

QUARTERLY REPORT MARCH 2009

Bass Strait Oil Company Ltd ("BAS" or "Company") presents a summary of its activities for the quarter ended 31 March 2009.

EXPLORATION ACTIVITIES

Gippsland Basin offshore

Vic/P41, BAS 45% and Operator

Permit Vic/P41 is located in the offshore Gippsland Basin, approximately 40 km south of the eastern Victorian coast.

Interpretation and mapping of the 2008 2D seismic data and re-processed older data, has confirmed the potential of eastern area of the Vic/P41 permit. The Lead A, Junger and Wilde features, previously defined only on sparse older data, all demonstrate structural closure based on the updated mapping. Lead A also exhibits anomalous amplitude responses that may be indicative of hydrocarbons and which warrant further investigation.

The 2D seismic interpretation project also integrated updated mapping of the Oscar prospects which highlighted the potential of the Oscar East prospect. Oscar East is defined on 3D seismic and is on trend with and analogous to the producing Basker / Manta / Gummy (BMG) fields, which are outside the BAS permit area to the west. BMG commenced oil production in December 2006.

Modern 3D seismic data also defines several large prospects along the Rosedale Fault trend in the north of the permit. These prospects are interpreted as analogous to the Kipper oil and gas field, which lies on-trend to the west, outside Vic/P41. Development plans for Kipper have been announced targeting first production for 2011.

Vic/P42, BAS 20%

Vic/P42 is located approximately 40 km offshore in water depths ranging from 50 to 80 metres. The permit lies adjacent to Kingfish, Australia's largest oil field, as well as a number of other Esso/BHP Billiton producing oil and gas fields. Gas and condensate discoveries at ZaneGrey (BAS, 2005) and Omeo, lie within Vic/P42.

The Vic/P42 joint venture has met or exceeded all permit commitments during the first six year permit term. The permit is currently undergoing the renewal and relinquishment process prior to starting a new five year permit term in which the permit would be reduced to 50% of the original permit area. The joint venture expects that all prospective blocks within the original permit will be retained.

Vic/P42 now has extensive modern 3D seismic coverage and a strong inventory of undrilled prospects and leads. In particular, the SE Tarra prospect remains an attractive exploration target, and may be addressed in the future.

