

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

Incorporated in Western Australia

7 January 2008

Company Announcements
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

**EI Fatso Gas Exploration Prospect drilling report, Onshore Gulf Coast Texas
& Don Juan Coal Seam Gas drilling program update, Surat Basin, QLD**

Victoria Petroleum N.L. ("Vicpet") (ASX:VPE) has been advised by the Operator, Texas Standard Oil & Gas Operating Company, that the Schoenfield #1 exploration well has been drilled to a total measured depth of 13,371 feet. Wire line logs have been run and indicate that although elevated gas readings were obtained while drilling through the target horizons, sufficient sand reservoir has not been developed to indicate commercial gas production. The Schoenfield #1 well is in the process of being plugged and abandoned.

Commenting on the drilling results of the Schoenfield #1 well, Vicpet managing director John Kopcheff said:

"While the well was drilled as planned without any hole problems, the absence of a commercial gas sand reservoir is disappointing. Vicpet will now focus its exploration and development opportunities in the USA on the Margarita Gas Exploration Project in the Gulf Coast and further development drilling in the West Florence Oil Development Project in Colorado where we expect to start drilling our next well shortly".

"Within the Australian area of operations, Vicpet plans this week to resume drilling of the third well in the Don Juan Coal Seam Gas Project in the Surat Basin. This will be the first CSG well for Vicpet in 2008 out of the programmed 16 well Surat Basin coal seam gas drilling program."

JOHN KOPCHEFF
MANAGING DIRECTOR
VICTORIA PETROLEUM N.L.

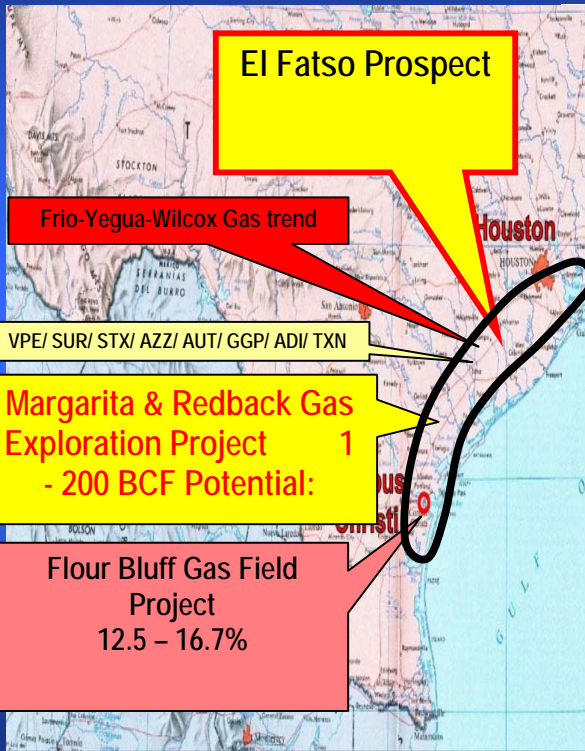
This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Vicpet that its expectations, estimates and forecast outcomes will be achieved.

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**

VICPET USA PROJECTS

Gulf Coast Texas



MARGARITA & REDBACK GAS EXPLORATION PROJECTS

- Frio-Yegua-Wilcox 1-200 BCF targets
- using 3D seismic - 25 prospects
- VPE 20 - 37.5% WI
- 50% commercial success in 6 well Frio Margarita program in 2007 with 3 gas producers connected to sales line ~ gross 1 million cubic feet per day

FLOUR BLUFF GAS FIELD DEVELOPMENT

- Average production of 3 million cubic feet per day
- VPE 12.5 - 16.7% WI