



BASS STRAIT OIL COMPANY LTD

ACN 008 694 817

Level 1
99 William Street
Melbourne Victoria 3000 Australia

Tel: (+61 3) 9927 3000
Fax: (+61 3) 9614 6533
Email: admin@bassoil.com.au
Website: www.bassoil.com.au

ASX RELEASE

CHAIRMAN'S UPDATE

April 2008

Dear Investor

While the result of the Speke South well last week was disappointing, it is worth reiterating that this well - and the 3D seismic data on which it was located – were farmed out to Apache Energy. In other words, the well and the seismic were completed at no cash cost to Bass Strait Oil Company Ltd (BAS).

We are proud to have afforded our shareholders the opportunity to participate in the Speke South well and this result has only served to redouble the commitment of BAS to its vigorous oil exploration programme.

The Speke South target was identified by our joint venture partner, Apache Energy, with great technical care and diligence over the last two years. The well was drilled safely and quickly by the 'West Triton', but the prize, a commercial oil pool, eluded us.

A success case at Speke South could have made a large positive impact on BAS - an example of the strong leverage and high impact potential that the Company's strategy and portfolio can offer its shareholders. We are actively seeking to put similar deals in place for our other offshore Gippsland Basin permits.

The nature of exploration is that most wells do not make discoveries, but by having a spread of opportunities, we give ourselves the best chance of exploration success and of establishing production.

BAS has a strong portfolio of opportunities and, aside from further potential drilling in the offshore Gippsland Basin, the Company's other exploration plans are funded by the proceeds of the capital raising completed in March this year.

In this regard, I wish to thank our shareholders for their support of our rights issue, for it is their support which now enables us to move on quickly with our extensive and balanced exploration programme.

This is what junior oil explorers do. We choose acreage, undertake systematic scientific exploration, attract farminees and shareholder support - and drill wells. The risks are high, as are the rewards in the case of success.

BAS remains in a strong position. Our vision, 'Oil for Australians', is more relevant than ever, with oil at over \$US110 / barrel and Australian self sufficiency declining rapidly.

The recent extension of Australia's control over the outer continental shelf presents opportunities, but also challenges, even for oil's super majors. For BAS, however, those technical and logistic challenges serve to emphasise the enormous potential advantage of future discoveries in our own permits closer to home. All of our tenements are in proven production areas, in shallow water or onshore, are close to infrastructure, and are in good standing. And we operate five out of seven permits.

Our immediate exploration plans include;

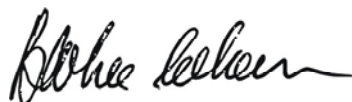
- A new survey of 1,100 km of 2D seismic data in the offshore Bass Basin which is scheduled to be recorded shortly, in May 2008. (BAS 100% and operator)
- A second new survey of 250 km of 2D seismic in our Vic/P41 offshore Gippsland permit, which is scheduled to follow the Bass Basin survey in late May or June. (BAS 45% and operator)
- An appraisal programme of drilling or seismic at the Windermere-1 oil discovery in PEP167 in the onshore Otway Basin is being evaluated. While we have not yet confirmed an operational schedule for this project, we are actively progressing this very attractive opportunity. (BAS 100% and operator)
- In addition to these projects, BAS has also identified high-impact Gippsland Basin potential with ready-to-drill targets in both its Vic/P41 and Vic/P47 permits. Together with our joint venturers, we have invested in 3D seismic data in both these permits and are seeking farmin partners – in a similar fashion to the Apache farmin in Vic/P42 - to assist with drilling costs.
- In Vic/P42 itself, BAS believes there is significant remaining potential, and the joint venture will review the future programme for this property. (BAS 20%, Apache operator)
- In an extension of our commitment to the Australian exploration, BAS has made application for new acreage in the current bidding round.

Bass Strait Oil Company Ltd is an ethically sound, science based, long term Australian-owned and Australian-focussed oil exploration company, which vigorously seeks success on behalf of its shareholders.

We have a great team, great acreage and high ambitions.

Once again, I thank our shareholders for their continuing support and encourage potential new investors to visit our website www.bassoil.com.au for further information.

Yours sincerely



Bernard Wheelahan
Chairman