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

15 February 2006

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

DRILLING REPORT FOR EAGLE NORTH-1 APPRAISAL WELL, EAGLE OIL POOL PROJECT, 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 advises that at 0900 hours on 15 February 2006, Perth Western Standard Time, Eagle North-1 was currently at 4,184 metres depth in new 9 $^7/_8$" sidetrack hole preparing to drill ahead after having intersected the target second Gatchell sandstone at 4,162 metres as per the seismic prognosis.

The target sand was circulated up with an increase in gas to a peak of 42 units over a background of 8 units at 4,167 metres accompanied by an increase in heavier C5 gases decreasing to background at 4,175 metres. No oil flourescence was seen in the samples which is to be expected as a result of the current drilling conditions detailed below.

As the normally pressured Gatchell sand is being drilled with an overbalanced mud wt of 5 pounds per gallon to keep the remainder of the overpressured open bore hole above in good condition, the use of the oil based mud and PDC drill bit that grinds everything up to nothing, any oil shows that may be expected have been supressed.

Wireline logs are required to be run to evaluate the significance of the above gas show and the oil bearing potential of the target Gatchell sand when the well has been drilled to its total depth of 4,220 metres in the next 24-48 hours.

Eagle North-1 is planned to be drilled to a total depth of 4,220 metres in 28 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 366 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 drilling of our interpreted main target sand as seismically predicted we now have to run wire line logs to see if we have any oil in the sand as drilling conditions prevent an acuurate assessment from the drill cuttings."

"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$60+ per barrel and the price of gas in Southern California in excess of US$7 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*