



OIL BASINS LIMITED

ABN 56 006 024 764

Prospects & Leads Update June 2007



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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.
- 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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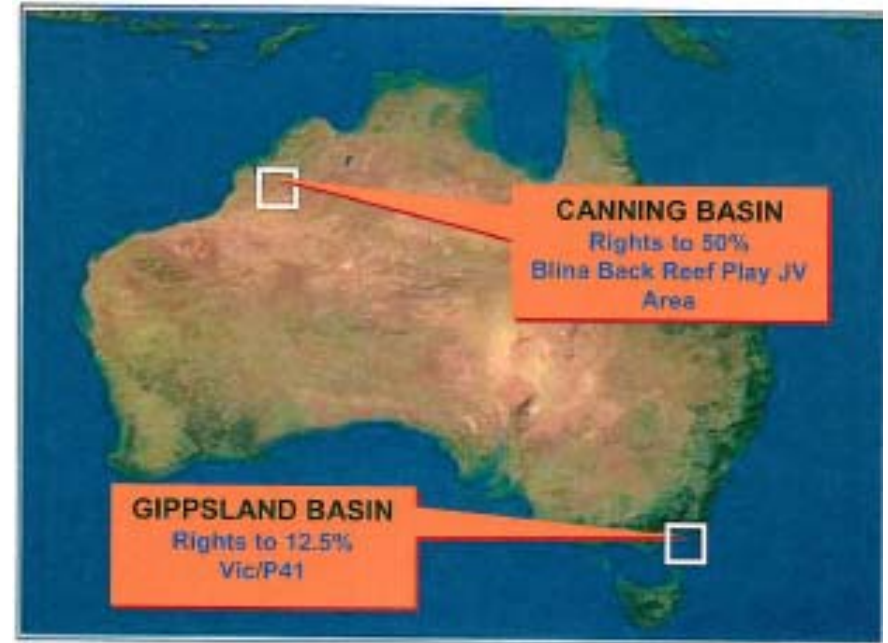
OIL BASINS LIMITED
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Company's Portfolio of Exploration Assets.

Oil Basins Limited (**ASX code OBL**) is involved in exploration for oil and gas in the offshore Gippsland Basin waters of south-eastern Australia and the onshore Canning Basin of Western Australia and has entered into a number of formal commercial Farm-in Agreements so as to attain its initial joint venture project interests.

Company has formal rights to earn :

- 12.5% of offshore Vic / P41 – offshore Gippsland permit nearby to Kipper gasfield, Sole gasfield and Basker / Manta oil and gas FPSO development
- 50% of Canning Basin Blina Back Reef Play Joint Venture – nearby to Blina
- 20% of Canning Basin Selene Permit



OBL has 8 Prospects which are now Drill Ready & available for Immediate Farmout. OBL aims to offer significant leverage on a prospective potential barrel / share basis.



Blina Back Reef Play Joint Venture Area.

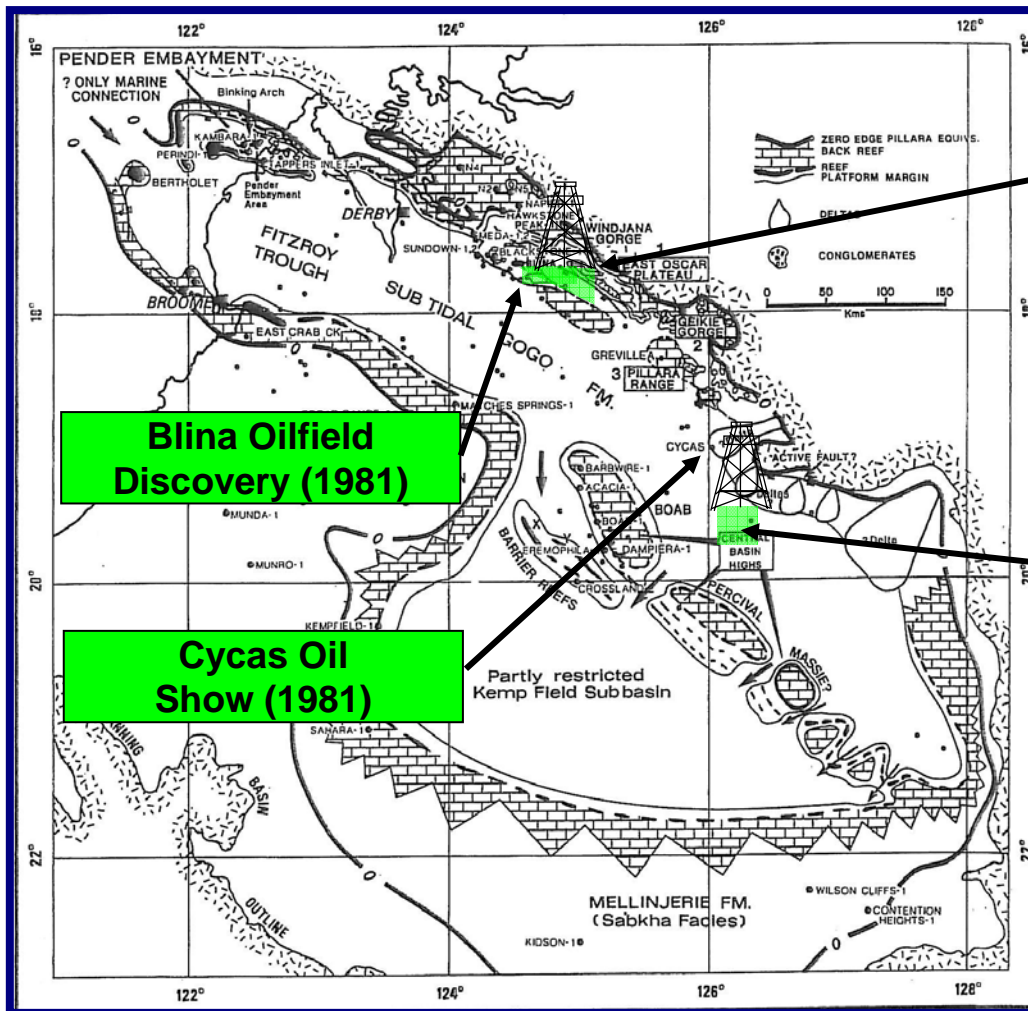
- The Blina Back Reef Play prospect is situated within an existing Production Licence L6 – renewed on 19 May 2006 for 21 years and **only circa 3km from the under-utilised existing Blina Oil Hub Facilities** – ie crude pipeline, pumping and transport infrastructure.
- Consequently with no native title and environmental protection issues to address any discovery at the Back Reef Play prospect will likely lead to a rapid development of the field. OBL presently holds formal legal rights to 50% (**approved by WA DoIR**) and has since restructured its initial 35% interest into **3 wholly owned SPV's** so as to facilitate interest from third party Farminees.

