



VICTORIA PETROLEUM N.L. A.B.N 50 008 942 827

Incorporated in Western Australia

29 February 2008
Company Announcements
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Core appraisal well Taringa South-2 spuds in Don Juan Coal Seam Gas Project, Surat Basin Queensland

Victoria Petroleum N.L. (Vicpet) has been advised by the operator Bow Energy Limited (Bow) that the second appraisal well of the Don Juan CSG (Coal Seam Gas) Joint Venture (Vicpet 45%), Taringa South-2 has commenced drilling, following the completion of drilling operations at the Orallo North-2 core hole which reached a total depth of 347 metres. Orallo North -2, located 500 metres northwest of Orallo North-1, has been suspended as a future monitor well. Taringa South-2 core hole is now setting casing at 62m depth prior to coring ahead. Taringa South-1 is located approximately 500 metres east of Taringa South-1, which flowed gas to surface at a rate of 0.37 million cubic feet per day from 141 metres.

Taringa South-2 is a cored well, which will retrieve coal cores for desorption testing to establish gas contents of the Walloon coal seams in the Taringa South area. Taringa South -2 is the second of 6 core wells which will be drilled to establish gas contents for reserves certification. In addition, eight production pilot wells are planned to provide additional information on coal thickness, permeability and flow rates.

Reserve Certification is being undertaken by MHA Petroleum Consultants in Denver (MHA) as advisers and reserves certifiers. MHA has been advising the Joint Venture as to optimal well placement and drilling density to achieve the initial target of 200 PJ of 2P reserves by the end of 2008.

Commenting on the drilling results of the Carnarvon-1 CSG well, Vicpet managing director John Kopcheff said:

"Vicpet is pleased to see start of the Don Juan Project area Joint Venture Phase 1 exploration/appraisal and reserve certification program consists of flow testing the initial three pilot wells, plus a planned 14 well program of coring and additional pilot wells as required to achieve commercial reserve certification over an initial target area of 320 sq km.

The Don Juan CSG Project is located immediately west of Sunshine Gas Ltd's Lacerta CSG Project which touches on the south eastern corner of the Don Juan Project area permit. The Lacerta Project currently has certified methane gas reserves of 469 PJ (2P) to 1097 PJ (3P).

Added to the CSG interests Vicpet has in the adjacent permits to the east in PL 171 and ATP 574P, where up to a further 7 CSG wells are planned to be drilled in 2008, Vicpet is well placed to achieve its aim of making its CSG interests in the Surat Basin of Queensland a "core focus gas area" in addition to its growing exploration and production interests in the "core focus oil area" of the Cooper Basin.

Successful gas reserve certification for the Don Juan CSG Project or any successes in Vicpet's oil exploration drilling program due to commence in April 2008 in its Cooper-Eromanga and Bowen-Surat Basin project areas in Queensland have the potential to add shareholder value over the next 12 months."

The participants in the Don Juan CSG Joint Venture are:

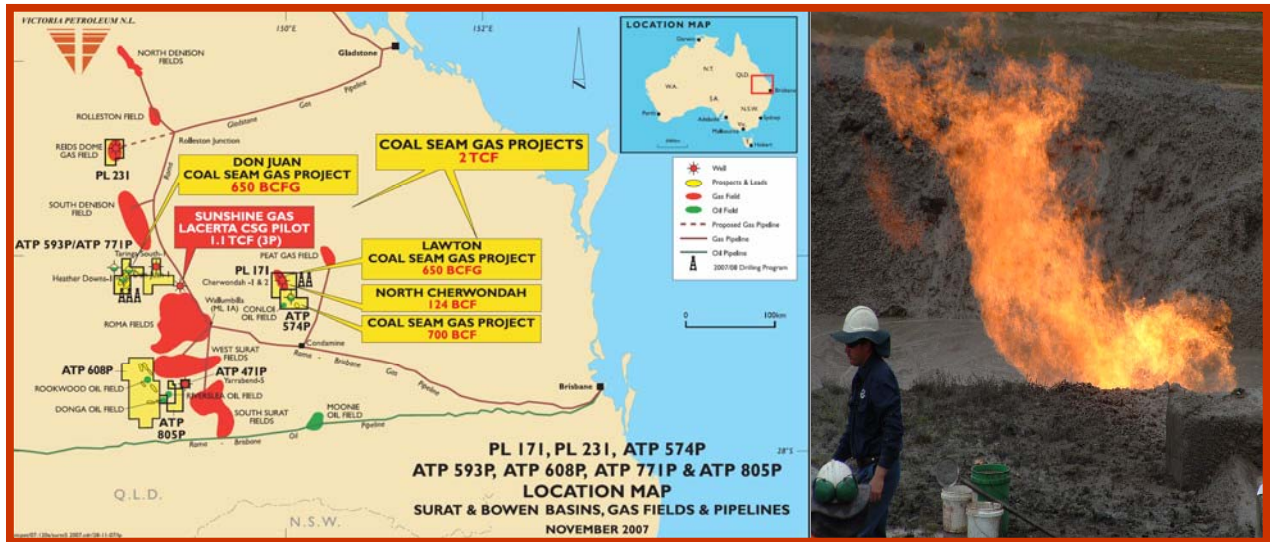
Victoria Petroleum NL	45%
Bow Energy Ltd	45% (Operator)
Private interest	10%



