canning Basin
- **Investment Case**
- Leverage to Exploration Success

Investment Case - Summary

A Highly Leveraged Oil Exploration Company.



- Oil Basins has very tight capital structure and very modest cost/overhead structure which assists to maximise future leverage and shareholder returns.
- Company has 8 drill ready prospects – 6 defined by very modern 3D seismic – full suite of analysis PSTM & AVO response – replacement cost of 3D seismic has now more than trebled & well costs have near doubled – Gippsland promote is now below 2 for 1.
- Company's leverage is very large ie net P50 potential prospective resources assessed at circa **94.3 MMBoe (Gippsland)** and net P50 potential prospective resources circa **156.4 MMbbls (Canning)** –for very modest entry costs – OR expressed in another way:
- Oil Basins presently offers Investors a **Net 250.7 MMBoe** exposure representing 7.40 Boe P50 potential prospective resources per individual ordinary share.
- **Company aims to Farm-out both Canning & Gippsland interests** so as to facilitate (a) drilling prospects inventory as soon as possible, (b) monetise assets (ie implied via Farm-out Valuations) and (c) create wealth for shareholders as part of the trading process.

Company is screening additional E&P opportunities against its investment criteria.

Investment Case – Summary (Continued)

Low Entry Cost to Prospects.



- Company is keen to “liberate value” for shareholders in the current US\$95.00/Bbl world.

Asset	Rights	Prospective Potential 2P Resources	OBL's Rights Acquisition Cost <u>Actual</u> \$'000	OBL's Rights Acquisition Cost <u>Implied</u> A\$/Bbl
		<u>Net</u> MMBbls or MMBoe		
Canning Basin Assets				
Backreef Play JV Area	50%	135	65	\$0.0005
Selene	20%	21.4	32	\$0.0015
Gippsland Basin Assets				
Vic/P41	12.5%	94.3	950	\$0.0101

Oil Basins is planning to drill 2 Canning Basin onshore wells in 2008

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Potential Field Sizes & Company's assessed Potential Leverage per Share



Basin Permit / Net Interest	Drill-Ready Prospects	Prospect Sizes Gross P50 (Unrisked)		Oil Basins Net P50 (Unrisked)		Valn Assumptions A\$20/bbl Oil A\$2/Mcf Gas		LEVERAGE
		OIL MMbbls	GAS Bcf	OIL Million bbls	GAS Bcf	Oil Basins Valuation A\$Million	Oil Basins Valuation \$ps	
Offshore Gippsland Basin - 12.5%								
Kipling	Within Vic/P41 only	124	620	15.5	77.5	465		\$13.72
Benchley	Golden Beach sst	145	1,366	18.1	170.8	704		\$20.78
Benchley	Halibut Sub-group sst	39	75	4.9	9.4	116		\$3.43
Cotton	Golden Beach sst	60	1	7.5	0.1	150		\$4.43
Cotton	Halibut Sub-group sst	13	-	1.6	-	32		\$0.94
Oscar West	Intra-Latrobe sst	19	12	2.4	1.5	51		\$1.49
Oscar East	Intra-Latrobe sst	19	18	2.4	2.3	52		\$1.53
		419	2,092	52.4	261.5	1,570		\$46.33
Onshore Canning Basin								
Blina Back Reef Play Joint Venture Area - 50%								
Backreef	Back Reef Facies (stratigraphic trap Clanmeyer fm)	270	-	135.0	-	2,700		\$79.68
		★	Note - Backreef-1 Location and trap size under review					
Drilling Reservation DR9 - Earning 20%								
Selene	4 way dip closure Anderson fm	107	-	21.4	-	428		\$12.63
Overall Leverage				208.8	261.5	4,698		\$138.65

Balanced Portfolio & Significant Leverage to High Impact Wells – All with Farm-Out Potential.



★ Note - Backreef-1 Location and trap size presently under review and an alternative lower risk prospect maybe drilled

