

## **ASX RELEASE**

### **SHAREHOLDER UPDATE**

Bass Strait Oil Company Ltd (“BAS” or the “Company”) provides the following update on operations:

#### **Vic/P42 Gippsland Basin, BAS 50% and Operator, reducing to 20% after farmout**

Updated scheduling now indicates that Speke South-1 well in Vic/P42 should begin drilling later this month, approximately 26 March.

Over the coming weekend, the West Triton drilling rig is expected to move from Wasabi-1 in Vic/P58 (to the west of Vic/P42) to Coelacanth-1 in Vic/P45 (to the east of Vic/P42). Speke South-1 will follow Coelacanth-1. To the Company’s knowledge, Apache Energy, which holds a 100% interest in Vic/P58, has not released any information concerning Wasabi-1 results.

Apache has committed to funding Speke South-1 as its Vic/P42 farmin obligation well. BAS will be free-carried by Apache through the well and BAS will retain a 20% interest in the well and the permit.

The Speke South prospect is mapped as having closure at several levels, with the most significant volumes at the deeper Golden Beach Subgroup (latest mapping shown below). Apache assesses the Speke South prospect as having a prospective resource target of 38.8 million barrels (risked truncated mean).

Speke South-1 is programmed to evaluate the Golden Beach reservoir as the primary target and will be drilled to a depth of approximately 3100 metres. The rig is scheduled to be on location for 14 days. The well will be located approximately 37 km offshore, in a water depth of 56 metres.

The original Speke-1 well was drilled without the benefit of 3D seismic in 1984. The latest Apache depth mapping, based on state-of-the-art 3D seismic, indicates that Speke-1 may have intersected a subtle closure at Top Latrobe, but that it was not crestal at intra-Latrobe levels. Speke-1 did not drill deep enough to penetrate the Golden Beach level.

#### **PEP 167 onshore Otway Basin, BAS 100%**

BAS is continuing to evaluate the potential of the 1987 Windermere-1 oil discovery in this permit.

However, it now appears unlikely that BAS will be in a position to drill a Windermere appraisal well in the second quarter 2008. The potential to drill in this timeframe was based on utilising a rig mobilising to the area for another operator in March and required a very aggressive operational schedule.

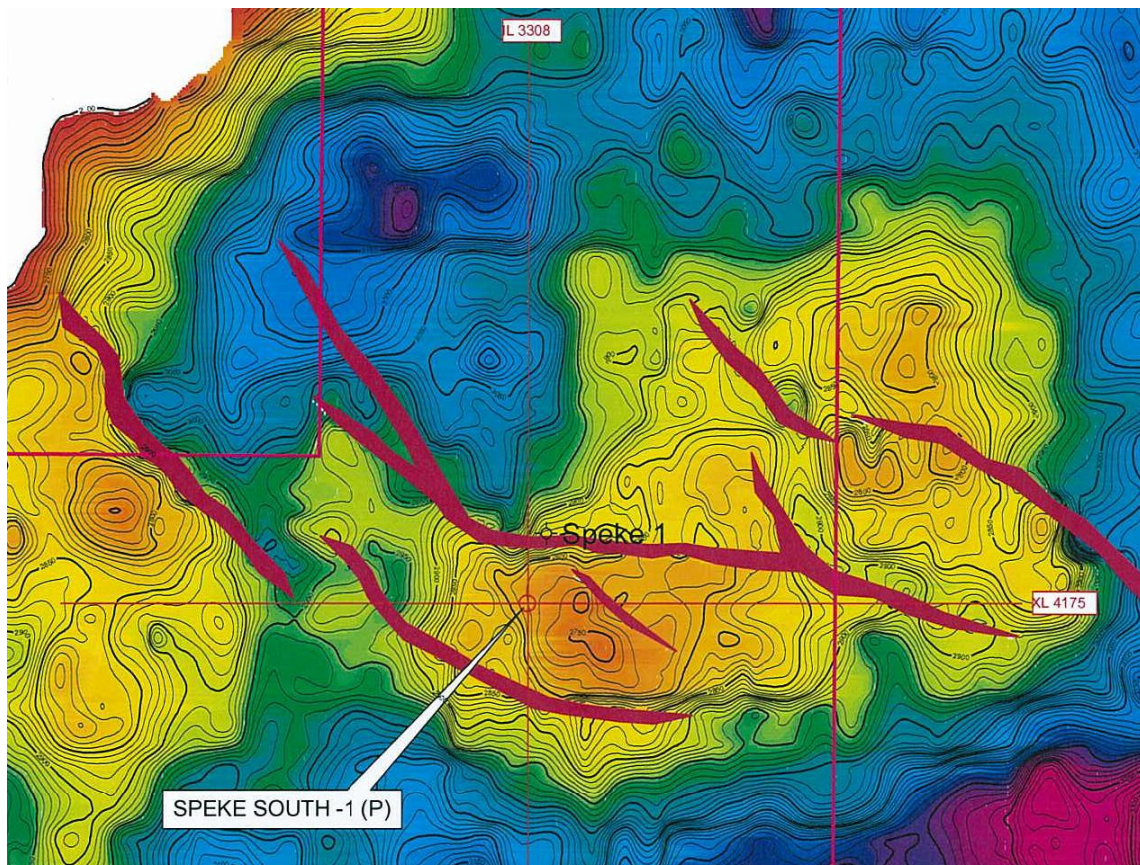
One factor working against committing to this schedule has been that reprocessing of the existing seismic data at Windermere has been delayed or frustrated by difficulty in accessing archived records. This may lead to BAS recording new seismic, rather than drilling, as the first step in an appraisal programme. The timing of any seismic acquisition and any potential Windermere appraisal drilling will be advised in due course.

### **Offshore seismic acquisition**

BAS has committed to 2D seismic acquisition in Gippsland Basin permit Vic/P41 (250 km, BAS 45% and operator) and in Bass Basin permits T/42P and T/43P (combined 1100 km, BAS 100%). The Pacific Titan seismic vessel has arrived in the region and is currently mobilising to the first survey in a multi-operator consortium programme. The BAS surveys are both scheduled for June 2008, towards the end of the consortium programme, as the vessel makes its way generally west to east through the offshore basins of southeast Australia.



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5 March 2008



**Depth Structure Map at Top Golden Beach. Speke-1 did not reach this level.**