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

OBL has a significant Farm-In opportunity for part of its 50% interest in Canning Basin Blina Back Reef Play Joint Venture, including the Backreef-1 Prospect.



Canning Basin – Established Strategic Footprint.



**Blina Back Reef Play
JV Area
Backreef Prospect**

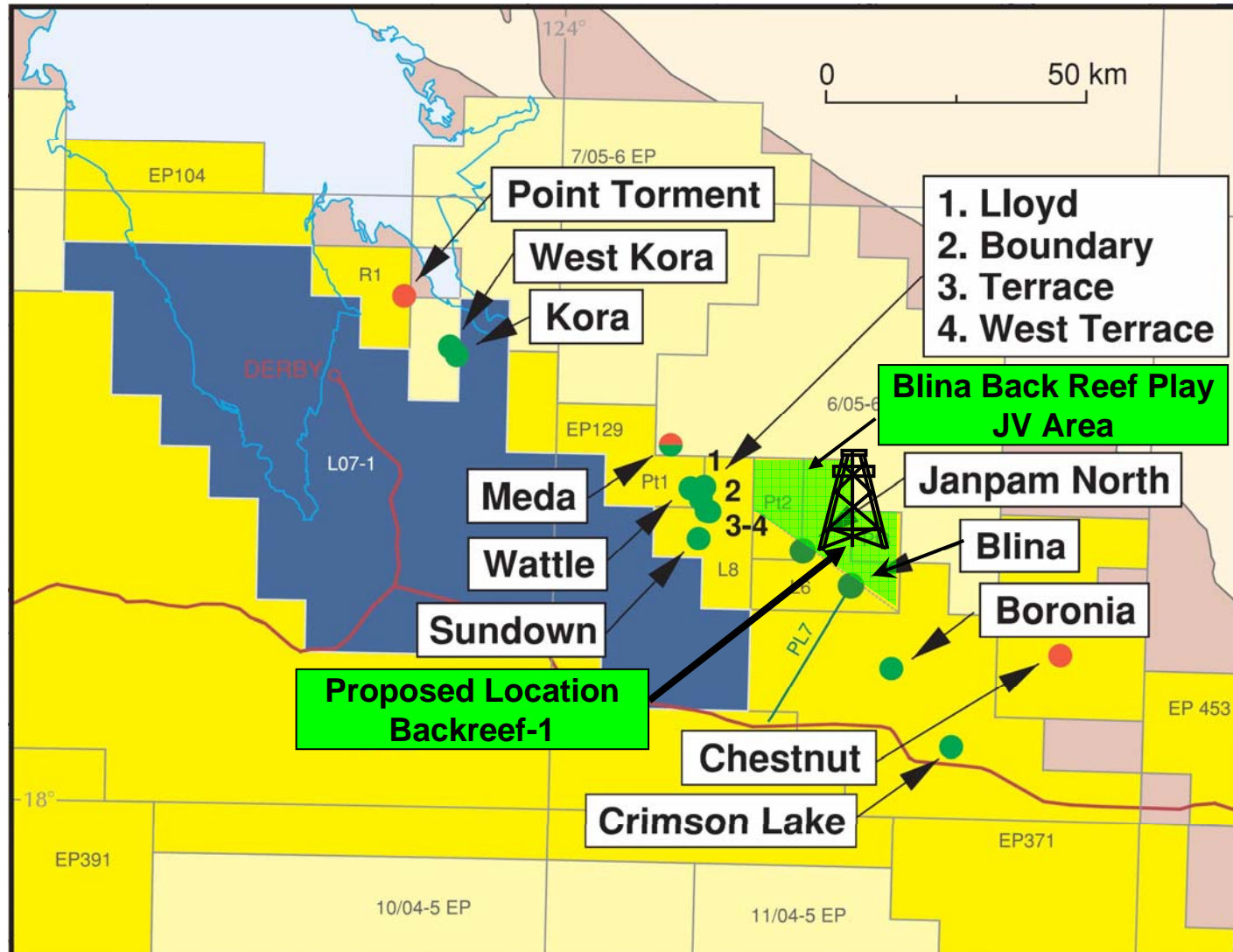
**DR9
Selene Prospect**

Pillara (Givetian to Frasnian) reef complexes and paleogeography – Canning Basin.
Source - Lehmann (1984) Proceedings GSA/PESA Canning Basin Symposium, Perth WA



Oil Basins focus is on non-Devonian Reef Plays – Backreef Prospect is a high-risk stratigraphic trap and Selene Prospect is a conventional seismically defined feature.

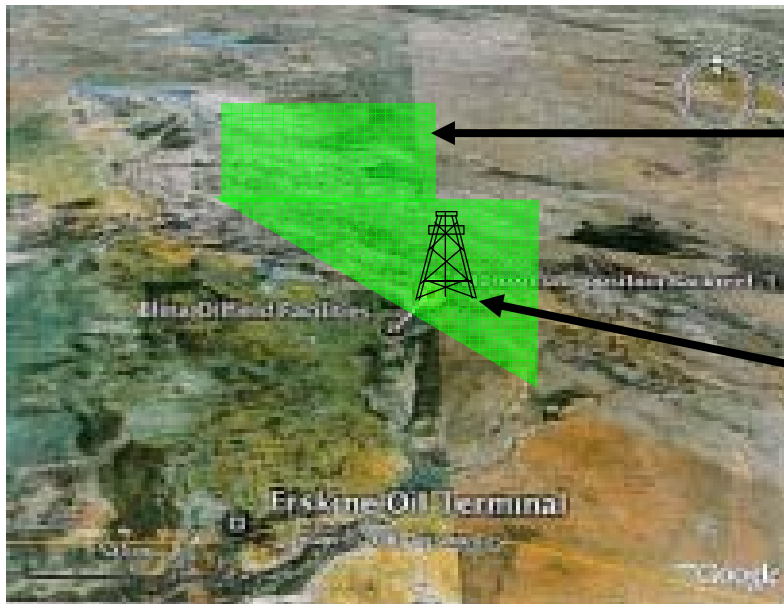
Canning Basin – Strategic Location within Licence 6.



