



OIL BASINS LIMITED

ABN 56 006 024 764

29 June 2007

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

Dear Sirs

CANNING BASIN UPDATE

Oil Basins Limited (**ASX code OBL** or the Company) wishes to advise the Australian Stock Exchange of the following information with respect to its activities in the Canning Basin, Western Australia.

Drilling Reservation DR9 – OBL Rights to Earn 20%

The Operator and Farminor, Backreef Oil Limited (**BOL**), has now received notification by the Western Australian Government Department of Industry and Resources (**DoIR**) and has been Granted 100% of Drilling Reservation DR9 (formally Application for Drilling Reservation 1/06-7).

BOL is now preparing the Aboriginal Heritage Application with the governing authority, the Kimberley Land Council, prior to advancing the drilling of the Selene-1 Prospect, possibly during the latter half of 2007.

Blina Back Reef Play Joint Venture Area – OBL Rights to Earn 50%.

The OBL directors have decided, in the best interests of shareholders, to immediately now seek a divestment of a portion of its rights to the Blina Back Reef Play Joint Venture Area containing the prognosed stratigraphic Backreef-1 Prospect to interested third parties on favourable commercial terms.

To further this end, a comprehensive briefing document entitled **Canning Basin Farmin Opportunity** has been prepared (refer either to the Company's website www.oilbasins.com.au).

Interested Farm-In partners are now invited to contact the undersigned on 0414 912 901 or n.doyle@oilbasins.com.au

Neil Doyle
Director