MOBY

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ACTIVITY UPDATE

MOBY 1 DRILLING – VIC/P47

Moby Oil & Gas Limited (ASX Code : MOG) has been advised by Diamond Offshore (Australia) LLC that the drilling vessel Ocean Patriot is anticipated to be on-site to commence the drilling of Moby 1 in Petroleum Exploration Permit Vic/P47, located in the offshore Gippsland Basin, on or about 28 September 2004.

The Ocean Patriot is presently on location in New Zealand, after which it shall proceed to the Moby 1 well location. Moby 1 is the first planned well in the Australia program for the Ocean Patriot which has been secured by a number of explorationists for their Bass Strait drilling programs.

Co-ordinates for the Moby 1 well location are:

Latitude: 38°01' 44.31" S
Longitude: 148°30' 27.46" E

A map showing the location of Vic/P47 is attached.

Moby is earning a 35% interest in Vic/P47 by meeting the first $3.75 million of the cost of the Moby 1 well on a farmout from Bass Strait Oil Company Ltd.

Participants in Vic/P47, and the Moby 1 well, are:

Bass Strait Oil Company Ltd (Operator)	40%
Moby Oil & Gas Limited (ASX Code: MOG)	35%
Eagle Bay Resources NL (ASX Code: EBR)	25%

Press Release is also attached.

E.G. Albers
Chairman

7 September 2004

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PRESS RELEASE

MOBY 1 TO SPUD LATE SEPTEMBER

Moby Oil & Gas Limited ("Moby") (ASX Code: MOG) today advised that the Moby 1 well, located on the northern platform of the offshore Gippsland Basin, is planned to spud on or about 28 September 2004.

The well will be operated by Bass Strait Oil Company Ltd ("BSOC"), using Diamond Offshore's semi submersible drilling rig, the Ocean Patriot.

Moby has previously advised that, with BSOC, it had secured three additional slots for use later in the program, including one slot reserved for potential use by Lakes Oil NL to enable Lakes to drill the Gilbert Prospect in Vic/P47, if Lakes should so elect.

Moby's Executive Chairman, Mr Geoffrey Albers said today that "the approaching drilling program heralds the beginning of a concentrated program of drilling activity in the offshore Gippsland Basin, an intensity not seen for more than 20 years".

Mr Albers went on to say that "there will be three, and possibly even four offshore drilling rigs working offshore from Victoria over the next few months. The Ocean Bounty will be drilling on the Patricia Baleen Gas Field for Santos and OMV, at the same time as the Moby/BSOC/Eagle Bay consortium use the Ocean Patriot to drill the Moby Prospect some 10 kilometres to the east. Ensco 102 is presently drilling the Yolla development wells and is scheduled to be used by Esso/BHP Billiton on the northern platform of Gippsland Basin where it will follow up prospects defined by their significant 3D seismic survey. Santos may use a deep-water rig to drill in the offshore Otway".