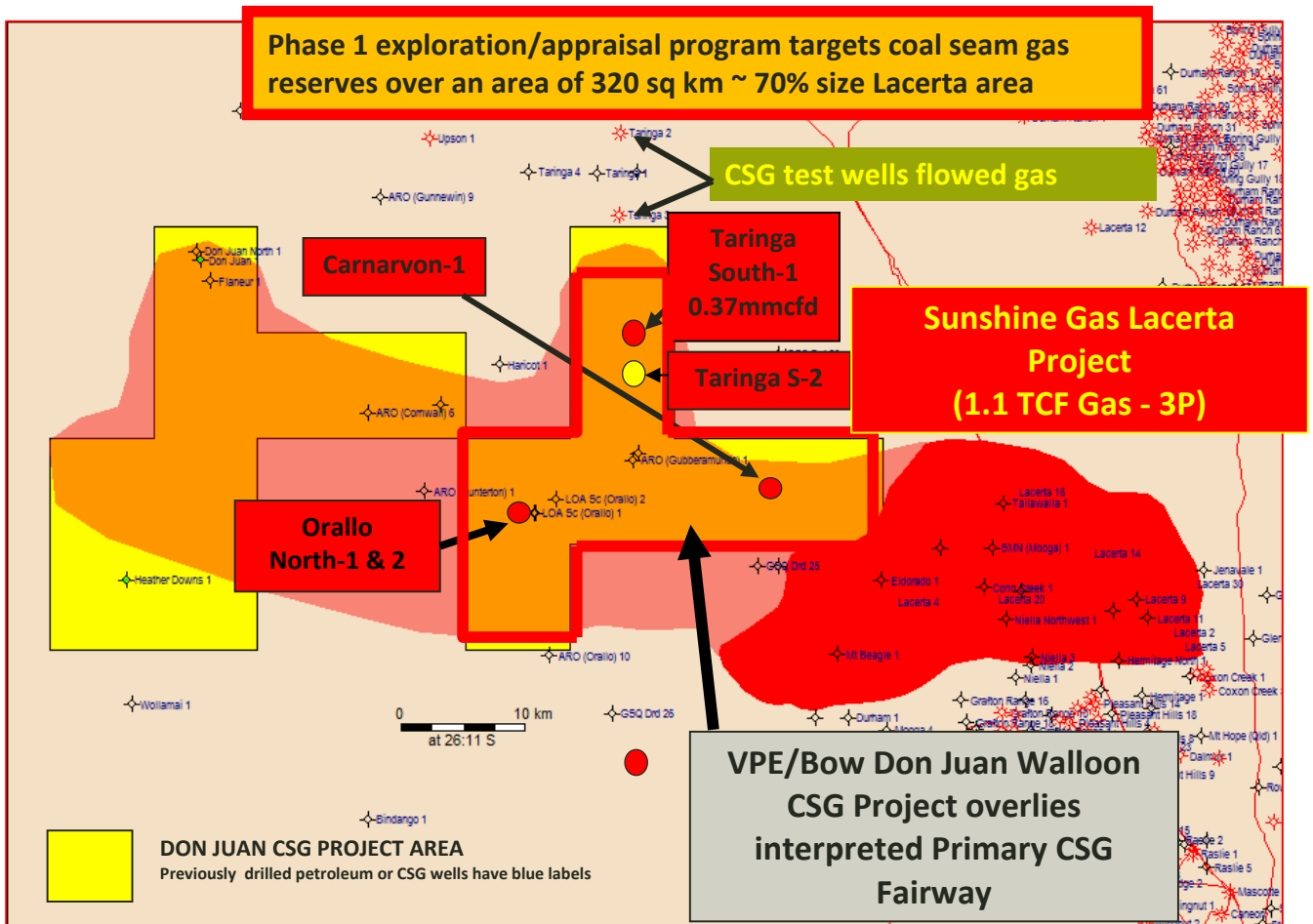
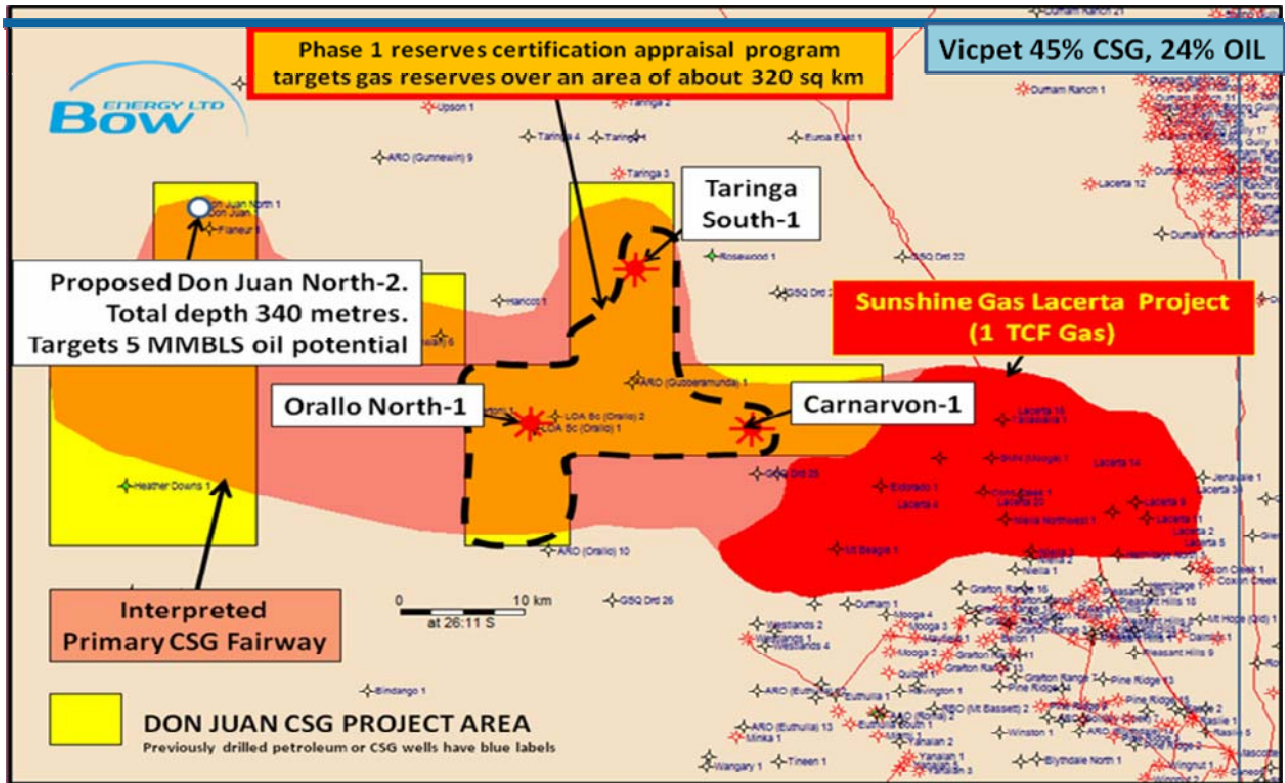
JOHN KOPCHEFF
MANAGING DIRECTOR
VICTORIA PETROLEUM N.L.

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 over 30 years experience in petroleum geology and geophysics.

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



Map showing Victoria Petroleum coal seam gas interests in Surat Basin Queensland with Taringa South-1 gas flare 0.37 million cubic feet per day, Don Juan CSG Project, November 2007



VICTORIA PETROLEUM N.L. DON JUAN CSG PROJECT AREA, SURAT BASIN