



OIL BASINS LIMITED

ABN 56 006 024 764

16 June 2008

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

Dear Sirs

OIL BASINS ACQUIRES 15% OF CYRANO OIL FIELD RETENTION LICENCE R3 OFFSHORE CARNARVON BASIN

The Directors of Oil Basins Limited (ASX code "OBL" or the Company) are pleased to announce that the Company has concluded an agreement with AIM Listed Black Rock Oil & Gas Plc to acquire a direct 15% interest in petroleum exploration Retention Licence R3 which contains the undeveloped Cyrano Oil Field, located in offshore Carnarvon Basin, Western Australia.

The agreed consideration for this transaction is \$40,000 plus 500,000 ordinary OBL shares, or based upon OBL's closing price of 11 cents per share on Thursday 12 June 2008 (i.e. the effective date of transaction), the gross booked cost translates to \$95,000.

The transfer is subject to usual joint venture partner consents and formal registration with Western Australian Department of Industry Resources.

Two wells delineate the Cyrano Oil Field and the operator Tap Oil has previously delineated gross P50 recoverable "technical oil reserves" of about 1.0 million barrels (net 150,000 bbls) and upside potential gross P10 recoverable resources has been technically assessed as upto 4.0 million barrels (net 600,000 bbls) – based upon these preliminary assessments the indicative acquisition price translates to between A\$0.16 to A\$0.63 per bbl (undeveloped potential reserves and resources)*

The Cyrano Oil Field is situated in circa 15m of water and is on trend to the nearby undeveloped Nasutus Oil Field (Apache Energy 50% / OMV 50%) discovered in 1999.

CYRANO OIL FIELD – OBL RIGHTS TO 15%

Introduction

Retention Lease R3 is located on the northwestern side of the Peedamullah Shelf, offshore Carnarvon Basin and consists of one graticular block covering an area of 80 sq kms (Figure 1). The Nasutus Oilfield is located 8 kms to the northeast and the Airlie Island oil loading facilities are 12 kms to the northwest (Figure 2).

* Refer to the attached Disclaimer for more details.

