



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

Incorporated in Western Australia

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

Paradise Downs-2 Drilling Report, Paradise Downs Coal Seam Gas Project, PL 171 Surat Basin, Queensland

Victoria Petroleum N.L. ("Vicpet") has been advised by Roma Petroleum N.L. ("Roma") the operator for PL 171 and the Paradise Downs CSG (Coal Seam Gas) Joint Venture, that following the completion of coring operations at Paradise Downs-1, the drilling rig has been moved to the Paradise Downs-2 drill site approximately approximately 1 ½ kilometres to the south. The current operation at Paradise Downs-2 is coring ahead at 168 metres to the planned total depth of 400 metres.

Paradise Downs-2 is the second appraisal well to be drilled in 2008 in the Paradise Downs CSG Project. The well is located approximately 8 kilometres south of the town of Wandoan and 6 kilometres north of Lawton -1, a well in the Lawton CSG Joint Venture project which flowed gas to surface on test from the Walloon Coal Measures when drilled by Queensland Gas Company Limited ("QGC") in 2001.

Paradise Downs-2 will be a cored well, which will retrieve coal cores for desorption testing to establish gas contents of the Walloon Coal Measures which underlie the northern area of PL 171. Paradise Downs-2 is the second of 2 core wells which will be drilled to establish gas contents for a program of subsequent drilling and reserves estimation.

Commenting on the start of coring operations at Paradise Downs-2 CSG well, Vicpet managing director John Kopcheff said:

"Vicpet is pleased to be participating in the Paradise Coal Seam Gas Joint Venture Phase 1 appraisal drilling program, a follow up to the 3 CSG wells drilled in 2001 in the central part of PL 171 in the Lawton CSG Project appraisal drilling program by Queensland Gas Company Limited.

The planned timing for the commercialisation of the Paradise Downs and Lawton Coal Seam Gas projects coincides with the projected increase in demand for LNG feedstock and resultant upward pressure on prices for natural gas on the Eastern seaboard.

Added to the CSG interests Vicpet has in the adjacent QGC operated permit to the south, ATP 574P and the Bow Energy Limited operated Don Juan CSG Project in ATP 771P to the west, Vicpet is well placed to achieve its aim of making its CSG interests in the Surat Basin of Queensland a strategic "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 and subsequent gas sales from Vicpet's CSG interests in the Surat Basin, Queensland where up to a further 22 CSG wells are planned to be drilled in 2008, or any successes in Vicpet's oil exploration drilling program due to commence in late March/early April 2008 in its Cooper-Eromanga permit in Queensland have the potential to add shareholder value over the next 12 months."

The participants in the Paradise Downs and Lawton CSG projects and PL171 are:

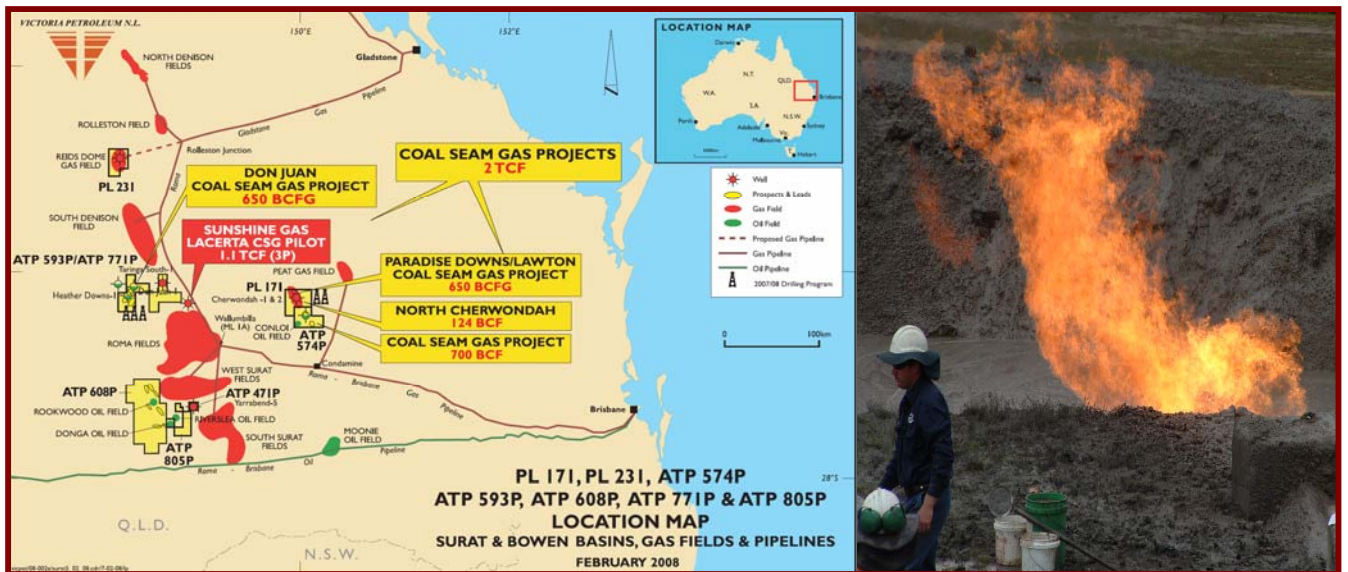
Victoria Petroleum NL **20%**
 Roma Petroleum N.L. **80% (Operator)**



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