



**OIL BASINS LIMITED**  
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26 March 2010

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

Dear Sirs

***APPOINTMENT OF OBL AS CSG OPERATOR DESIGNATE OF  
WA CANNING BASIN PERMIT 5/07-8 EP***

Oil Basins Limited (ASX code **OBL** or the Company) wishes to advise the ASX that effective from 25 March 2010, the Company has reached a formal agreement with its WA Canning Basin Permit Application 5/07-8 EP Joint Venture Partner Backreef Oil Pty Limited (**BOL**) for OBL's appointment as Designate Coal Seam Gas (**CSG**) Permit 5/07-8 EP Operator.

The permit interests upon award will be held 50% / 50% by BOL / OBL respectively. The Company's appointment as **CSG Operator Designate 5/07-8 EP** is subject to the usual regulatory and stakeholder consents and also to finalisation and formal issuance of the permit. Specifically at all times all WA Department of Mines and Petroleum, Native Title and Environmental submissions and communications will go through BOL as overall permit Operator on award.

In brief, under the terms of this new agreement, OBL agrees to fund the first \$100,000 on CSG studies and independent expert assessments of the coal measures contained within the large permit and will seek interest and proposals from suitably qualified farminees to the both CSG Rights and Operatorship upon permit award (subject to the successful formal registration of the permit to both BOL / OBL). Should a successful farmin or exclusive option to farmin eventuate, any backcost payments or down-payments will be shared prorata between OBL / BOL, after first adjusting the future OBL payment for an appropriate (once-off) CSG sole risk adjustment with respect to commercially compensating OBL for the initial agreed funding of the first \$100,000.

As CSG Operator Designate 5/07-8 EP, OBL will, on behalf of its partner BOL, now manage and seek farmin interest in the future CSG Rights within 5/07-8 EP and also work actively to assist BOL in Native Title discussions.

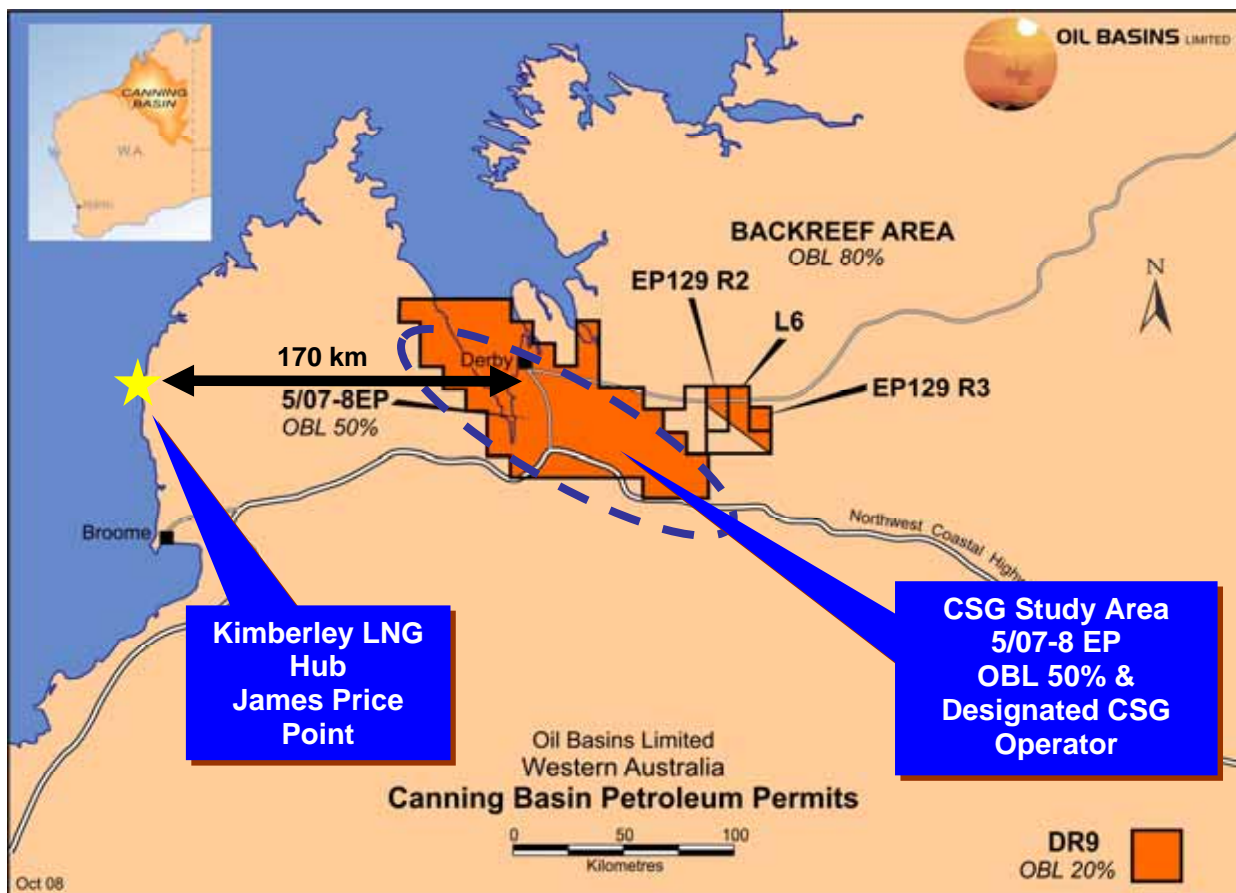
OBL is pleased with this appointment as CSG Operator Designate for 5/07-8 EP and is pressing on with its data gathering and assessment of relevant previous coal exploration and petroleum well data in the 5/07-8 EP permit (***which is believed to be the first modern study of CSG prospectivity in this part of the Fitzroy Trough region within the Canning Basin.***)

OBL remains confident that it will be able to attract third party expressions of interest from experienced CSG operators. As part of this marketing campaign, the Company will also attend the forthcoming IIR 8<sup>th</sup> CSG 2010 Conference & CSG Workshop to be held in Brisbane between 29 and 31 March 2010.

Yours faithfully



Kim McGrath  
Chairman



**Figure 1**  
*Oil Basins Limited's Canning Basin interests*  
**The Kimberley LNG Hub (presently the Browse LNG JV Partners preferred development option) is situated at James Price Point (approximately 60km due north of Broome).**