Source – WA DoIR



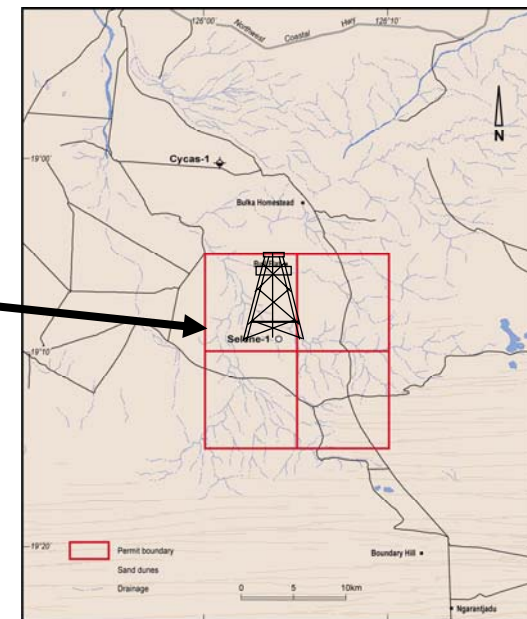
2 Prospects – Both Drill Ready* & Available for Farmout.



**Approximate location
of Blina Back
Reef Play JV Area
[circa 352 sqkm]**

**Proposed Location
Backreef-1**

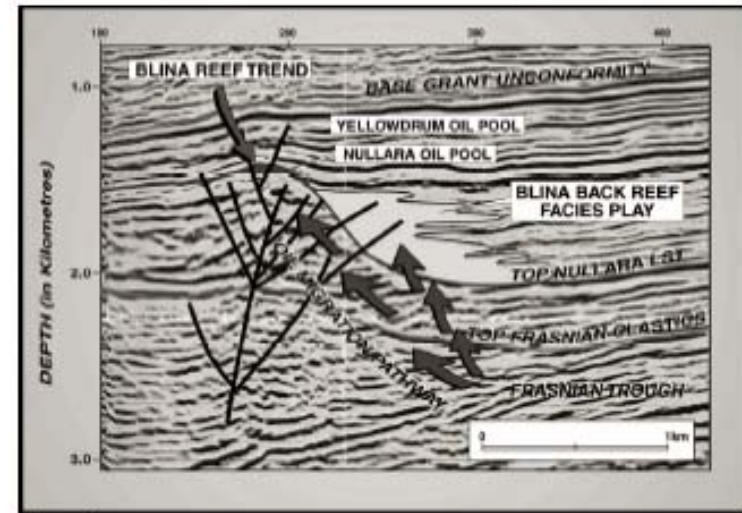
**Proposed Location
Selene-1
Drilling Reservation 9***
*Pending Aboriginal Heritage Approval



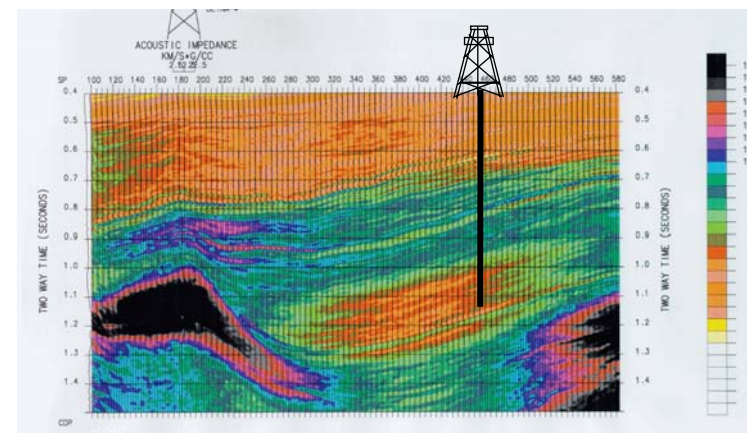
The Operator, Backreef Oil has taken steps to procure a suitable rig which may be available from early October 2007 for both prospects.

Backreef-1 Prospect Stratigraphic Trap (Drill Ready).

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 10 ⁶ cubic m	
Reservoir	Porosity	15%
Lowstand Clanmyer Fm	So	65%
	FVF	1.2
Gross Oil-In-Place	900 MMbbls	
Recoverable Reserves	270 MMbbls (prospective potential recoverable)	
Net OBL Share	135 MMbbls	



Schematic View of Blina Back Reef Play



Schematic proposed location of Backreef -1 circa shot-point 430 – PTD 1,800m

OBL presently holds formal legal rights to 50% (upon funding 100% of well – gross cost of \$1.5 m)



Selene-1 Prospect Fault-independent (Drill Ready*).

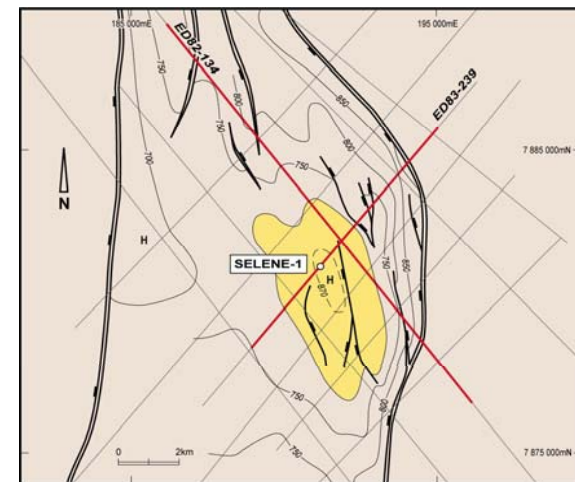
Permit	DR9 (formerly EP366) DR 9 Granted *Pending Aboriginal Heritage Approval
Operator	Backreef Oil (former Operator SOCDET, technical estimates below)
Proposed TD	2,400m (7,875 ft)
Area	18.0 sq km (4,550 acres)
Max. Gross Pay	100m (328 ft)
Max. Net to Gross	50% ie 50m (164 ft)
Av. Net Pay	20m (65 ft)
Rock Volume	360 x 10 ⁶ cubic metres
Reservoir Anderson Fm	Porosity 15% So 70% FVF 1.2
Gross Oil-In-Place	337 MMbbls
Recoverable Reserves	84 MMbbls (prospective potential recoverable)

Net OBL Share 20% 16.8 MMbbls

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



Base Grant Fm Time Structure Map



Top Betty Fm Time Structure Map



Gippsland Asset – 12.5% Vic/P41.

