



BASS STRAIT OIL COMPANY Ltd
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Our ref: 14865

3 March 2005

Mr Rick Iversen
Senior Companies Adviser
Australian Stock Exchange Limited
Level 3
Stock Exchange Centre
530 Collins Street
Melbourne VIC 3000

Dear Mr Iversen

Re: Response to Price Query

We refer to your emailed letter of 3 March and answer each of the questions raised, as follows:

1. No.
2. Not applicable.
3. No.
4. Yes, the Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

For the record, the following is the status of our ZaneGrey-1 well in Vic/P42, offshore Gippsland Basin.

ZaneGrey-1 well is drilling ahead at 3041 metres (2663 vertical metres below sea level) to 'kick off' a sidetrack hole in the Latrobe Formation. The well was 'plugged back' 160 metres (i.e. the bottom of the hole has been cemented) to allow the drill to go around lost equipment which remains at the bottom of the original hole at approximately 3107 metres.

Sidetracking operations have been difficult and have been underway for some days and continue. Providing sidetracking is successful, forward operations are to drill ahead to the first of the target zones which we now expect to reach late this week or over the weekend.

The prime targets of the well are the interpreted oil bearing sandstones penetrated in Nannygai-1. ZaneGrey-1 is targeting these sandstones at a shallower level on the same

structure at approximately 3250 metres (2800 vertical metres below sea level) in the intra-Latrobe Formation.

BAS intends to make regular ZaneGrey-1 progress reports to the ASX on Tuesdays and Fridays. Significant events or results will also be reported as they arise.

Participants in the Vic/P42 joint venture are:

Bass Strait Oil Company Ltd (Operator) (ASX Code: BAS)	50%
Inpex Alpha Limited	50%

Yours sincerely



D.B. Hill
Secretary



3 March 2005

Mr David Hill
Company Secretary
Bass Strait Oil Company Limited
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MELBOURNE

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Dear Mr Hill

Bass Strait Oil Company Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from 53 cents on Wednesday 2 March 2005 to 60 cents today. We have also noted a significant increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by **return e-mail** or by facsimile on **facsimile number 03 9614 0303**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. E.D.S.T.) on Friday 4 March 2005.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Rick Iversen
Senior Companies Adviser