

ASX Release

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Gippsland
Offshore
Petroleum
Limited

Drilling status report: Gippsland Basin

Gippsland Offshore Petroleum has been advised by the operator that the Gilbert-1A formation evaluation is complete.

Analysis of drill cutting, wireline logs and sidewall cores confirms fluorescence and hydrocarbon shows in the Gurnard Formation indicating that hydrocarbons have moved into the Gilbert area. Further analysis of sidewall cores will be undertaken. However, pressure measurements and formation fluid samples recovered from the well indicate that the target formations are water-bearing. It has been concluded that Gilbert-1A has not encountered commercial hydrocarbons.

Forward operations on the Ocean Patriot rig are to proceed to rig release, which is expected late this week.

Whilst the non-commerciality of the Gilbert Prospect at this stage is disappointing for the Gilbert Joint Venture, the objective of proving hydrocarbon migration and accumulation towards the margin has been proven for the Gilbert Block. The JV looks forward to focussing their exploration program - which includes shooting new seismic in the block in 2006 - at identifying traps along this hydrocarbon migration pathway.

Furthermore, strong fluorescence shows were encountered over the Gurnard Formation interval 624 to 636m and elevated gas readings were encountered in several zones through the Gurnard, Latrobe and Strzelecki Formations. Interpretation of the formation at this stage is concluding that the live oils are housed within "tight" sections of the upper Gurnard sandstone reservoir. This is very encouraging for exploration elsewhere in the Gilbert Block which contains the Foster Prospect and the Limb and Harman Leads.

Earlier this week, our onshore Patrobus well reached a total depth of 282m drilling on the flank of a sub-basin identified with the FALCON® airborne gravity gradiometer tool. We have received encouraging results from the drilling of this well as we encountered a marine sandstone at the base of the well with good reservoir properties. The greensands recovered are currently being evaluated but have a reported petrolific odour.

Proving the migration and potential trapping of live, non-biodegraded oils into the Gilbert Prospect and potentially onshore into the Patrobus sub-basin has been key to Gippsland Offshore Petroleum and their principle partner in the Gippsland Basin, Lakes Oil. As well as evaluating the cores and samples taken from the two wells we are moving ahead with our exploration program for the three blocks in our portfolio, Vic-P-47 (Gilbert Block), PEP-155 (Marlo Block) and Vic-P-40 (V).

Participants in the Vic-P-47 Gilbert Block following the drilling of Gilbert-1A are:

Gippsland Offshore Petroleum Ltd (GOP)	51%
Eagle Bay Resources NL (EBR)	10%
Lakes Oil NL (LKO)	26%
Moby Oil and Gas Ltd (MOG)	10%
Stellar Resources Ltd (SRZ)	3%

Participants in the PEP-155 Marlo Block following the drilling of Patrobus-1 are:

Gippsland Offshore Petroleum Ltd (GOP)	51%
Lakes Oil NL (LKO)	46%
Stellar Resources Ltd (SRZ)	3%

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