OBL has strategically procured formal legal Rights (**approved by DA**) to a 12.5% interest in permit, holdings are presently:

Bass Strait Oil Company Ltd (**ASX code BAS**) 45% (Operator)

Moby Oil & Gas Limited (**ASX code MOG**) 30% reducing to 25%

Eagle Bay Resources NL (**ASX code EBR**) 25% reducing to 17.5%

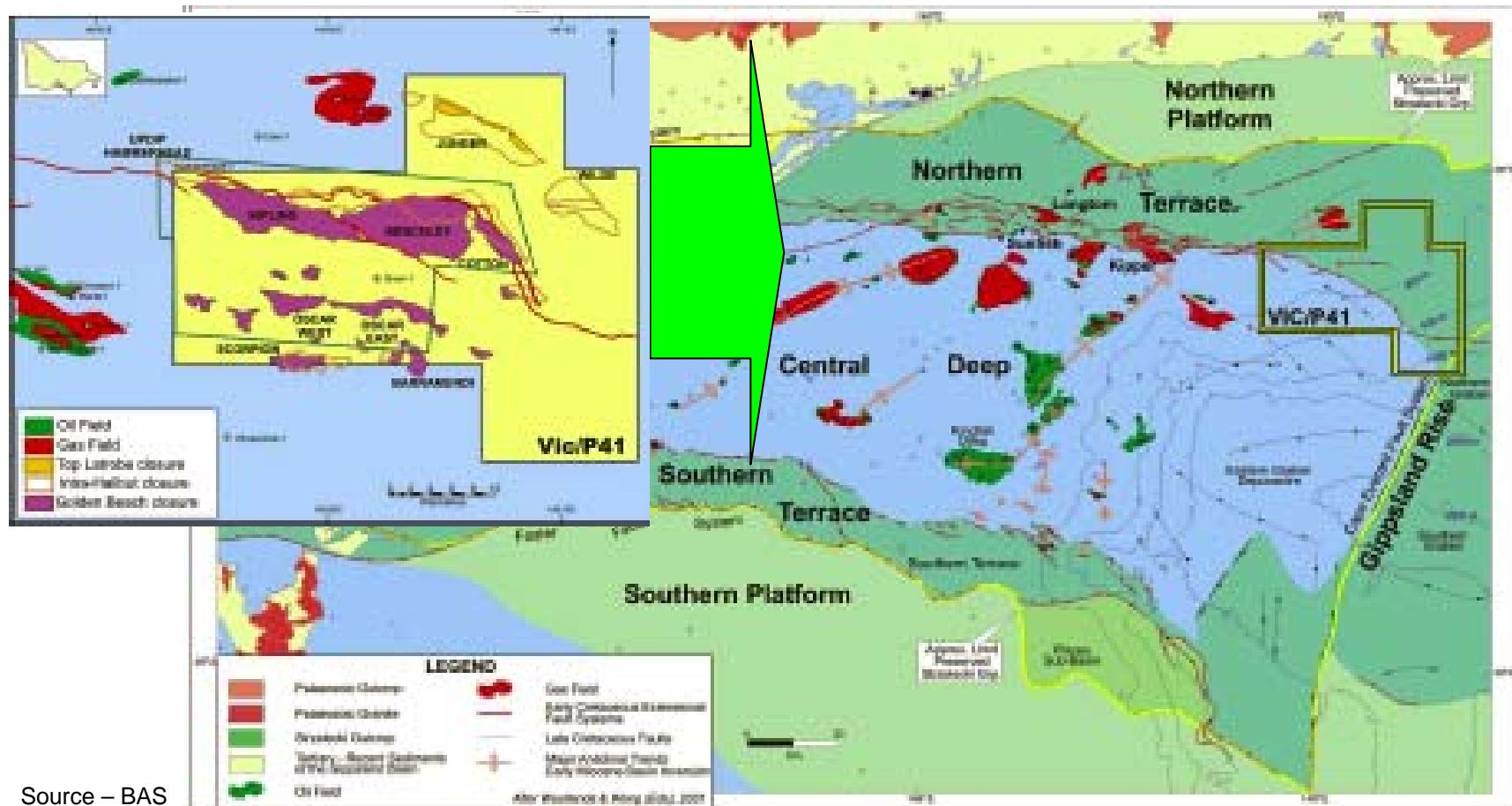
Oil Basins Limited (or nominee) **Potential to increase from 0% to 12.5%**

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

So as to complete the earn-in of its interest, OBL will be required to pay EBR an amount of \$2,437,500 and/or MOG the amount of \$1,650,000 and has until the Commitment Well is actually drilled (ie presently by Permit Year ending 10 September 2010).

