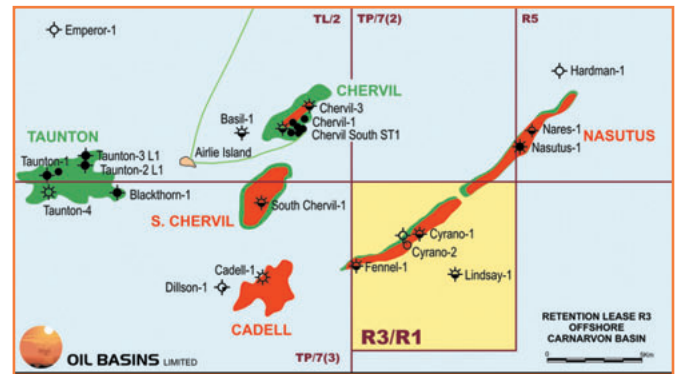


## Cyrano Oil Field – Retention Lease R3/R1

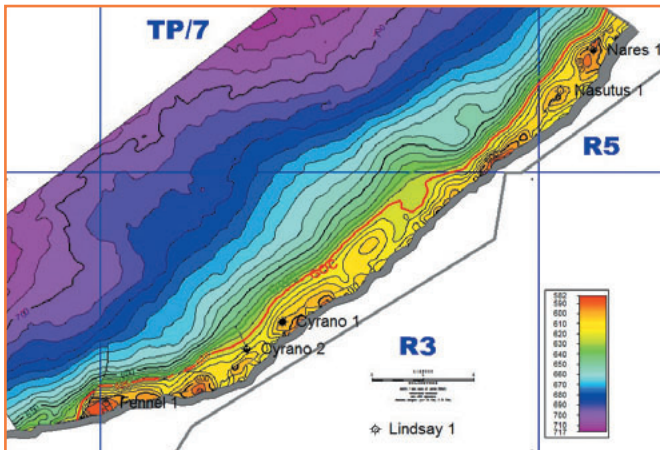
Oil Basins Limited (OBL) operates and owns 100% of retention lease R3 in the Cyrano Oil Field, located in offshore Carnarvon Basin, Western Australia. Initially owning 25% of R3 in 2008, OBL acquired a further 75% interest in R3, including the Cyrano Oil Field in October 2010 for a modest circa 30 cents/bbl based upon conservative 2C resources of 0.9MMbbls.

Water depth at Cyrano is only 17m and productive reservoirs are at a modest 600m. This low-cost entry has excellent hub potential with close proximity to nearby infrastructure.

The company is presently focused on the renewal of lease R3 for five years (R3/R1). New mapping has seen 2C contingent resources revised upwards to circa 1.5MMbbls, but it remains uneconomic and challenging based upon a standalone field development.



OBL's Cyrano Oil Field R3/R1 nearby proposed Apache Energy Airlie Island Redevelopment & Taunton Oil Field Project



Top Mardie Greensand Depth at Carnarvon Basin Project

New study objectives to boost risked resources to between 2.5MMbbls and 4.0MMbbls in Cyrano alone will include:

- confirming evidence that northern Nasutus Oil Field's extends into R3 from the adjacent R5 (north east) by re-mapping the existing 3D
- assessment of low cost development options
- are aimed at potential for improving overall field recovery factors (circa 30% upto 50%) with the application of electric submerged pumping and horizontal well completion technologies

### Recent seismic analysis

During March 2011, OBL commissioned RPS Energy to conduct an independent detailed review of 3D seismic and examine exploration well data. Report showed Oil in Place (theoretical in-place oil reservoir capacity) for Mardie Greensand and Airlie Sandstone reservoirs totals:

- P90 – 5.42 MMbbls
- P50 – 10.13 MMbbls
- P10 – 18.19 MMbbls
- Maiden-booked 1C, 2C, 3C contingent resources now 0.54, 1.52 and 3.64 MMbbls oil based upon an assumed conservative 15% recovery factor.

Nonetheless, this was a major upgrade of the Cyrano Oil Field. OBL expects further upgrades of Cyrano reserves to have a significant impact on the Company's valuation.



**Oil Basins Ltd (OBL) is an oil and gas exploration and development company with projects in Victoria and Western Australia. The company aims to establish strategic production hubs near known mature basins. Oil Basins is headquartered in Melbourne, Australia and was listed on the ASX in April 2006 and became an operator during 2010.**

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