VICTORIA PETROLEUM N.L. A.B.N 50 008 942 827
Incorporated in Western Australia

1 February 2006

Announcements
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

DRILLING REPORT FOR EAGLE NORTH-1, SAN JOAQUIN BASIN, CALIFORNIA,USA

Victoria Petroleum NL as operator for the Eagle North-1 well drilling in the Eagle Oil Pool Development Project in the San Joaquin Basin California advises that at 0900 hours on 1 February 2006, Perth Western Standard Time, the current operation is pulling out of the hole to set a new cement plug for a sidetrack operation as the sidetrack that commenced yesterday has drilled back into the original well bore. Following the setting of the new cement plug the well will be sidetracked towards the target at 4,145 metres and total depth of 4,206 metres.

Eagle North-1 is planned to be drilled to a total depth of 4,206 metres in 24 days from the start of drilling on 12 January 2006 to the target Gatchell Sandstone and is 366 metres to the north west of the Mary Bellocchi-1 well which flow tested oil and gas at rates of up to 223 barrels of oil per day and 0.7 million cubic feet per day from the Gatchell Sandstone.

Upon confirmation of the presence of oil in the target Gatchel Sandstone the well will be cased, production tested for five days and then horizontally drilled for a distance of 300 metres and completed for oil production.

In the event of a successful horizontal well completion, flow rates of up to 1000 barrels of oil per day are anticipated.

Background History

Eagle North-1 is an appraisal well on the Eagle Oil Pool which was discovered in 1986 by the Mary Bellocchi-1 well in which Victoria Petroleum NL's was a participant.

The Mary Bellocchi-1 well production rate was considered un-economic at the then prevailing oil price of US $11 per barrel.

In 2001 the Eagle-1 horizontal well reentry of the Mary Bellocchi-1 well was successfully drilled into the Gatchell Sandstone oil reservoir but due to technical difficulties encountered while while completein the well for production was unable to test the 90 metres of horizontally drilled oil pay.

In May 2004 a 14 kilometre seismic strike line was aquired to further define the updip extent of the Eagle Oil Pool and the Eagle North-1 appraisal well drilling location. As a result of this new seismic data, the Eagle North-1 appraisal well will be drilled 400 metres north west of the Mary Bellocchi-1 well that flowed oil in 1986.

The indicated potential recoverable reserves for the Eagle Oil Pool of up to 34 million barrels of oil and 58 million cubic feet of gas make the Eagle Oil Pool an attractive development target.

Victoria Petroleum NL has a 20% interest in the Eagle Oil Pool Development Project and a 20% near free carried interest through the drilling and testing of the Eagle North-1 horizontal well.

Commenting on the drilling at Eagle North-1, Victoria Petroleum NL Managing Director John Kopcheff said;

"Victoria Petroleum is pleased to be appraisal drilling on the Eagle Oil Pool Development Project with the Eagle North-1 well. With the return to drilling new hole shortly, we will soon be back on track drilling towards our target."

"For Victoria and our partners, we see the current round of Eagle drilling as completing "unfinished business" which started nearly 20 years ago in 1986."

"Fortunately, the oil price is higher by a factor of five over late 1986 oil prices."

"With the current price of oil around US$55+ per barrel and the price of gas in Southern California in excess of US$9 per thousand cubic feet, a successful appraisal Eagle well and follow on development drilling will provide significant cash flow for the company."

"With our 20% near free carried interest in the drilling of the Eagle North-1 appraisal well, a successful result will have a significant impact on Victoria Petroleum NL's position as a growing USA and Australian oil and gas producer."

The participants in the Eagle Oil Pool Development Project and Eagle North-1 through their respective US wholly owned subsidiaries are:

Victoria Petroleum NL (Operator)	**20%**
Empyrean Energy PLC	38.5%
First Australian Resources NL	15%
Lakes Oil NL	15%
Sun Resources NL	10%
Private Interests	1.5%

Victoria Petroleum NL's wholly owned subsidiary Victoria Petroleum USA Inc is the operator for the Eagle North-1 well and the Eagle Oil Pool Development Project.

Yours faithfully,

JOHN KOPCHEFF
MANAGING DIRECTOR
VICTORIA PETROLEUM N.L.

Information of this report was completed by the Managing Director of Victoria Petroleum N.L, J T Kopcheff BSc (Hons Eco.Geol), FAIMM, MAAPG, MSPE, MPESA, with 35 years experience in petroleum, geology and geophysics.

For information on Victoria Petroleum N. L. drilling activities visit our website at
www.vicpet.com.au