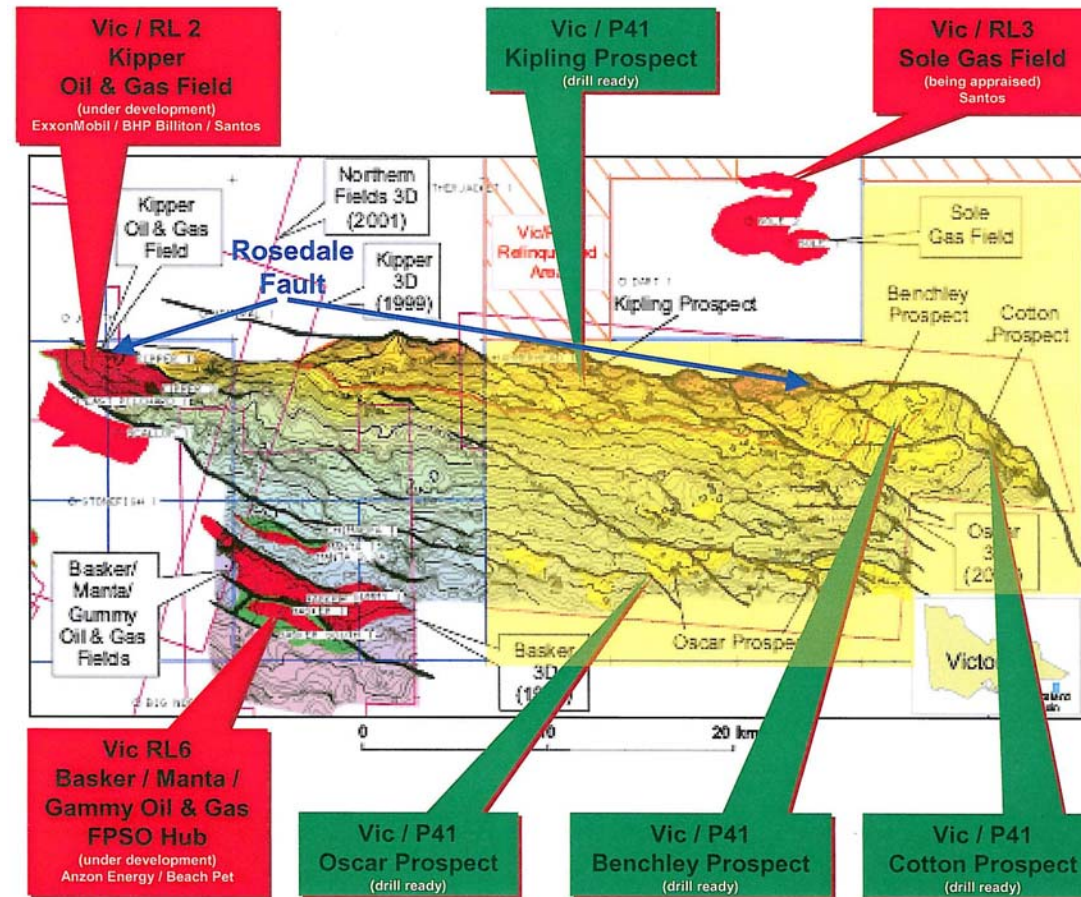


Gippsland Asset – 3D Seismic plus AVO Anomalies



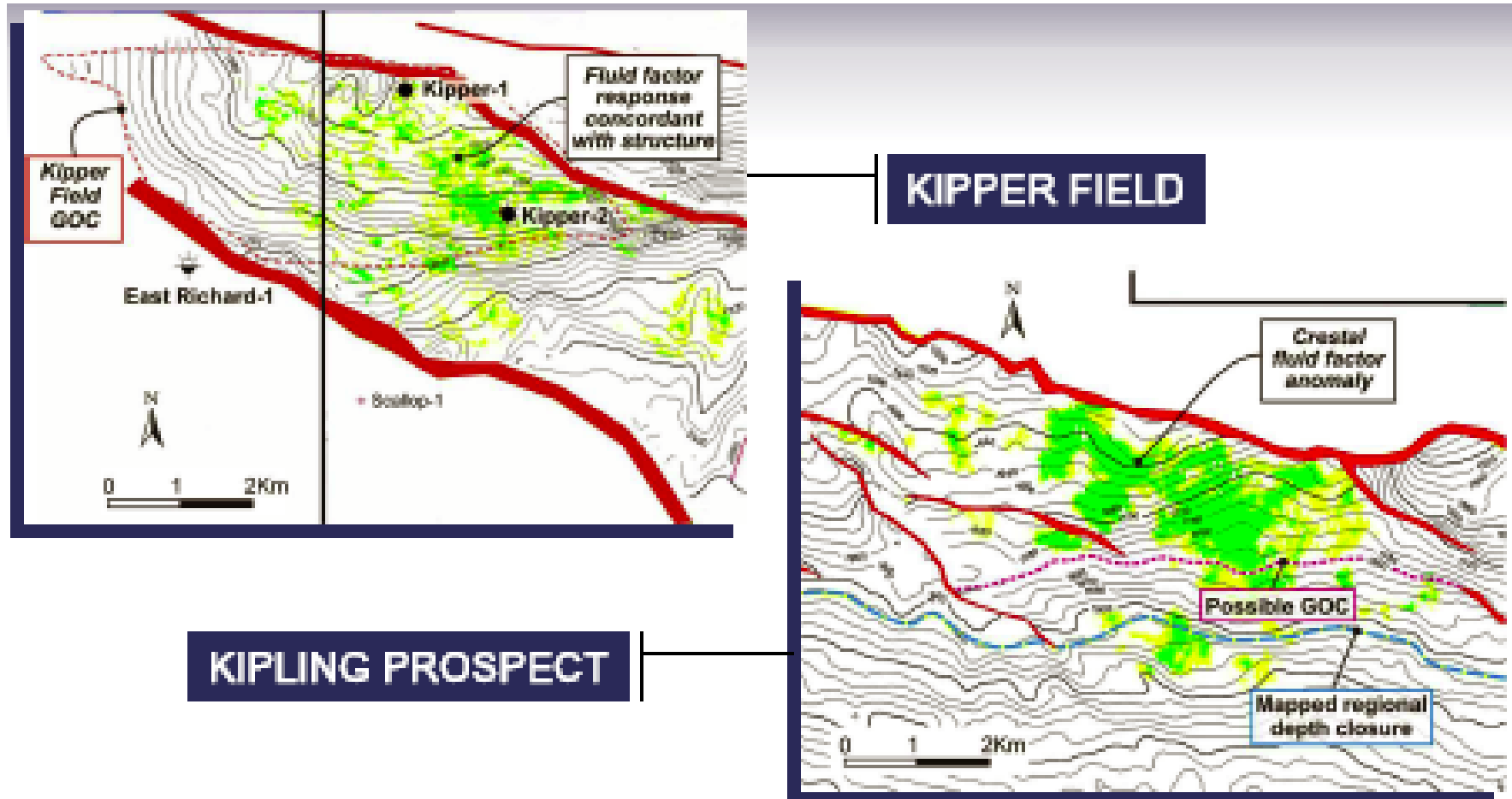
Vic / P41 Gippsland Permit is situated in a Highly Attractive Address
Permit is in Good Standing with 6 Drill Ready Prospects

Gippsland Asset – Strategic Location.



OBL's Gippsland Asset (Rights to 12.5% of Permit Vic / P41) is situated in a very good address in close proximity to major oil & gas accumulations and developments

