



ASX Announcement

31st January 2012

Fausse Point Project - Sidetrack Well Update

- Verus has completed seismic reprocessing and imaging
- Structure now well defined with new accurate targets identified
- Directional drilling plan to commence followed by cost estimates and rig tenders
- Additional shallow lead in area of mutual interest (AMI) under close review

The Board of Verus Investments Ltd ('Verus') (ASX: VIL) is pleased to provide the following update in regards to the Fausse Point project, which is located onshore and approximately 140km from New Orleans, Louisiana.

The Company is now in a position to confidently and actively pursue the drilling of the sidetrack. The work performed by the technical consultants to define and de-risk the prospect is almost complete.

The work required to allow Verus to make this decision has taken longer than planned but the end result has led to a well-defined geological structure with a new revised bottom hole location approximately 600ft updip from the original test well (TGR # 1) which recorded marginal pay in a downdip location (refer to diagram 1). The sands are supported by detailed data recently sourced on an analogue well with excellent sands that can be correlated to the planned target sands in the new sidetrack.

It has been a complex process to improve the imaging under the salt wing and to define what is a salt re-entrant trap situation on the SW flank of the Fausse Point Salt Dome. Extensive evaluation was required to accurately define the limits of the play within the limits of the salt stock.

The target required a justifiable interpretive decision discriminating between sand, salt wing, and edge of salt reflections. Spectral decomposition assisted in the interpretation and allowed better filtering of reconciling noisy seismic data over the prospect area.

The result of the evaluation and reprocessing effort is significantly better seismic character to enhance the prospect. It has defined a new bottom hole location to capture a full objective sand section with a higher chance of success. A revised well plan has also reduced the drilling risk of the prospect.

The Company will be working closely with the operator (Golden Gate Petroleum Ltd) on the close out of the interpretation and the detailed drilling planning for the side-track of the Fausse Point discovery well TGR#1. This work is planned to commence in the next week and a detailed cost estimate for the proposed activities will be finalised over the next few weeks.

The shallower lead, possibly oil-bearing, identified from the re-interpreted seismic is in the process of being further evaluated to de-risk the play. Once the evaluation has been fully completed and economics run, a proposal will be made to the partners at that time. If it appears low risk and economic then the lead will be drilled.

Fausse Point Sidetrack Well

The planned Fausse Point appraisal well is to be drilled as a side-track from the existing TGR # 1 well and will target a potential 110-acre hydrocarbon accumulation in the primary interval up dip from the original wellbore. The salt re-entrant will be drilled in an optimum position into the targeted pay interval. It will also test a deeper wet sand found in a down-dip off structure well. Information recently obtained of a nearby analogue well indicates multiple sands more than 100ft thick with the analogue well tested at 158 barrels of oil and 6.4 million cubic feet of gas per day.

The prospect primary interval has been mapped and initial evaluation indicates a potential recoverable reserve of up to 21 billion cubic ft of gas (3.8 million barrels of oil equivalent) on an unrisks basis. There are additional prospective sands indicated above and below the primary target.

The existing wellbore will be utilised to approximately 7,000 ft and then a window cut in the casing and a side-track will be drilled.

Partners in the Fausse Point Project are:

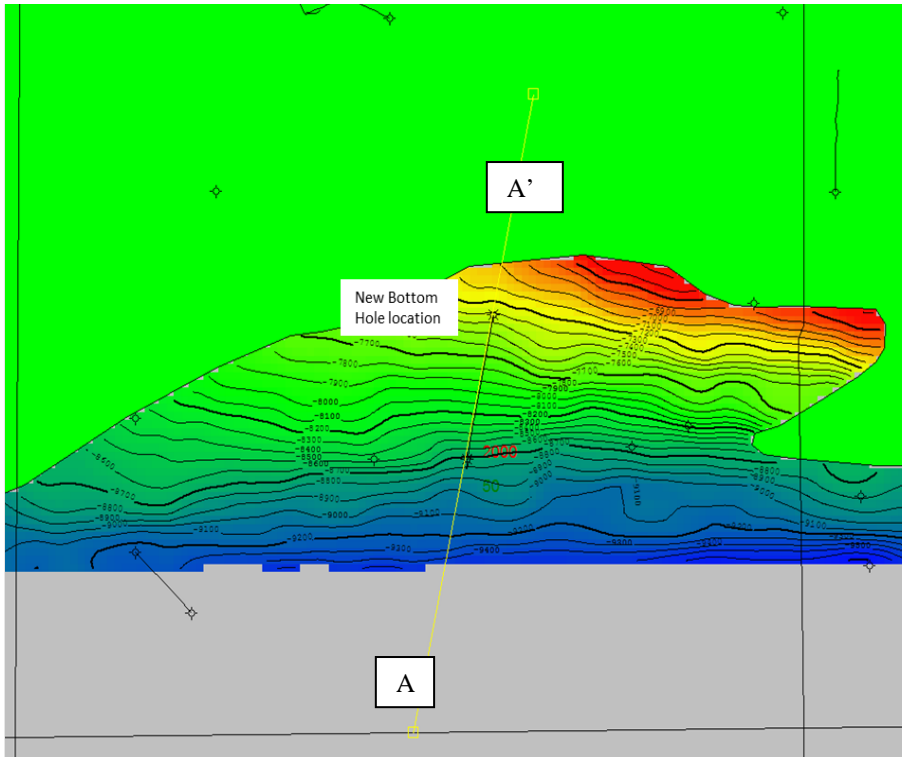
Verus Investments Limited (ASX code: VIL)	72.00% WI
Golden Gate Petroleum Ltd (ASX code: GGP)	18.00% WI (Operator)
Other Partners	10.00% WI

For further information regarding the Company's activities, please contact:

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COMPETENT PERSON'S STATEMENT: The information in this announcement that relates to oil and gas exploration results and hydrocarbon reserves is based on information reviewed by Mr Greg Lee, who is a petroleum engineer. Mr Lee is a Director of the Company. Mr Lee has more than 25 years' experience in this discipline and he consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Diagram 1 - Structure map of the Sidetrack Prospect



Structure map on the seismic horizon that has the largest negative amplitude and the most continuity. Orange colors indicate the areas with thickest sands. A nearby analog well tested At 158 BOPD and 6355 MCFGPD