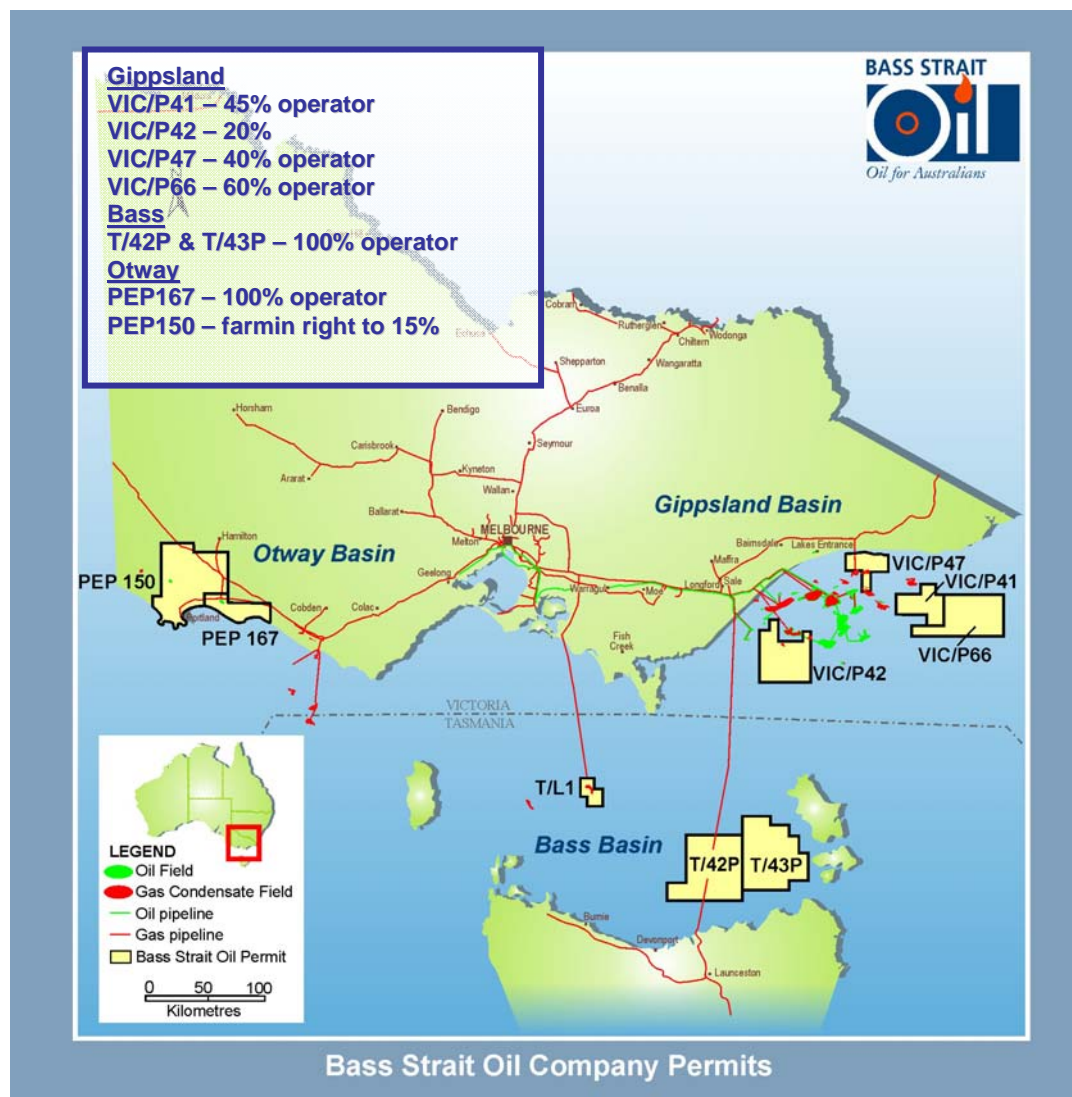
Vic/P47, BAS 40% and Operator

Permit Vic/P47 is located in the offshore Gippsland Basin, approximately 5 km offshore, south of the Victorian town of Orbost. Water depths range from 20 to 80 metres and the permit covers an area of some 718 sq km.

The Vic/P47 joint venture has met or exceeded all permit commitments during the first six year permit term. The permit is currently undergoing the renewal and relinquishment process and it is anticipated that this will result in a new five year permit term in which the permit area would be reduced. The joint venture expects that all prospective blocks within the original permit area will be retained.

The permit contains the Judith Gas Discovery, which was drilled without being production tested or appraised by Shell in 1989. During June 2008, consultants Gaffney, Cline & Associates (GCA) completed an independent resource certification of the Judith Gas Discovery and associated prospects in Vic/P47. GCA reported that a gross gas column of 290 metres can be interpreted from Judith-1 electric log data and GCA's petrophysical analysis indicated 135.5 metres of net gas pay in the Judith-1 well. GCA's certification provides independent confirmation that, subject to successful appraisal, the Judith Gas Discovery has the resource volume potential to underpin a commercial development.

The timing of any potential drilling at Judith is dependent on further appraisal studies and planning, the availability of drilling rig slots and on the progress of funding / farmout discussions by the Vic/P47 joint venture.



Vic/P66, BAS 60% and Operator

The Vic/P66 permit covers 2160 square kilometres from approximately 50 kilometres offshore in the eastern Gippsland Basin. It spans water depths from 200 metres to over 2000 metres.

The eastern area of the Gippsland containing Vic/P66 has not been targeted for significant exploration in the past. Distance from established fields and infrastructure and increasing water depths are two factors that likely limited earlier exploration.