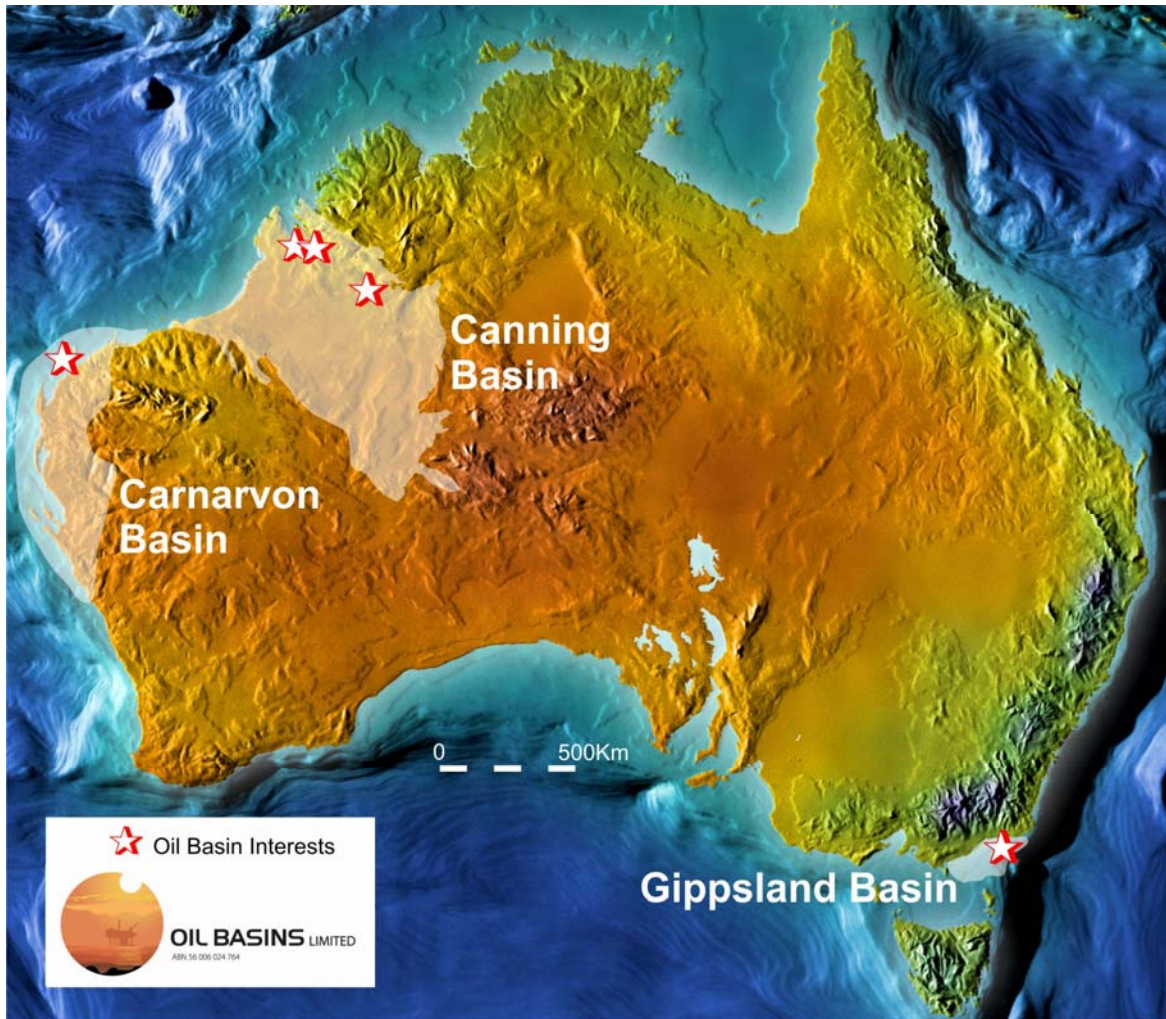


Figure 1
Approximate Location of OBL's New Carnarvon Basin Interests

R3 Retention Lease Details

The lease was awarded on 5 July, 2006 for a period of 5 years and was originally Exploration Permit EP-364. The Lease obligations are for the joint venture to conduct over the next five years engineering studies and reservoir simulation, technical studies, marketing studies and economic studies culminating in a project feasibility report.

With some \$10.9 million spent on R3 to date, current Retention Lease work program expenditure obligations are presently a modest gross \$20,000 per year.

The current R3 lease holders are:

Tap (Shelfal) Pty Ltd (a wholly owned subsidiary of TAP Oil Limited)	75% (Operator)
Wildlook Enterprises Pty Ltd (a wholly owned subsidiary of Black Rock Oil & Gas Plc ie the Vendor)	15%
Westranch Holdings Pty Ltd (a wholly owned subsidiary of Norwest Energy NL)	10%

In this transaction, OBL is not acquiring Black Rock Oil & Gas PLC's subsidiary Wildlook Enterprises Pty Ltd and is intending to acquire a direct 15% interest. Post joint venture and regulatory approvals, the new R3 lease holders will be:

Tap (Shelfal) Pty Ltd (a wholly owned subsidiary of TAP Oil Limited)	75% (Operator)
Oil Basins Limited	15%
Westranch Holdings Pty Ltd (a wholly owned subsidiary of Norwest Energy NL)	10%

