

ASX RELEASE

**APACHE COMMITS TO MARCH 2008 FARMIN WELL
 BASS STRAIT OIL COMPANY TO BE FREE-CARRIED**

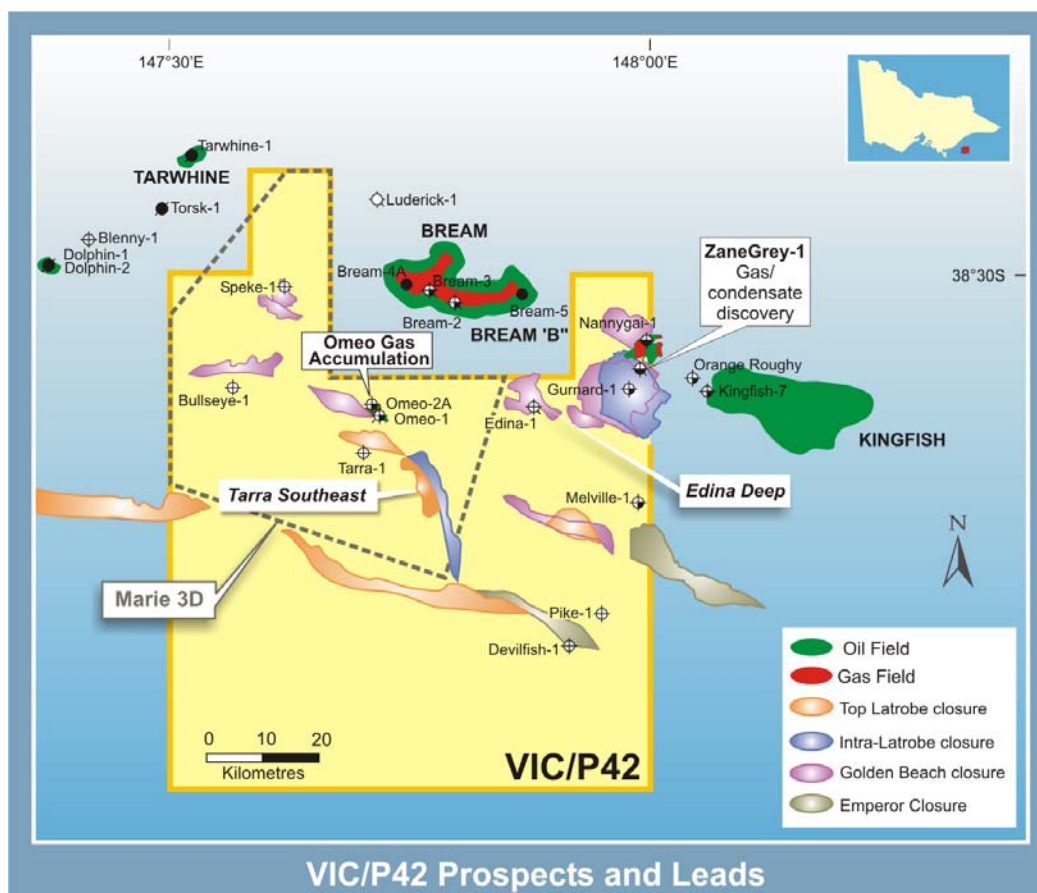
Bass Strait Oil Company Ltd ("BAS") is pleased to confirm that Apache Energy has committed to funding an exploration well in offshore Gippsland Basin permit Vic/P42.

BAS will be free-carried by Apache through the drilling, and also any testing, of the well. BAS will retain a 20% interest in the well and the permit.

The drilling of the exploration well will complete Apache's Vic/P42 farmin obligations and thereby earn it a 60% interest and operatorship in the permit. Inpex will also retain a 20% interest.

The farmin well is currently scheduled to begin drilling in March 2008, as the third well by Apache in the Gippsland Basin in 2008. Apache has executed a contract for the use of the West Triton, a new-build jackup rig current completing construction in Singapore.

The final drill prospect will be selected utilising new mapping based on state-of-the-art 3D seismic data. Site surveys, which ensure safe seafloor conditions for the drilling rig, have already been conducted over a short-list of three potential Vic/P42 targets.



Vic/P42 potential

Vic/P42 lies adjacent to Kingfish, Australia's largest oil field, as well as a number of other Esso/BHP producing oil and gas fields. Gas and condensate discoveries at ZaneGrey (BAS, 2005) and Omeo, lie within Vic/P42.

The future potential of the permit resides in a strong inventory of prospects and leads, which is being expanded and refined as mapping of the new seismic data becomes available. The Vic/P42 farmin well will be part of a significant Apache drilling programme aimed at the potential of the southern margin of the Gippsland Basin, of which Vic/P42 is a key component.

Technical background

The 503 sq km 'Marie' 3D seismic survey was recorded by Apache in April 2007, as the first phase of its Vic/P42 farmin, at a cost of approximately \$20 million. This data complements Bass Strait Oil Company's 2002 3D survey and completes 3D coverage across the prospective area of the permit.

The Marie data is being processed to what is known as pre-stack depth migration (PSDM), the current start-of-the-art in data processing techniques. The use of PSDM is significant in this area of the Gippsland Basin, where exploration history shows that the depth calibration of seismic maps is critical. Apache is also integrating the PSDM reprocessing of the 2002 3D data, together with a new Bream field 3D survey, which has been acquired by trade with Esso/BHP. Integration and mapping of these surveys, and the use of PSDM processing, will give Vic/P42 the best chance of drilling successful wells.

A handwritten signature in black ink, appearing to read 'Andrew Adams', with a stylized, cursive script.

Andrew Adams
Managing Director
16 November 2007