



BASS STRAIT OIL COMPANY Ltd
ACN 008 694 817

Level 25
500 Collins Street
Melbourne Victoria 3000 Australia

Tel: (+61 3) 9614 0426
Fax: (+61 3) 9629 6278
Email: admin@bassoil.com.au
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ASX RELEASE

Sale of Small Shareholdings

Bass Strait Oil Company Ltd (ASX Code: BAS) has in excess of 1,100 shareholders who hold less than a marketable parcel of ordinary shares (\$500) representing approximately 250,000 ordinary shares and 0.2% of BAS issued capital. Any such shareholders wishing to sell their shares on ASX would ordinarily be liable to brokerage costs representing a high proportion of their value.

As a service to small shareholders and in order to reduce the expense to BAS associated with their administration, BAS is encouraging small shareholders to allow their ordinary shares to be sold on ASX through a facility established by BAS in accordance with the ASX Listing Rules and BAS' constitution. BAS will pay for all brokerage costs relating to the sale, which is anticipated to be a small proportion of the likely annual cost saving.

All small shareholders are today being sent documentation in the attached form. If no reply is received by BAS by Monday, 21 March 2005 requesting that the shares be retained, the shares will be sold and the sale proceeds will be remitted to those shareholders.

A handwritten signature in black ink, appearing to read "D.B. Hill", written in a cursive style.

D.B. Hill
Company Secretary

4 February 2005



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Dear Shareholder

SALE OF SMALL SHAREHOLDINGS

Bass Strait Oil Company Limited ("BAS") has announced that it proposes to implement a procedure to sell, on-market, holdings of shares with a value of \$500 or less on the Record Date of 31 January 2005, on behalf of shareholders who do not wish to retain their shares in BAS.

Our records indicate that you held less than \$500 worth of shares as at 31 January 2005 (based on closing share price on the ASX of \$0.60) and as a shareholder within this category, you are eligible to have your shares sold by BAS. You have six weeks from the date of this notice to notify the Company NOT to sell your shares on your behalf. Please be aware that you are not obliged to sell your shares under the 'small holdings' procedure. **If you do not wish to sell, you MUST notify BAS immediately and in any event by no later than 21 March 2005.**

The advantage in authorising BAS to sell your shares in this way is that BAS (or the purchaser) will bear all transaction costs, including brokerage, associated with the sale of your shares. The proceeds of any sale of your 'small holding' will be paid to you within 14 days of the settlement of the sale.

Rule 23 of the Company's Constitution provide that the Company may notify Shareholders with small holdings that it intends to sell their shares in the absence of an Instruction from the Shareholder that the Shares are to be retained. Please note as a member of BAS, you have accepted the terms of the Company's Constitution. This letter and the accompanying Notice of Retention serves to advise you that the Company intends to sell your shares and remit the proceeds to you.

IF YOU DO NOT WISH YOUR SHARES TO BE SOLD, PLEASE COMPLETE THE ATTACHED "Notice of Retention" AND FORWARD IT TO

**BASS STRAIT STRAIT OIL COMPANY LIMITED,
LEVEL 25, 500 COLLINS STREET,
MELBOURNE VICTORIA 3000**

BY NO LATER THAN 21 MARCH 2005. IF YOU DO NOT NOTIFY BAS BY THIS DATE, YOUR SHARES WILL BE SOLD BY BAS ON YOUR BEHALF.

THIS IS AN IMPORTANT DOCUMENT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER.

Yours faithfully
Bass Strait Strait Oil Company Limited

D B Hill
Secretary

4 February 2005

BASS STRAIT

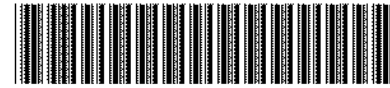


Oil for Australians

ABN 13 008 894 817

IMPORTANT NOTICE

PLEASE COMPLETE THIS FORM IF YOU DO NOT WISH YOUR SHARES IN BASS STRAIT OIL COMPANY LIMITED TO BE SOLD. IF YOU DO NOT UNDERSTAND THIS NOTICE YOU SHOULD IMMEDIATELY CONSULT YOUR FINANCIAL ADVISER.



X99999999999

Number of Shares held on Record Date of 31 January 2005

[data]

NOTICE OF RETENTION OF SMALL SHAREHOLDING

If you wish to retain your shareholding in Bass Strait Oil Company Limited ("BAS") you must complete this form and return it to the Company's Registered Office at Level 25, 500 Collins Street, Melbourne Vic 3000 so that it is received no later than 5:00 pm (Melbourne time), on 21 March 2005.

If this form is not received at the Company's Registered Office by 5:00 pm (Melbourne time) on 21 March 2005, your shares will be sold. If this is the case, and if your shares are in a CHESS holding, BAS may, without further notice, initiate a holding adjustment to move these shares from that CHESS holding to an issuer sponsored holding.

I/We the shareholder(s) described above hereby give notice that I/we wish to retain my/our shareholding in BAS.

SIGNATURE OF SHAREHOLDER – THIS MUST BE COMPLETED FOR YOUR INSTRUCTIONS TO BE EXECUTED.

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form must be signed by the shareholder. If a joint holding, all shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the shareholder's constitution and the Corporations Act 2001 (Cwlth).



Date

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If you require further information on how to complete this form, please contact the BAS on telephone (03) 9614 0426.

ASX Perpetual Registrars Limited advises that Chapter 2C of the Corporations Act 2001 requires information about you as a security holder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.asxperpetual.com.au).



BAS RSS001