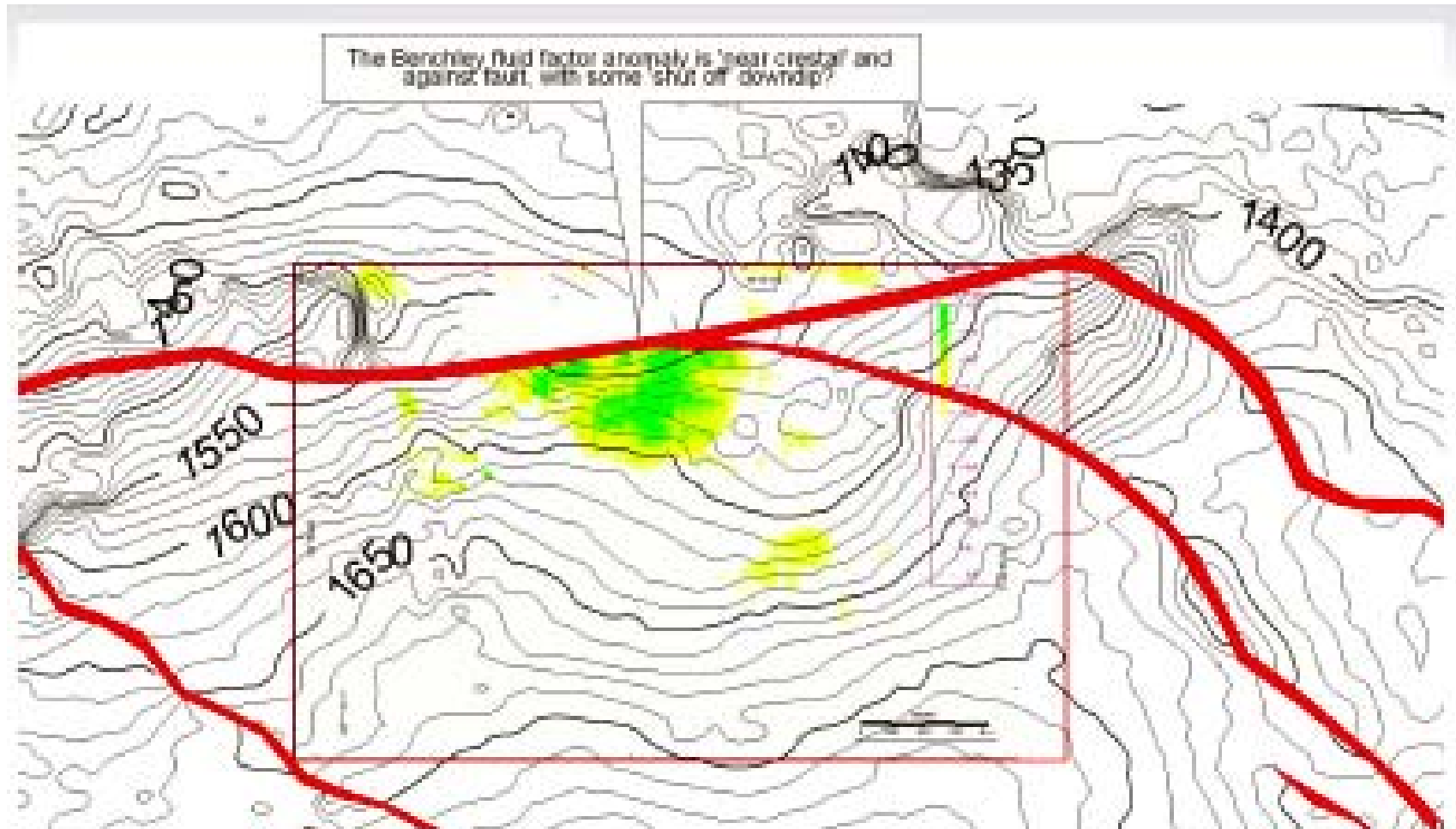
Kipper AVO Comparison with Kipling AVO Response



Source – BAS



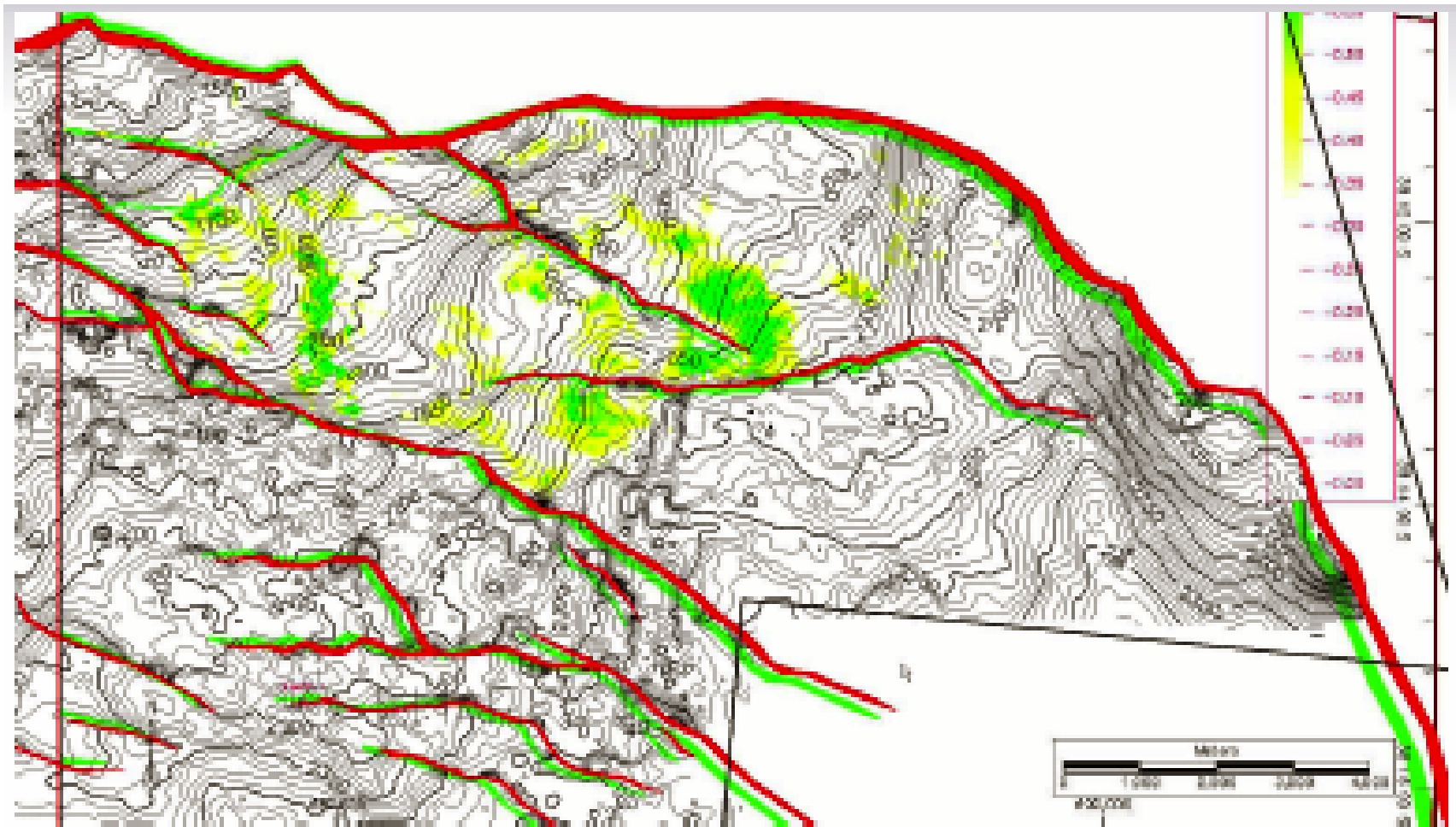
Benchley Near Kate Shale AVO Response.



