

VICTORIA PETROLEUM N.L.

A.B.N 50 008 942 827

Incorporated in Western Australia

8 January 2009
Announcements
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

**DRILLING REPORT FOR WALLOON COAL MEASURES COAL SEAM GAS PROJECT,
ATP 574P, SURAT BASIN, QUEENSLAND**

Victoria Petroleum NL (Vicpet) has been advised by QGC Limited (QGC), a BG Group business and the operator for ATP 574P, that following the completion of the running of drill stem tests over the coals cored in the Walloon Coal Measures and the installation of the completion head at Pinelands-4 as a CSG well, the drilling rig has been released.

A follow on exploration, coring and appraisal drilling program of up to 12 wells is planned over the next 6 months.

The aim of this initial and planned follow drilling over the next six months is to prove up an initial certifiable gross recoverable Coal Seam gas (CSG) reserve for ATP 574P by the end of 2Q 2010. The Walloon coals in the permit are interpreted to have a potential CSG resource in place of up to 1,500 PJ.

ATP 574P is interpreted to be situated in the prime Walloon Coal Seam Gas fairway on the western side of the Surat Basin.

Commenting on the coal seam gas coring operations in ATP 574P, Vicpet managing director, John Kopcheff said:

“Vicpet is pleased that coring operations are underway in ATP 574P to evaluate that permits interpreted resource of up to 450 petajoules (PJ) of gas in place net to Vicpet.

The aim of the current and future drilling program is to establish an initial 2P and 3P coal seam gas reserves base for ATP 574P.

“Added to Vicpet’s CSG interests in PL 171 immediately to the north and the Don Juan Project to the west, Vicpet is confident of significant future value in its Surat Basin CSG holdings with its interest in a gross 2,700 PJ (~2.5 trillion cubic feet) in place CSG resource.”

It is planned that the next CSG well to be drilled in Vicpet’s QGC operated CSG permits will be in the Paradise Downs CSG Project in PL 171, immediately adjacent and to the north of ATP 574P.

Victoria Petroleum N.L. holds a 30% interest in ATP 574P and 20% interest in PL 171.

Vicpet's current certified CSG reserves and Gas in Place (GIP) potential across its Surat Basin Walloon Coal Measures interests are as follows:

CSG Project	2P Certified Reserves (PJ Net to VPE)	3P Certified Reserves (PJ Net to VPE)	Estimated Gas In Place Potential (PJ Net to VPE)
ATP 574P	-	-	450
PL 171	-	-	200
Don Juan	45	89	119
Total PJ's	45	89	769




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 38 years experience in petroleum geology and geophysics.

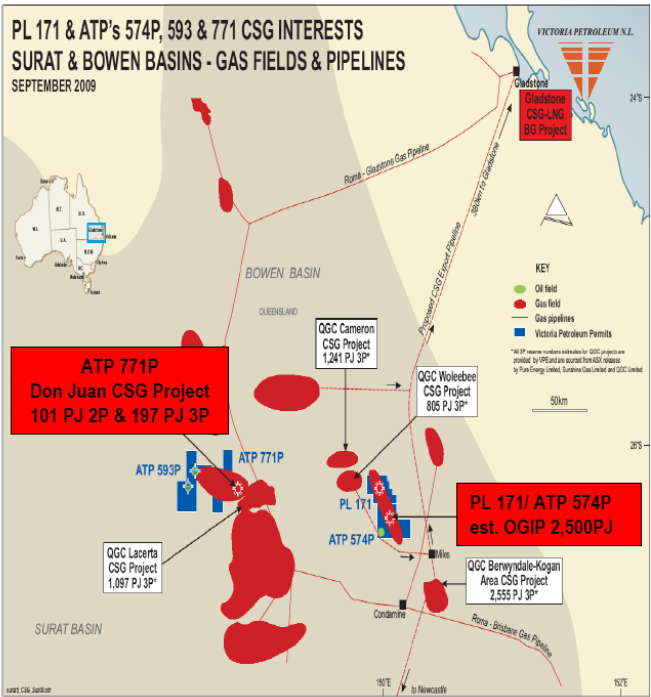
For information on Victoria Petroleum N. L. drilling activities visit our website at www.vicpet.com.au

Competent Person Statement - The estimates of gas reserves and resources for the Don Juan CSG Field have been prepared by MHA Petroleum Consultants, LLC (MHA) in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers. The reserve statement has been compiled by Mr Timothy L Hower Chairman of MHA, together with personnel under his supervision. Mr Hower, who has over 28 years industry experience, and MHA have consented to the inclusion of the technical information contained in this announcement.