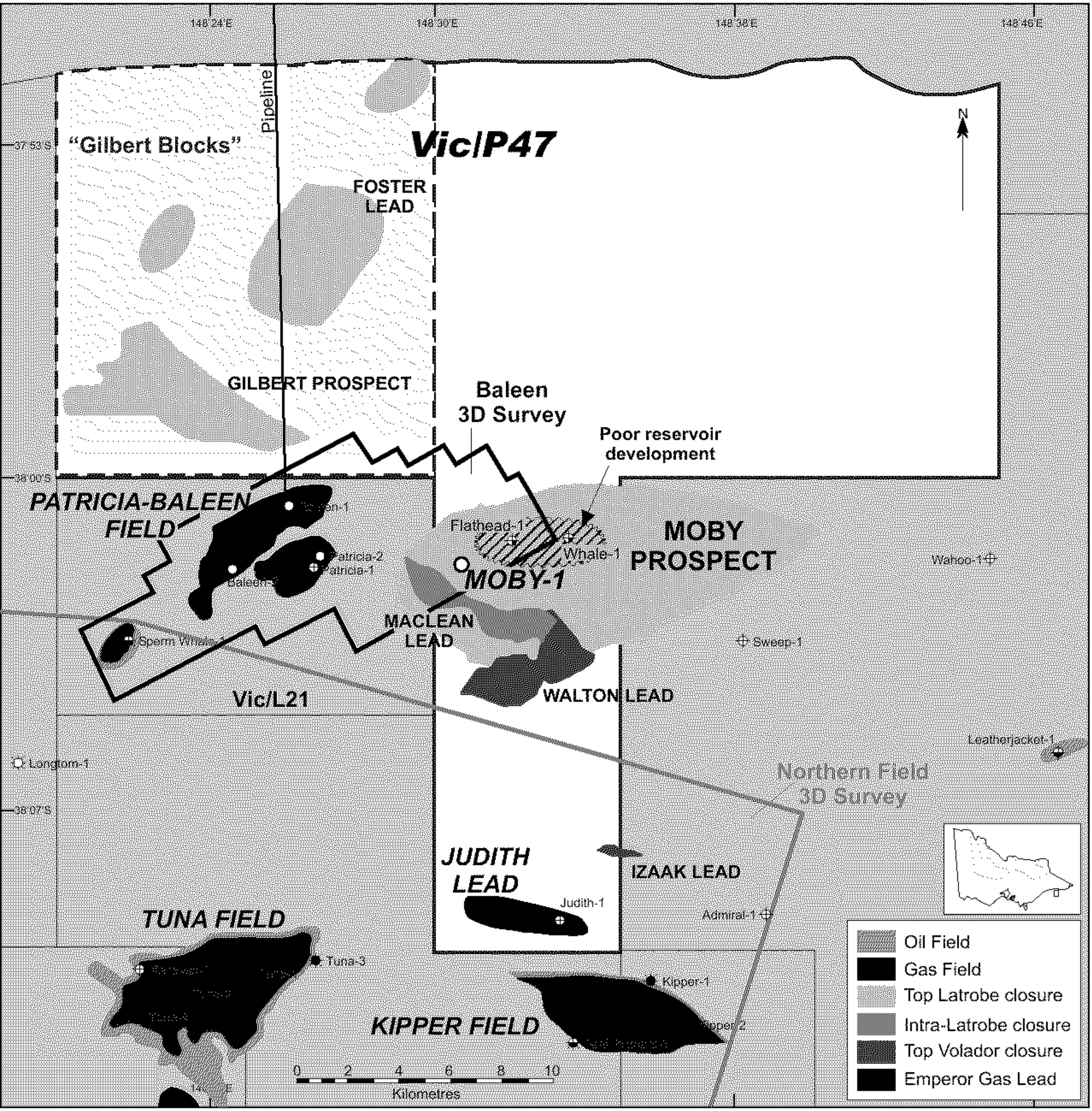
Mr Albers went on to say that "the securing of additional slots by Moby and BSOC for possible later use in the Ocean Patriot's eastern Australian program, provides the opportunity for Moby to follow up any success in Moby 1 in the most cost effective manner".

One of the slots has been reserved for use by Lakes Oil NL who have the right, but not the obligation, to drill the Gilbert Prospect, also located in Vic/P47. It is a feature not related to the Moby Prospect, but is located immediately up-dip to the north of the existing Patricia Baleen Gas Field development.

Moby holds a 35% interest in Vic/P47, as a result of a farmin from BSOC, who will retain 40%. Eagle Bay Resources NL (ASX Code: EBR) holds a residual 25% interest in Vic/P47.

E.G. Albers
Chairman

7 September 2004


148°24'E
148°30'E
148°38'E
148°46'E
37°53'S
38°00'S
38°07'S
"Gilbert Blocks"
Pipeline
Vic/P47
N
FOSTER LEAD
GILBERT PROSPECT
Baleen 3D Survey
Poor reservoir development
PATRICIA-BALEEN FIELD
Patricia-2
Patricia-1
Baleen-3
Flathead-1
Whale-1
MOBY-1
MOBY PROSPECT
Wahoo-1
MACLEAN LEAD
Sweep-1
Sperm Whale-1
Vic/L21
WALTON LEAD
Leatherjacket-1
Longtom-1
Northern Field 3D Survey
JUDITH LEAD
IZAAK LEAD
Judith-1
Admiral-1
TUNA FIELD
Tuna-3
Kipper-1
KIPPER FIELD
0 2 4 6 8 10
Kilometres
Oil Field
Gas Field
Top Latrobe closure
Intra-Latrobe closure
Top Volador closure
Emperor Gas Lead