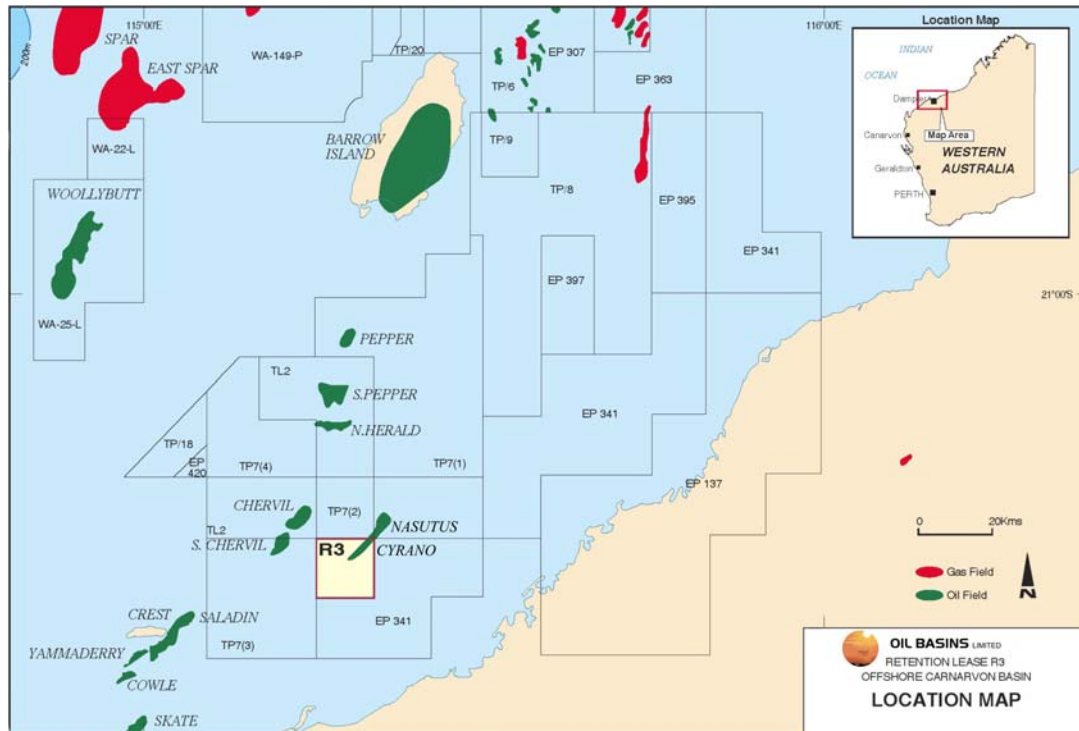


Figure 2
Location of Retention Lease R3

Cyrano Discovery

The main asset in R3 is the Cyrano Oil Field discovered in a water depth of around 15m. Cyrano-1 was drilled in March, 2003 to test an elongate amplitude and structural rollover at the Airlie Sandstone/Top Barrow Group level, (refer to Figures 3 and 4). The amplitude anomaly was interpreted to represent gas charged sands overlying an oil leg, similar to nearby fields at Chervil, South Chervil and Nasutus. The Cyrano-1 well encountered the top of the Mardie Greensand at 634.5m (-603.6m); the top of the Airlie Sands at 656m (-625.1m); and the top of the Barrow Group at 669.1m (-638.2m), refer to Figure 5.

The Mardie Greensand consists of very fine grained glauconitic sandstone with 21.5m gross and 14.5m net gas pay. Porosities range from 25-35% but permeabilities are low, of the order of 1 to 30 millidarcies averaging 20 millidarcies.

The Airlie Sandstone is composed of fine to medium grained, quartzose sandstones with minor glauconite and clay matrix. Gross oil pay was 10.0m and net oil pay was 7.0m. Porosities average 25.3% with permeabilities in the range 10's to a few 100's millidarcies averaging 50 millidarcies.

The Barrow Group comprises clean, medium grained, quartzose sandstones with very good to excellent porosities and permeabilities.

Cyrano-1 intersected a 31.5 metres gross hydrocarbon column. Based on MDT pressure data, the gas/oil contact is at -625m and the oil/water contact is at -635m. The discovered oil is heavy biodegraded 22.8° API oil.

Cyrano-2 was drilled in December, 2004 to appraise the Cyrano-1 oil discovery. It was located one km southwest of Cyrano-1 and was deviated to also test deeper Jurassic and Triassic objectives. Cyrano-2 encountered the top of the Mardie Greensand at 664.6m (-631.3m); the top of the Airlie Sands at 683.4m (-650.1m); and the top of the Barrow Group at 701.1m (-667.8m).

Cyrano-2 was designed to test the top Airlie Sandstone 14 metres downdip to Cyrano-1 to intersect the oil/water contact in the Mardie Greensand. However, the top of the Mardie Greensand came in 27.7m low to Cyrano-1 with only 3.7m of gross oil column at the top of the unit, refer to Figure 5.

Both the Airlie Sandstone and Barrow Group were water wet.

