



*ASX Announcement*

17<sup>th</sup> May 2010

The Manager  
Company Announcements Office  
ASX Ltd  
4th Floor, 20 Bridge Street  
SYDNEY, NSW 2000

Dear Sir,

### **UPDATE TO MARKET ON FAUSSE POINT PROJECT**

#### **Key Points:**

- ✓ **Fausse Point (FP) #1 Well:**
  - **land access secured**
  - **production to commence in June**
- ✓ **Planning underway for Fausse Point #2 Well**

Verus Investments Ltd (“Verus”) is pleased to provide an update on its Fausse Point (FP) project in Louisiana, USA, and other activities.

#### **Fausse Point**

Fausse Point’s Joint Venture (JV) partner and operator, Golden Gate Petroleum Ltd (GGP), has provided an update on the progress to commercial production of the FP #1 Well.

Following a longer than anticipated process of negotiation of right of way access, GGP has finalised all pipeline easement agreements and is moving to complete the pipe installation and connection to the gas sales pipeline. As previously advised, the necessary gas handling and processing equipment and pipeline have all been purchased.

Permanent road access has been completed and importantly, as well as providing access to FP #1 Well, the road will allow easy access to the potential location of FP #2 appraisal well location.

A gas sales and pipeline connection agreement has been finalised and the “tie in” point to the production line secured. GGP has indicated that commercial gas production and sales will commence in early June.

“This later-than-anticipated commencement of production will also see the start of the eagerly awaited recommencement of well test interpretation and evaluation, remembering that we have only flow tested this small section of the lowest formation for a total of 72 hours,” Verus Chairman Andrew McIlwain said.

“The JV technical team of geologists and geophysicists has continued the review and reinterpretation of data during this pre-production period, the work performed to date has reinforced our confidence in the potential of FP #1 Well and the entire Fausse Point block.

“We are keen to get in and start testing FP #1 Well as we believe that the previous 10’ of perforations has only just scratched the surface of the potential of the reported 300’ of promising formations.”

With access to more than 350 acres in the region, the JV is also in the process of securing additional seismic data. This complements the seismic and geological data previously utilised and, as well as assisting with the interpretation of FP#1, will facilitate planning of the optimum location of FP #2 Well.

“Once the production potential and reservoir extent of FP #1 is better understood, the JV intends to pursue drilling of FP # 2 – an appraisal well, as soon as possible” Mr McIlwain said.

We expect to be drilling FP # 2 by September/October.”

Verus Energy USA Inc – a wholly owned subsidiary of Verus – has been established and all local activities and cash management and transfers will be administered through this entity.

Yours faithfully

**Andrew McIlwain**  
**Chairman**

**For further information, contact either;**

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