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Emily-1 Exploration Well in PEL-182

Farm-in Option Announcement

The Directors of White Sands Petroleum Limited (WSP) advise that today they have exercised the option to participate in 10% of Emily-1 an exploration well in PEL-182 for a cost of approximately \$400,000.

Mr Don Schofield, Managing Director of White Sands Petroleum said, "Emily-1 is a promising target in the Cooper Basin, which is located 6.5km updip from the successful Tarragon-1 well drilled by Santos in 1998. Our participation will also provide valuable knowledge of the conditions in the permit area, which will assist in the design and planning of the upcoming five well program using WSP's drilling rig and should enhance the cost benefit outcome of that significant program."

Operator of the permit, Eagle Bay Resources (EBR) reported that the target has P-50 recoverable reserves in excess of 10 million barrels of oil and that a discovery at Emily-1 would be immediately developed by carrying out a 3-D seismic survey followed by an aggressive drilling program using White Sands' EDM drilling rig.

Mr. Schofield added "the company's principal focus is in the commissioning of the EDM Rig-1, which is progressing in accordance with the budgeted program. WSP is also building upon the company's management and human resources, especially those relating to the operation of the rig. A highly qualified and experienced crew supplied by Supply Oilfield Services of the Philippines will arrive shortly upon completion of visa formalities and will undertake a period of induction on the rig before participating in the mobilization to the first well site at Reid's Dome in the Bowen Basin. The Company is also pleased to have retained the services of Mr. Stephen Fiske as Rig Manager. Mr Fiske has over 35 years international oilfield drilling experience."

RON ANDERSON
Company Secretary