The Cyrano Oil Field is three way closed structure on the downthrown side of the Flinders Fault. The oil pools in the Early Cretaceous Mardie Greensand and Airlie Sands are sealed against the Early Triassic Locker Shale on the upthrown side of the fault.

The Cyrano Oilfield is on trend with the Nasutus Oilfield to the northeast in EP 409.

Recoverable "technical" reserves (P50) are estimated to be about one million barrels by the operator, TAP Oil but potential recoverable reserves (P10) could be up to four million barrels based on this report. Potential for additional reserves exists in R3 to the northeast of Cyrano-1 and to the southwest of Nasutus but a second appraisal well would be required to prove these potential reserves.

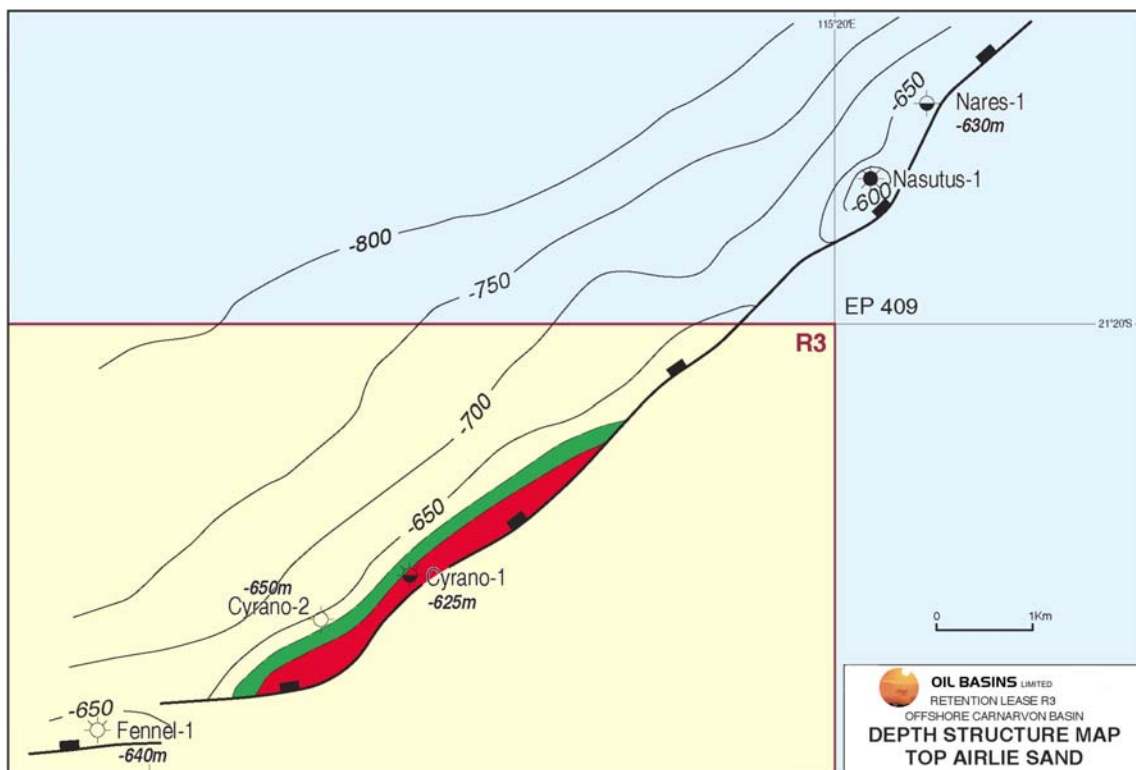


Figure 3
Top Airlie Sand – based upon OBL assessed data

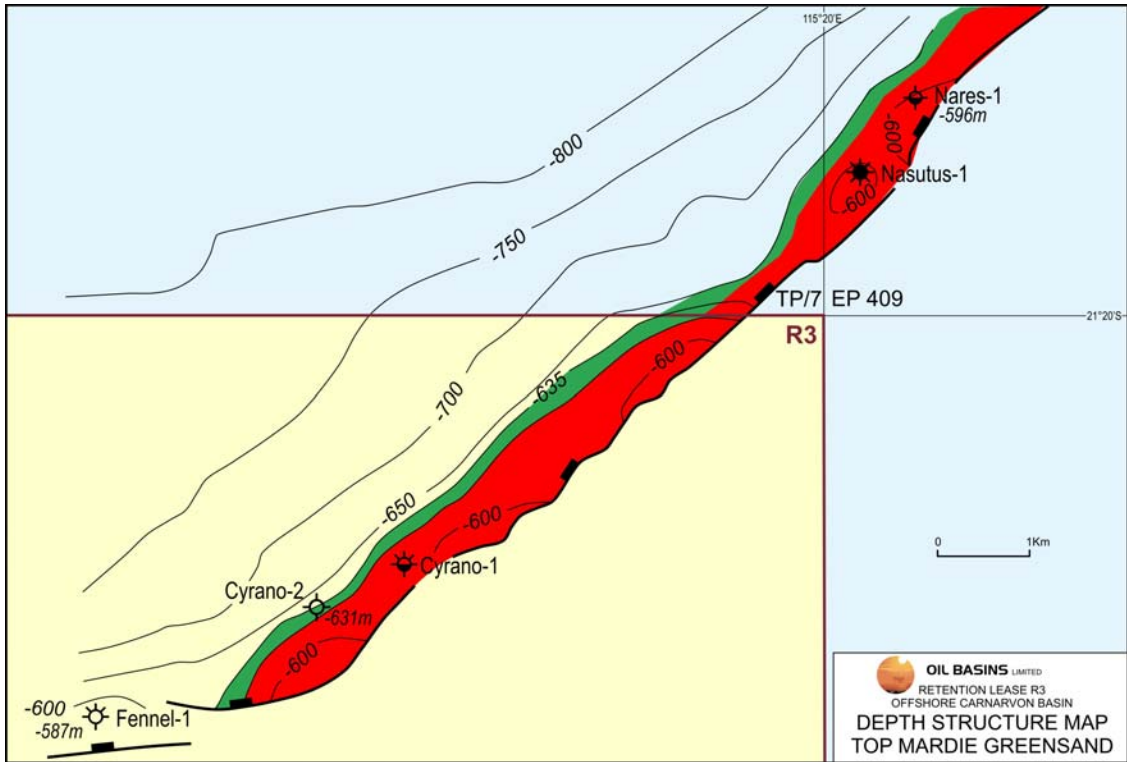


Figure 4
Top Mardie Greensand – based upon OBL assessed data

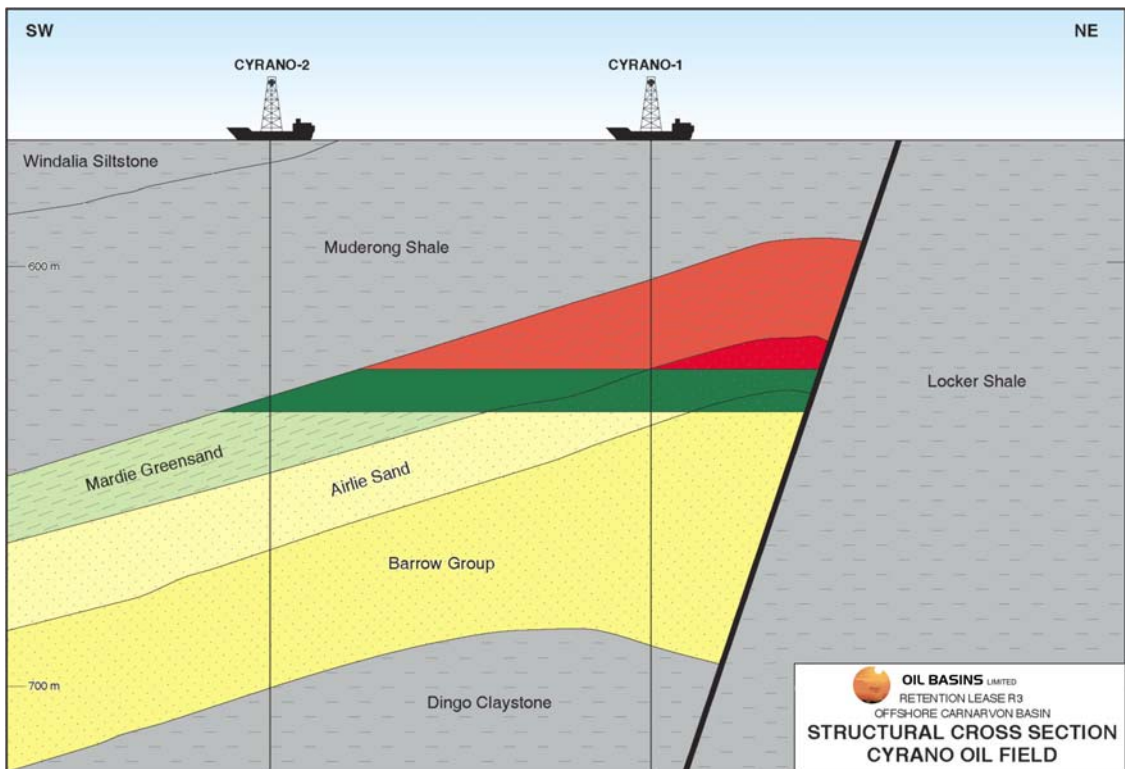


Figure 5
Schematic Cross Section Cyrano Oil Field

NASUTUS OIL FIELD – APACHE 50% / OMV 50%

The Apache-operated Nasutus-1 was drilled in November 1999 to a total depth of 750m (-721.0m) in nearby EP 409 permit in the Carnarvon Basin. The well is located approximately 1 kilometre from Nares-1, which encountered good shows, 12 kilometres east of Chervil (Figure 1), which was an oil discovery and some 19 kilometres to the east of the Airlie Island oil