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VICTORIA PETROLEUM ANNOUNCES MAIDEN PROFIT AND RECORD PRODUCTION

Victoria Petroleum N.L. today announced a maiden profit of \$2.6 million and record Group revenue of \$13.2 million despite a one in 20 year flood event in the Cooper Basin that shut in the Company's oil production activities in January 2010.

Key Result	30 June 2010	30 June 2009	Improvement
Oil Production (Net)	142,579 barrels	124,187 barrels	+ 15%
Group Revenue	\$13.2 million	\$11.6 million	+ 14%
Net Profit / (Loss) After Tax	\$2.6 million	(\$8.6 million)	+ \$11.2 million
Basic Earnings / (Loss) Per Share	1.09 cents	(2.48 cents)	+ 3.57 cents

Victoria Petroleum Managing Director Mr Ian Davies and Chairman Mr Denis Patten said they were very pleased with the Company's turnaround during the 2010 financial year and looked forward to rapid growth in coming years.

Mr Davies said while flooding in the Cooper Basin severely impacted revenues in the 2010 calendar year, the Company's underlying value proposition was extremely strong.

"Booking our maiden profit and achieving record production in the face of such bleak circumstances in 2009-2010 demonstrates that Victoria Petroleum is a solid investment with real upside.

"Oil production is expected to resume in the Cooper Basin in early 2011, delivering a strong and expanding revenue stream to the business that will underpin further expansion in our Cooper Basin oil business and an escalation of our coal seam gas activities in Queensland's Surat Basin", he said.

Mr Patten said recent changes to the Company's management team, base of operations and geographic focus were expected to deliver improved results in coming years.

"The Board is confident that the injection of fresh leadership into the Company and the relocation of its head office to Brisbane to focus on its valuable east coast assets will facilitate the rapid growth and realisation of inherent value that shareholders expect the Company to deliver", he said.

The annual financial report for the Company was lodged with the Australian Securities Exchange today.

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