14 December 2009

Announcements
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

WEEKLY DRILLING REPORT FOR AIRACOBRA-1, PEL 115, SOUTH AUSTRALIAN COOPER BASIN

Victoria Petroleum N.L. (Vicpet) as operator for the Airacobra-1 exploration well advises that at 0600 hours today the operation was completing the setting of 9 5/8 inch casing at 750 metres.

Airacobra-1 is being drilled as an exploration well to test the oil bearing potential of the Jurassic and Permian formations in the 3D seismically defined Airacobra Prospect. Airacobra-1 commenced drilling on 11 December 2009 and is planned to be drilled to a total depth of 2,340 metres in 22 days.

The Airacobra Prospect has the potential to contain up to 1.3 million barrels of oil in the Jurassic Namur sandstone, if oil is present. Encouragement for the presence of oil in Airacobra-1 is provided by the Airacobra Prospect being immediately adjacent to the producing Santos operated Narcoonowie Oil field, 2 kilometres to the southeast and the oil shows seen in the down dip well Pelketa-1, 4 kilometres to the north west.

The proximity of the Airacobra Prospect immediately adjacent to the producing Santos operated Narcoonowie Oil Field is considered encouraging for the possibility of exploration success at Airacobra-1.

The participants in the drilling of Airacobra-1 and their respective interests during the drilling of the Airacobra-1 farmin well and in PEL 115 following the completion of drilling will be as follows;

Victoria Petroleum N.L. (Operator) 33%
Monitor Energy Limited 42%
Lion Petroleum Pty Ltd. 25%

The farmin by Monitor and Lion into PEL 115 provides Vicpet with a no cost 33% interest through the drilling and casing of Airacobra-1.

The farmin is subject to the approval of the regulatory authorities.
Information in 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
Airacobra Prospect and Fury Oil Field 3D seismic defined locations near to producing Vicpet Mirage & Santos Narcoonowie Jurassic oil fields & Toolachee Permian Gas Field, Southern PEL 115, Cooper Basin

Airacobra Prospect defined by 3D seismic, approx 2km north of Santos Narcoonowie Oil Field