The Vic/P66 group believes that this new permit provides early-stage exploration exposure to the potential for extensions of proven Gippsland Basin plays and also for the development of new play concepts. Given the relative lack of modern seismic data and recent exploration studies in the area, the Vic/P66 exploration programme consists of data collection and studies in the first two years, in preparation for 2D seismic acquisition in the third permit year.

The Vic/P66 permit complements and extends Bass Strait Oil Company's strategic focus on the southeast Australia region. As Vic/P66 operator, BAS plans to add value to this new permit by leveraging the Company's accumulated experience in the region and, in particular, to seek synergies with the adjacent Vic/P41 permit. The Vic/P66 participants have interests in Vic/P41, where similar geological concepts are being pursued.

Otway Basin onshore

PEP 167: BAS 100%

Exploration permit PEP 167 is located in the onshore Otway Basin, near Portland, in western Victoria. BAS holds a 100% interest in the permit which comprises some 833 sq km.

Windermere-1 produced 32 barrels of oil from an open-hole test. BAS's review indicates that there is good potential to achieve commercial flow rates at Windermere, particularly given careful well design, modern drilling techniques and potentially employing horizontal drilling. The economics of any oil production that may be established in this area are favourable, with good access and relatively short transport distance to the Geelong refinery.

The timing of a possible 3D seismic survey over the area of the 1987 Windermere-1 well has yet to be confirmed.

PEP 150 (application area), BAS to earn 15% via farmin

BAS can earn a 15% interest in PEP 150 by contributing to the drilling of a well. This area contains the Lindon oil discovery, but the permit is yet to be granted subject to negotiation of Native Title. BAS looks forward to a resolution of Native Title issues that will allow the granting of the PEP 150 permit and the commencement of an exploration programme in the area.

Bass Basin offshore

In the Bass Basin, the Company holds a 100% interest in permits T/42P and T/43P covering virtually the entire Durroon Sub-basin. The Durroon Sub-basin extends north from approximately 15 km off the north coast of Tasmania, in water depths ranging from 35 to 80 metres. These permits cover approximately 6120 sq km and provide BAS with the potential to create significant value by pursuing this 'grass roots' exploration opportunity.

Seismic reprocessing tests and related technical work have been completed and have yielded good data quality improvements on some older seismic vintages. With the processing and reprocessing projects now complete, emphasis has shifted to interpretation and mapping of regional geology and prospects and leads in the permits. The resulting updated maps of the Durroon Sub-basin area will allow BAS to further define a number of high-potential leads identified from our existing database.

The recording of the 2008 'Targa' seismic survey and associated reprocessing of older data is the first new exploration investment in this area since the early 1990s. BAS views the Durroon Sub-basin as a prospective and under-explored area, one which forms an integral part of our regional acreage portfolio strategy.

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

Andrew Adams
Managing Director
27 April 2009

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

BASS STRAIT OIL COMPANY LTD

ABN

13 008 694 817

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	0	271
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(212)	(806)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	16	96
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(196)	(439)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) exploration and evaluation (b) equity investments (c) other fixed assets	(205)	(1904)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(205)	(1,904)
1.13 Total operating and investing cash flows (carried forward)	(401)	(2343)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(401)	(2,343)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Share issue costs)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(401)	(2,343)
1.20	Cash at beginning of quarter/year to date	1,382	3,324
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	981	981

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	115
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	0	0
3.2 Credit standby arrangements	0	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	101	120
5.2 Deposits at call	880	1,262
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	981	1,382

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	155,450,953	155,450,953		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	150,000 1,000,000 500,000 1,500,000 1,500,000 600,000	- - - - - -	Exercise price 15 25 30 15 15 15	Expiry date 30/11/2009 30/6/2010 30/6/2010 20/6/2010 3/06/2011 21/10/2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Managing Director)

Date: 27, April 2009

Print name: Andrew R. Adams

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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