



BASS STRAIT OIL COMPANY LTD

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ASX RELEASE

BASS STRAIT OIL COMPANY LTD CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING, 24 NOVEMBER 2009.

As I stated in the Annual Report, the 2008/09 year was not an easy one for Bass Strait Oil. However I am happy to report that today your company is in a significantly better position than it was 12 months ago.

As an exploration company, which to date does not have a producing asset, the funding of costs associated with exploring our permit areas by necessity comes from either equity contributed by shareholders or from farmin or similar arrangements with other industry parties.

Despite the obvious problems associated with raising new equity and attracting farmin partners during a period of worldwide economic uncertainty, the company has been able to meet all of its expenditure requirements for permit areas in which we have an interest.

I would like to briefly refer to two major achievements during the last 12 months which will be covered in more detail by the Managing Director, Andrew Adams.

Since the last Annual Meeting we have successfully completed an underwritten rights issue on a two for three basis at three cents per share, aimed at raising approximately \$3 million. To accommodate the applications for oversubscriptions and the underwriters' entitlement to take up the short fall before oversubscriptions, the company placed further shares at three cents each, increasing the total amount raised to approximately \$4 million.

I am also delighted to be able to confirm that yesterday the company executed a Farmin Agreement with a subsidiary of Interra Resources Ltd for PEP 167 which is our 100% owned on shore permit area between Port Fairy and Portland. The overall effect of this agreement is that Interra will become entitled to a 50% interest in the permit area after meeting virtually all of the costs associated with the planned 3D seismic survey and also making a payment to BAS for our costs incurred in PEP 167 to date.

These two significant achievements not only represent a major step forward but also should underpin the company's future for the next few years. Together, they establish a new platform for activity and share price growth. Your Board is intent on working with management to develop and grow the company which hopefully will result in the market attaching a more realistic value to the listed shares.

During the last twelve months there have been several major changes to the composition of the Board.

Firstly, Bernard Wheelahan retired as a Director and Chairman with effect from 18th November 2008. Bernard was appointed to the Board and also as Chairman in 2000. During his period on the Board, Bernard's broad corporate and commercial experience together with his extensive knowledge of the petroleum industry enabled him to make a very significant and valuable contribution to the company.

Following Bernard's retirement, the Board appointed me to succeed him as Chairman.

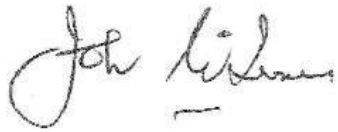
Geoffrey Albers retired as a Director on 31st August 2009 after serving on the Board since the formation of the company in 1981. Geoffrey was instrumental in founding the company and was Chief Executive Officer until 2005 when he became a Non-executive Director. He has a great knowledge of

the oil and gas industry and during his twenty eight years of direct involvement in the management of the company has been the driving force behind its development. I am delighted to say that Geoffrey, through his various interests, remains a major shareholder in the company.

We were fortunate to have Jack Tuohy agree to fill the casual vacancy on the Board following the retirement of Geoffrey Albers. Jack's experience in the oil and gas industry and his general corporate knowledge have been invaluable in Board deliberations.

Before closing I want to thank my fellow Directors for their diligence and support during the last year, and to express the Board's sincere appreciation of the contributions of the management team under the leadership of our Managing Director, Andrew Adams.

Thank you for your attention and we will now address the formal business of the meeting.

A handwritten signature in cursive script, appearing to read "John McInnes". The signature is written in dark ink on a white background.

John McInnes
Chairman