



VICTORIA PETROLEUM N.L.

ABN 50 008 942 827

Incorporated in Western Australia

REGISTERED OFFICE

VICTORIA PETROLEUM NL
LEVEL 36 EXCHANGE PLAZA

2 THE ESPLANADE
PERTH WA 6000

SHARE REGISTRY

Security Transfer Registrars Pty Ltd

**All Correspondence to: PO BOX 535, APPECROSS
WA 6953**

Tel (08) 9315 2333 Fax (08) 9315 2233
EMAIL: registrar@securitytransfer.com.au

8 January 2010

Dear Option Holder

**YOUR OPTIONS TO ACQUIRE VICTORIA PETROLEUM NL SHARES AT 25 CENTS PER SHARE
EXPIRE ON 31 JANUARY 2010**

We are writing to you as a registered holder of 31 JANUARY 2010 options in VICTORIA PETROLEUM NL to remind you that the options will expire at 5:00pm (WST) on 31 JANUARY 2010.

Your option holding may be exercised in whole or in part by payment of 25 CENTS for each option by no later than

31 JANUARY 2010. If payment is not received by 5:00pm (WST) on 31 JANUARY 2010 the options will lapse and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

- a) Exercise the options on or before 31 JANUARY 2010.
- b) Sell your options. Quotation of the options will cease at the close of trading on 22 JANUARY 2010.
- c) Do nothing (ie, allow your options to expire). If you do not exercise or sell your options they will expire on 31 JANUARY 2010 and your right to subscribe for ordinary shares in VICTORIA PETROLEUM NL at 25 CENTS per share will lapse.

There is no obligation on option holders to exercise their options. However, under paragraph 6.1 of Appendix 6A of the Australian Stock Exchange (**ASX**) Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The market sale price of ordinary shares in VICTORIA PETROLEUM NL on ASX was 32.5 cents on 7 January 2010, being the last trading day in Perth prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- the highest market sale price of ordinary shares on ASX was 35 cents on 12 October 2009; and
- the lowest market sale price of ordinary shares on ASX was 29.5 cents on 14 December 2009.

If you wish to exercise your options then you must complete your "Notice of Exercise of Options" form included with this notice and forward it together with payment of 25 CENTS per option exercised to be received no later than 5:00pm (WST) on **31 JANUARY 2010** to the Company's share registry, being:

**Security Transfer Registrars Pty
Ltd
PO Box 535
APPLECROSS WA 6953**

OR 770 Canning Highway
APPLECROSS WA 6953

Cheques should be made payable to "VICTORIA PETROLEUM NL" in Australian dollars only and should be crossed "Not negotiable". If you have any further questions please do not hesitate to contact our Registry on telephone (08) 9315 2333, facsimile (08) 9315 2233, or e-mail registrar@securitytransfer.com.au.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Denis Rakich', written in a cursive style.

**DENIS RAKICH
COMPANY SECRETARY**

VICTORIA PETROLEUM NL

ABN: 50 008 942 827

TERMS & CONDITIONS OF OPTIONS EXPIRING 31/01/10 @ \$0.25 (VPEO)

1. Each Option entitles the holder to subscribe for and be allotted one ordinary share in the capital of the Company. The exercise price is 25 cents per Option (the "Exercise Price").
2. The Options are exercisable at any time prior to 5.00pm (Perth time) on 31 January 2010 (the "Expiry Date"), by notice in writing to the Directors accompanied by payment of the Exercise Price.
3. The Options are transferable and an application will be made to the ASX for Official Quotation of the Options.
4. Shares will be allotted and issued pursuant to the exercise of Options not more than 10 business days after receipt of a properly executed notice of exercise and payment of the requisite application moneys.
5. Shares issued upon exercise of the Options will rank pari passu in all respects with Company's fully paid ordinary shares. The Company will apply for Official Quotation by ASX of all shares issued upon the exercise of Options within 3 business days after the date of allotment of those shares.
6. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to the shareholders during the currency of the Options. However, the Company will send a notice to each optionholder at least 10 business days before the record date for any proposed issue of capital. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
7. There are no rights to a change in the exercise price, or in the number of shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.
8. In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an option holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.
9. The Company will, at least 20 business days before the Expiry Date, send notices to the optionholders stating the name of the optionholder, the number of Options held, the number payment of the exercise price, and the consequences of non-payment.

NOTICE OF EXERCISE OF OPTIONS

To
The Directors
Victoria Petroleum NL
Level 36, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Share Registry:
Security Transfer Registrars Pty Ltd
PO BOX 535
APPLECROSS WA 6953
Email: registrar@securitytransfer.com.au
Ph: (618) 9315 2333 Fax: (618) 9315 2233

Holder Number: _____

I/We

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Of

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Being the registered holder of Options hereby exercise such Options to subscribe for Ordinary fully paid shares at \$0.25 per share. I/We enclose application money of \$ And authorise you to register me/us as the holder of the shares to be allotted to me/us and /we agree to accept such shares subject to the Rules of the Constitution of the Company

Individual or Holder 1

Director

Securityholder 2

Director/Secretary

Securityholder 3

Sole Director/Secretary

Date:

Day / Month / Year

Contact Name

Contact Telephone Number

This application, with application money in Australian Currency, should be lodged at the Company's Share Registry on or before the Expiry Date.

NOTE: Cheque should be made payable to **VICTORIA PETROLEUM NL** and forwarded to Security Transfer Registrars Pty Ltd.