Coal Seam Gas Projects, Surat Basin Net 540+ PJ Potential

**PL 171 & ATP's 574P, 593 & 771 CSG INTERESTS
SURAT & BOWEN BASINS - GAS FIELDS & PIPELINES**
SEPTEMBER 2009



**ATP 771P
Don Juan CSG Project
101 PJ 2P & 197 PJ 3P**

**PL 171 / ATP 574P
est. OGIP 2,500PJ**

**QGC Cameron
CSG Project
1,241 PJ 3P***

**QGC Woleebee
CSG Project
805 PJ 3P***


**QGC Lacerta
CSG Project
1,097 PJ 3P***

**QGC Bennydale-Kogan
Area CSG Project
2,555 PJ 3P***

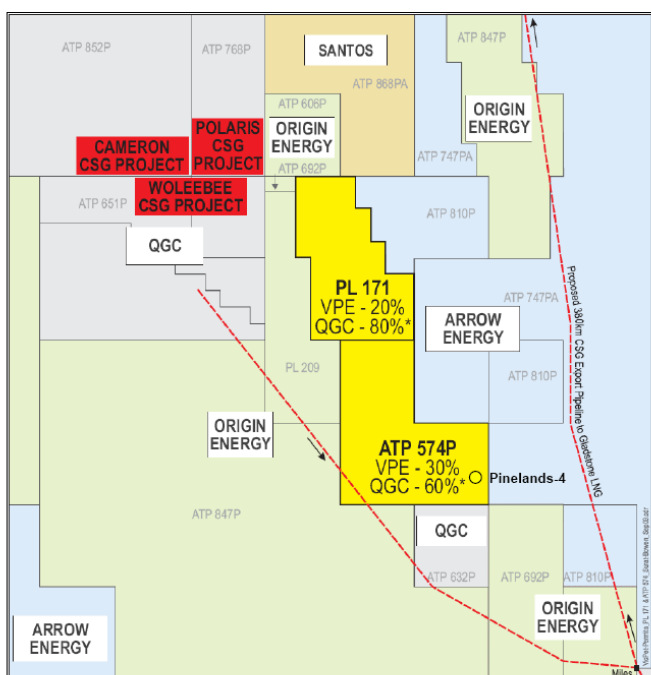
- PL 171/ ATP 574 Carla/Lawton/Peebs QGC operator. VPE 25%
Gross OGIP 2,500 PJ.
VPE est. Net 450 PJ 3P/3C
2P reserve certification drilling program for 1H 2010
- Positioned in “CSG-LNG pipeline corridor” centred on Gladstone
- ATP 771P – BOW operator.
VPE 45%. Gross OGIP 265 PJ
2P reserves tripled over past year to :
Gross ~ 101PJ - 2P & 197PJ - 3P
VPE Net 45PJ- 2P & 89PJ- 3P

**VPE est. Total Net:
45 PJ - 2P & 540 PJ - 3P/3C**

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*All 3P reserve numbers estimates for QGC projects are provided by VPE and are sourced from ASX releases by Pure Energy Limited, Sunshine Gas Limited and QGC Limited.



Prime CSG acreage – PL 171/ATP 574P



ATP 852P **ATP 768P** **SANTOS** **ATP 847P**

ATP 606P **ATP 968PA** **ORIGIN ENERGY**

ORIGIN ENERGY **ATP 747PA**

CAMERON CSG PROJECT **POLARIS CSG PROJECT** **WOLEEBEE CSG PROJECT** **QGC**

ATP 651P **ATP 810P**

**PL 171
VPE - 20%
QGC - 80%***

ORIGIN ENERGY **ARROW ENERGY**

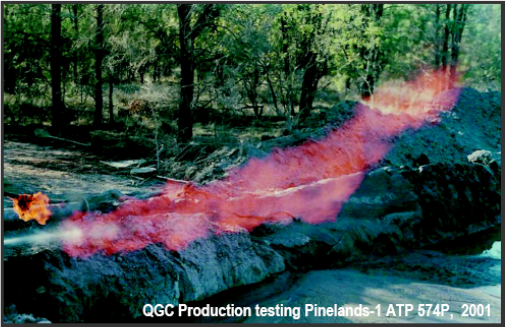
**ATP 574P
VPE - 30%
QGC - 60%*** **Pinelands-4**

ORIGIN ENERGY **QGC**

ARROW ENERGY **ORIGIN ENERGY**

ATP 847P **ATP 632P** **ATP 692P** **ATP 810P**

- PL 171/ATP 574P CSG Project in “quality” Surat Basin CSG - LNG fairway
- Surrounded by Origin, Santos, Arrow & BG Group permits
- Major development drilling program in 1H 2010 to certify initial 2P reserves
- Gas flared at surface
- Gross potential resource OGIP 2,500PJ
VPE est. Net 450PJ 3P/3C



QGC Production testing Pinelands-1 ATP 574P, 2001