Source – BAS



Benchley Top Golden Beach SST AVO Response.

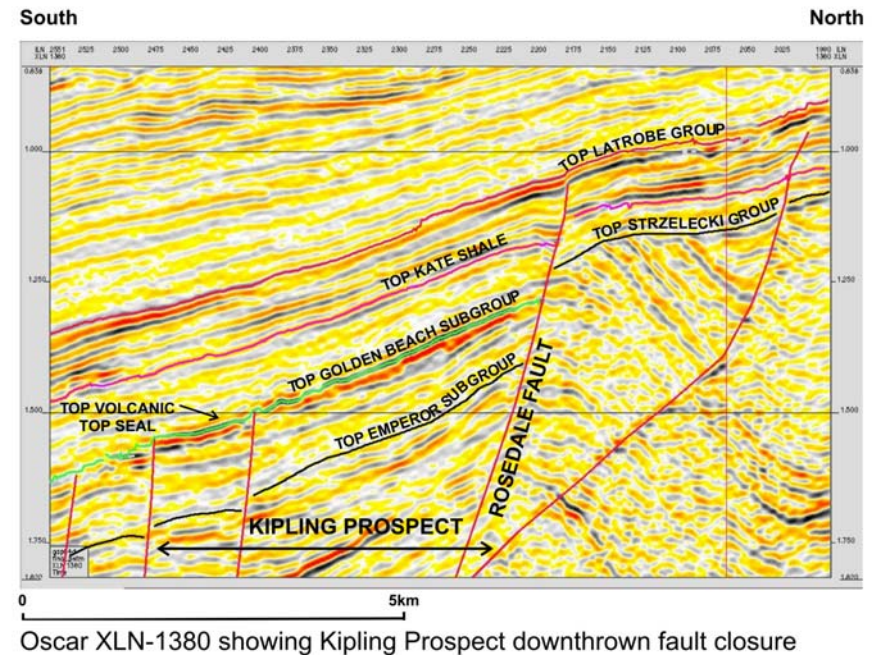


Source – BAS



Gippsland Asset – 12.5% Vic/P41.

- Operator has now effectively turned high risk 2D defined leads into lower risk 3D defined prospects – 6 of which are now drill ready – **Kipling** (a Kipper look-a-like structure), **Benchley** (Golden Beach sst & Halibut sst), **Cotton, Oscar East and Oscar West** (two Basker – Manta look-a-like structures)
- Company now holds rights to a strategic 12.5% stake

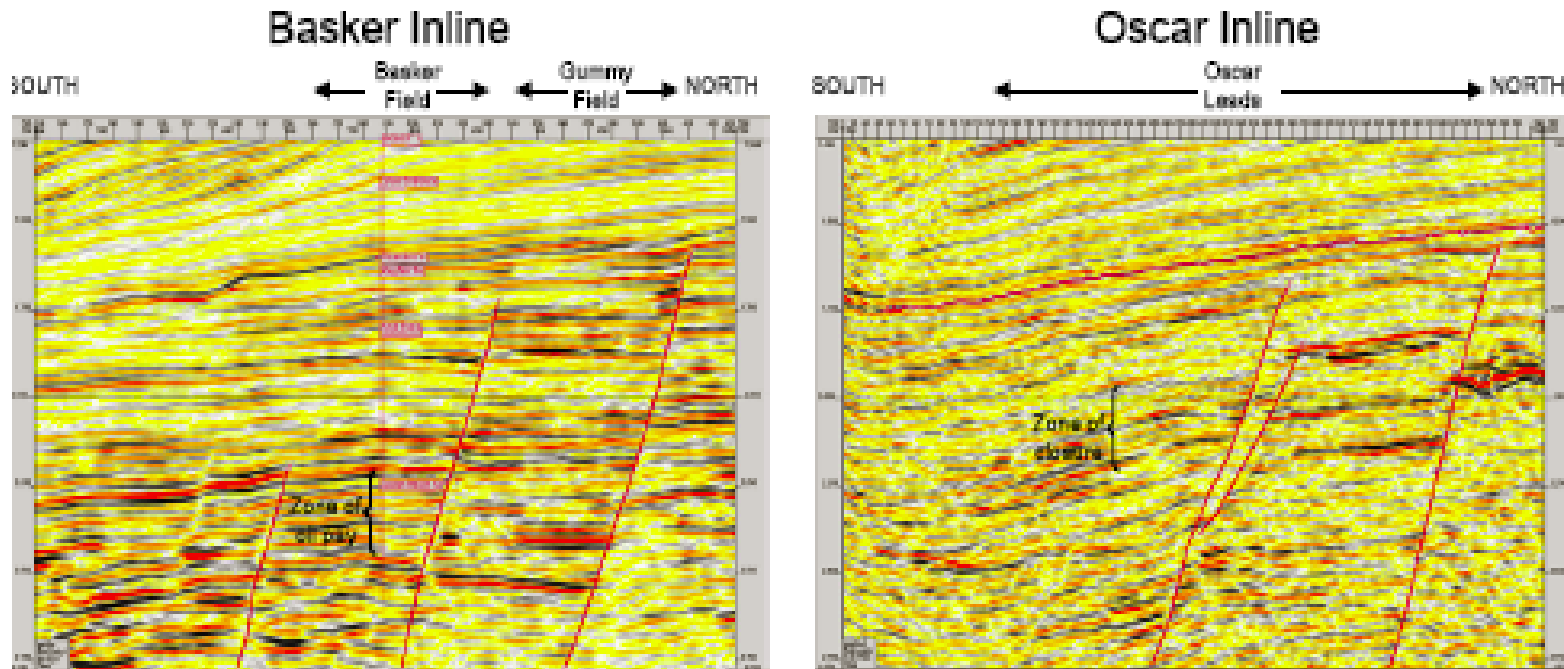


Kipling 3D seismic cross section
Refer to Oil Basins Prospectus

Kipling: is a downthrown fault closure along the Rosedale Fault . Top seal is provided by volcanics equivalent to those drilled in Kipling-1 (high amplitude events on seismic suggest their presence here) Golden Beach reservoirs will be sealed across the fault against tight sediments of the Strzelecki Group.