processing facilities. The well tested heavy biodegraded 21.3° API oil at a maximum rate of 1,637 barrels per day through a 32/64" choke with a GOR of 266 scf/stb over a four metre interval in the Flacourt sandstones at the top of the Barrow Group between 669 and 673m (-640 to -644m).

Petrophysical analysis indicates that Nasutus-1 encountered a 44.1m gross (23.1m net) hydrocarbon column, comprising 32.0/12.1m gross 911.2/11.9m net) gas/oil columns in the Mardie Greensand / Upper Barrow Group. Based on MDT pressure data, the gas/oil contact is at -640m and the oil/water contact is at -645.5m.

Whilst the operator Apache has not published "technical" or contingent reserves, OBL believes that delineated gross P50 recoverable "technical" or contingent oil reserves at the Nasutus Oil Field are a similar order of magnitude to the nearby Cyrano Oil Field.

Nasutus-1 is interpreted as a valid test of the Nasutus structure and indicates that heavy biodegraded oil can potentially be flowed at economic rates.

ADDITIONAL COMMENTS

The Cyrano Oil Field discovery whilst relatively shallow, at less than 700m total depth and in only 15 m of water, has serious technical, engineering and development challenges – namely a combination of thin but moveable heavy biodegradable oil and potentially a significant gas cap in an offshore setting. As such, no development is presently planned by the operator TAP Oil.

Nonetheless, the OBL Directors believe that in the current exceptionally high international crude oil price climate and high domestic gas price environment, it is prudent for the Company to progressively build (at modest price) a portfolio with exposure to oil and gas development opportunities that may in time become both economically and technically feasible, should the present commodity price trends persist.

DISCLAIMER

Prospective Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. Investors 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.

Technical Reserves in this preliminary assessment are considered similar to the definition of Contingent Resources (ie Low Estimate and High Estimate) with the following important caveat. It must be appreciated that the risked volumes as reported in terms of undeveloped Contingent Resources and Prospective Resources are risked assessed only in the context of applying 'Geological Chance of Success'. This degree of risk assessment does not incorporate the considerations of economic uncertainty and commerciality and consequently no future development as such can be assured.

The technical information quoted has been compiled and / or assessed by Company Director Mr Neil Doyle (from a number of sources) who is a professional engineer (BEng, MEngSc - Geomechanics) with over 26 years standing and Member of US Petroleum Engineers since 1981 (SPE 25 Year Club Member) 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.