16 December 2010

VICTORIA PETROLEUM ACQUIRES INTERESTS IN HIGHLY PROSPECTIVE WESTERN MARGIN COOPER BASIN OIL PERMITS PEL 88 AND PEL100

Victoria Petroleum is pleased to advise that it has executed a Sale and Purchase Agreement with Traditional Oil Pty Limited (**Traditional**) to acquire all of Traditional's 50 % working interest in PEL 88 and 5% interest in PEL 100, South Australia. Traditional is a wholly owned subsidiary of Bandanna Energy Limited.

The total consideration for the purchase is A$500,000 to be paid by the issue of Victoria Petroleum shares. The Sale and Purchase Agreement is subject to approval by the Department of Primary Industry and Resources South Australia and joint venture party consent.

Following completion of the acquisition of the PEL 88 and PEL 100 permit interests, Victoria Petroleum will hold a 100% working interest in PEL 88 and a 5% working interest in PEL 100.

Commenting on the acquisition, Victoria Petroleum Managing Director, Mr Ian Davies said: "This acquisition further strengthens the Company's position in the highly prospective Western Margin Oil Trend in the Cooper Basin."

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Victoria Petroleum Oil Permits