# VICTORIA PETROLEUM N.L. A.C.N. 008 942 827

*Incorporated in Western Australia*

AUSTRALIAN STOCK EXCHANGE
VPE000873

## FACSIMILE TRANSMISSION

Australian Stock Exchange Limited
Company Announcements Office
Facsimile number : 1300 300 021

Dear Sirs

Please find attached our announcement numbered VPE...873..................... of

......2........ page(s).

Yours faithfully

E Slinger
for DENIS RAKICH
COMPANY SECRETARY

Att.

*10TH FLOOR, EXCHANGE PLAZA, 2 THE ESPLANADE, PERTH, WESTERN AUSTRALIA 6000*
*TELEPHONE: (08) 9220 9800, FACSIMILE: (08) 9220 9801, EMAIL: admin@vicpet.com.au WEBSITE: www.vicpet.com.au*
*CORRESPONDENCE TO PO BOX Z5441, ST. GEORGES TERRACE, PERTH, WESTERN AUSTRALIA 6831*

*VICTORIA PETROLEUM N.L.* A.C.N. 008 942 827
*Incorporated in Western Australia*

21st November, 2002

The Manager Companies
Australian Stock Exchange (Adelaide) Limited
Level 19,
91 King William Street
Adelaide S.A. 5000

**ATTENTION: MR DAVID WHITE**

Dear Sir,

**RE: EAGLE OIL DEVELOPMENT PROJECT STATUS REPORT, SAN JOAQUIN BASIN, CALIFORNIA, USA**

Victoria Petroleum NL wish to advise that its wholly owned US subsidiary, Kestrel Energy Inc. (KECI) doing business as Victoria Petroleum Inc executed a Settlement Agreement and Mutual Release with Petrogulf Corporation on November 8, 2002 whereby all claims against Petrogulf Corporation by Victoria Petroleum Inc for Petrogulf Corporation's claimed outstanding share of the drilling costs of the Eagle No. 1 well have been withdrawn.

In accordance with the Settlement Agreement and Mutual Release agreement, full settlement of all claims by Victoria Petroleum Inc against Petrogulf Corporation has been achieved by the payment of US$449,230 to Victoria Petroleum Inc by Petrogulf Corporation plus the assignment of all Petrogulf's interest in the Eagle Oil Pool Development Project back to Victoria Petroleum Inc.

With the settlement with Petrogulf Corporation and the reassignment of the Petrogulf Corporation interest back to Victoria Petroleum Inc, forward operations can now resume on the Eagle Oil Pool Development Project in the San Joaquin Basin, California.

Victoria Petroleum Inc as the Operator, along with its joint venture participants is reviewing the drilling engineering options available to evaluate the horizontal well bore and production potential for the Gatchell oil zone which was successfully drilled in the Eagle No. 1 horizontal well but unfortunately not able to be production tested due to downhole mechanical difficulties.

Following a potential 2D seismic survey to further define the updip limit of the Eagle Oil Pool Development stratigraphic trap, currently estimated to contain up to 24 million barrels of oil and 62 billion cubic feet of gas, it is anticipated that drilling operations will recommence in the Eagle Oil Pool Development Project in mid 2003.

*36TH FLOOR, EXCHANGE PLAZA, 2 THE ESPLANADE, PERTH, WESTERN AUSTRALIA, 6000*
*TELEPHONE (+61 8) 9220 9800, FACSIMILE (+61 8) 9220 9801*
*CORRESPONDENCE TO: PO BOX Z5441, ST. GEORGES TCE, PERTH WESTERN AUSTRALIA, 6831*

The current participants in the Eagle Oil Pool Development project going forward are as follows:

| | |
|---|---|
| Victoria Petroleum NL | 49% |
| Lakes Oil NL | 15% |
| First Australian Resources NL | 15% |
| Sun Resources NL | 7.5% |
| American Private Interests | 13.5% |

Victoria Petroleum NL considers the Eagle Oil Pool Development Project to be a significant asset of Victoria Petroleum Inc and to be geologically low risk in nature with the commercial nature of the Eagle Oil Pool Development Project dependent on the oil flow rates that can be obtained from a successful horizontal well drilled in the proven oil horizons in the Gatchell Sandstone Reservoir.

Yours faithfully,

JOHN KOPCHEFF
MANAGING DIRECTOR
VICTORIA PETROLEUM N.L.

***For information on Victoria Petroleum's drilling activities visit our website at www.vicpet.com.au***