



ASX Announcement

12 January 2010

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

Dear Sir,

- **Fausse Point Well intersects over 300 feet of formation and reaches Target Depth.**
- **Joint Venture secures an additional 80 acres of adjacent land.**

Highlights:

- The #1 Well has now been drilled to its final depth of 8,475 ft.
- Drilling has encountered over 300 feet of quality hydrocarbon bearing formation.
- Mudlogging shows good quality sandstone with hydrocarbon fluorescence and up to 2% oil in drill cuttings and mud.
- Electric line logging has identified hydrocarbon occurrences throughout high permeability and porosity sands.
- An additional 80 acres of adjacent land has been secured.
- Casing of the entire well completed in preparation for an extensive testing campaign.
- 3 exciting zones of interest in #1 Well to be tested.

The Board of Verus Investments Ltd (“Verus”) is delighted to announce that recent drilling of the TGR Land Co. Inc #1 Well at the Fausse Point oil and gas project in Louisiana has intersected the primary targeted deep gas play with very strong oil and gas indications.

Drilling over the last few days penetrated the main target gas sands (identified by seismic) at just over 8,145 ft and continued to the final well depth, encountering over 300 ft of good quality high porosity and permeability formation.

Logging and sidewall coring of the target gas sands has been completed and casing has now been run and cemented to this target depth. The results of the logging and side wall cores will be provided to the market as soon as they are fully interpreted.

The drilling rig will shortly be demobilized and a “workover” rig will be mobilised to undertake production testing. It is anticipated that this rig change over will take 2 weeks and testing a further 2 weeks. The development of a comprehensive and extensive production testing and formation evaluation program is underway to provide the information required to fully evaluate

the discovery. Once testing is complete, the results and all other data will be analysed to fully understand the commercial viability of the discovery. This data will also enable the partners to plan for the field to be completely and efficiently developed to maximise its potential.

Comprehensive analysis to understand these zones of interest is currently underway with any definitive conclusions requiring further review as drilling has occurred adjacent to a salt dome with the presence of salt which can provide mixed results. While the gas shows and oil indicators over the three zones of interest are very encouraging, the commercial significance cannot be determined until a production testing operation is completed.

Land access agreements required for production pipeline laying, and agreements for connection to existing nearby production facilities and distribution network, thereby enabling gas sales, are almost complete. The tie in point to this major trunk line is approximately 1.6 miles away.

Additionally, the Joint Venture partners have completed negotiations to enable exclusive access to approximately 80 acres of additional license area adjacent to the discovery. This compliments the existing 272 acres already within the Joint Operating Agreement.

“This is a fantastic result for Verus” the Chairman Mr Andrew McIlwain commented. “Whilst we always acknowledged that this investment was not a certainty, the confidence we had in the data and the capabilities of the operator Golden Gate Petroleum and its subsidiary company - Kindee Oil & Gas – as well as the drilling contractor, has been returned many fold. We are still to fully understand the commercial viability of the well, however at this stage; this appears to be the best outcome Verus shareholders could have wished for”.

“The approach taken by the operator on this job has been first class. The shallower gas bearing intervals encountered provided some challenges, as previously reported to the market, slowing drilling at the time. At the operator’s recommendation, we brought forward casing of the well which enabled continued safe drilling to the primary target. Our “dry well” cost estimate was reasonable and the casing costs and additional logging were always going to be part of bringing the well into commercial production” Mr McIlwain stated.



Partners in the Fausse Point Project are:

Verus Investments Limited (ASX code: VIL)	50.00% WI
Golden Gate Petroleum Ltd (ASX code: GGP)	20.00% WI
Pass Petroleum L.L.C.	30.00% WI

Yours faithfully

A handwritten signature in black ink, appearing to read "Andrew McIlwain".

Andrew McIlwain
Chairman

For further information, contact either;

Mr. Andrew McIlwain, Mr. Paul Jurman or Mr. Craig Nelmes on (08) 9240 2836

The information in this report has been reviewed and signed off by Mr Greg Lee, (CPEng), a Non-executive Director of Verus with over 28 years respective relevant experience within oil and gas sector. Mr Lee consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

This report may contain forward looking statements that are subject to risk factors associated with oil, gas and resources businesses. It is believed that the expectations and forecasts reflected in these statements are reasonable however they may be affected by numerous variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Please review accordingly.