The Assets – Gippsland Basin.



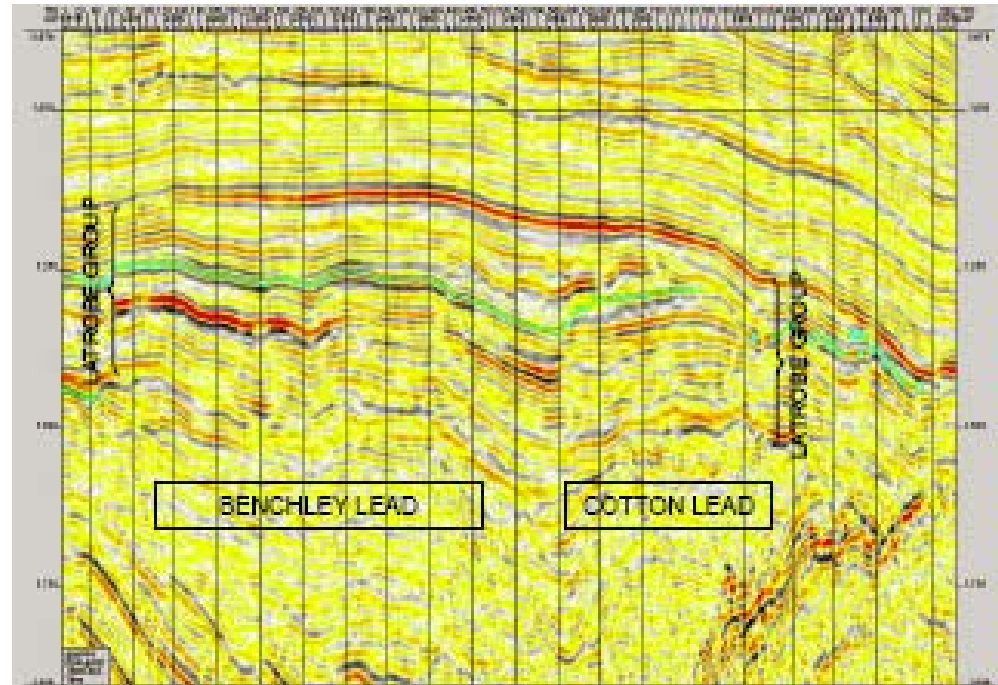
Comparison of ontrend Basker and Oscar 3D Structures

Refer to Oil Basins Prospectus

Oscar Prospects: Although less significant in areal closure than the closures along the Rosedale Fault, The Oscar prospects are considered relatively low risk by analogy with the Basker/Manta accumulations. The significant thickening of the Golden Beach and Halibut subgroups, together with better marine shale sequences and intrusive seal make stacked pay likely.



The Assets – Gippsland Basin.



Benchley and Cotton Closures

Refer to Oil Basins Prospectus

Benchley: is divided into two prospects by a NW striking fault downthrowing west. Closures are seen along the Rosedale Fault at Golden Beach and Kate Shale levels.

Cotton: The Cotton prospects are mapped at Top Kate Shale and Top Golden Beach levels and form downthrown fault closures along the Rosedale Fault, and along parallel faults to the south.



Operator's published Vic/P41 Prospect Summary.

Operator has concluded the following:

3D Defined Drill-Ready Prospect Defined by AVO	Comments / Target Reservoir	POS (AVO defined)		Gross Stochastic Undiscovered Petroleum (In-Place) Mean Static Volume		Stochastic Prospective Resources (Recoverable)					
						P90		P50		P10	
						OIL MMbbls	GAS Bcf	OIL MMbbls	GAS Bcf	OIL MMbbls	GAS Bcf
Kipling	<i>Within Vic/P41 only</i>	Gas 22%		338	946	66	388	124	620	205	944
		Oil 15%									
Benchley	<i>Golden Beach sst</i>	Gas 17%		397	2,046	76	863	145	1,366	245	1,992
		Oil 13%									
Benchley	<i>Halibut Sub-group sst</i>	Gas 24%		88	111	13	58	39	75	74	95
		Oil 16%									
Cotton	<i>Golden Beach sst</i>	Oil / Gas 4%		160	2	38	-	60	1	87	4
Cotton	<i>Halibut Sub-group sst</i>	Oil 16%		31	-	9	-	13	-	19	-
Oscar West	<i>Intra-Latrobe sst</i>	Oil / Gas 25%		72	21	-	-	19	12	41	30
Oscar East	<i>Intra-Latrobe sst</i>	Oil / Gas 19%		75	32	-	-	19	18	42	45
		Totals		1,161	3,158	202	1,309	419	2,092	713	3,110

Source – BAS



Highly attractive permit – 6 Drill-ready 3D / AVO defined Prospects.
Gross P10 Upside is 713 MMbbls Oil & 3.1 Tcf Gas.

VIC/P41 Net Potential Prospective P50 Resources.

OBL's potential share of risked resources is significant:

3D Defined Drill-Ready Prospect Defined by AVO	Comments / Target Reservoir	Probability of Success		Gross Stochastic Prospective Res. (Recoverable)		Net Oil Basins Share Stochastic Prospective Res. (Recoverable)		
				P50		P50		P50
				OIL MMbbls	GAS Bcf	OIL MMbbls	GAS Bcf	Oil & Gas MMBoe6
Kipling	<i>Within Vic/P41 only</i>	Gas	22%	124	620	15.5	77.5	28.4
		Oil	15%					
Benchley	<i>Golden Beach sst</i>	Gas	17%	145	1,366	18.1	170.8	46.6
		Oil	13%					
Benchley	<i>Halibut Sub-Group sst</i>	Gas	24%	39	75	4.9	9.4	6.4
		Oil	16%					
Cotton	<i>Golden Beach sst</i>	Oil / Gas	4%	60	1	7.5	0.1	7.5
Cotton	<i>Halibut Sub-Group sst</i>	Oil	16%	13	-	1.6	-	-
Oscar West	<i>Intra-Latrobe ssts</i>	Oil / Gas	25%	19	12	2.4	1.5	2.6
Oscar East	<i>Intra-Latrobe ssts</i>	Oil / Gas	19%	19	18	2.4	2.3	2.8
		Totals		419	2,092	52.4	261.5	94.3

Gas converted by standard 6,000 cubic ft per barrel of crude oil equivalent



Highly attractive permit – 6 Drill-ready 3D / AVO defined Prospects.
 OBL's – Net P50 Risked Upside is 52.4 MMbbls Oil & 262 BCF Gas or 94.3MMBoe.