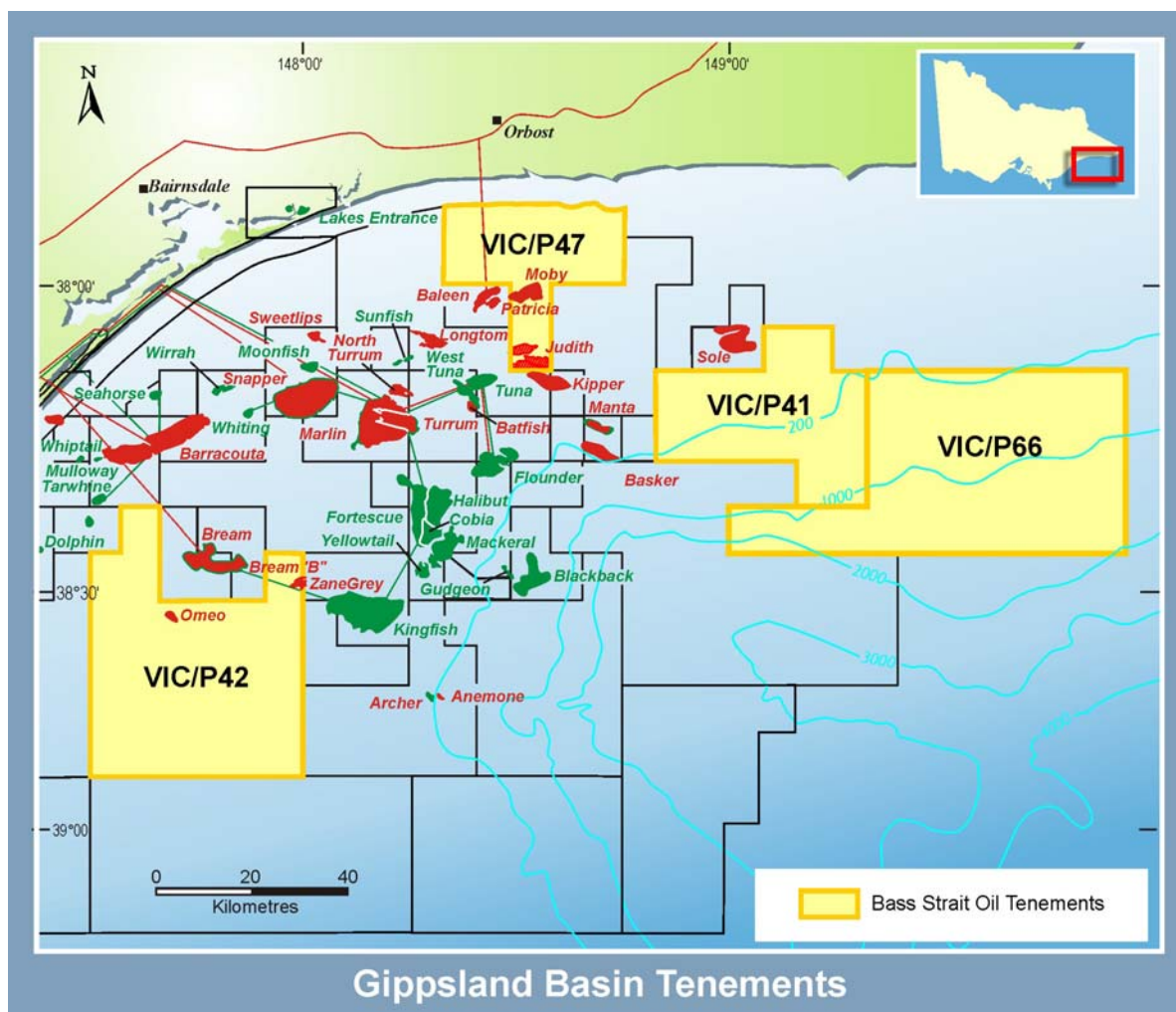


ASX RELEASE

Gippsland Basin Permit Renewal Update

Bass Strait Oil Company Ltd (ASX: BAS) is pleased to advise that it now expects to retain a 100% interest in the Vic/P42 permit. Subject to government approval and registration of joint venture documents executed last week, BAS is now in a position to pursue the renewal of Vic/P42 for a new 5 year term as operator and sole interest holder.

It is anticipated that BAS's pending renewal application could effectively result in the northern area of the permit being retained for a second term. This prospective northern area is now almost entirely covered by modern 3D seismic surveys. BAS is proposing a 3 year work programme based on the reprocessing and reinterpretation of this valuable dataset, along with the integration of 3D surveys acquired via data trades over Esso/BHP's adjacent producing fields at Kingfish and Bream.



The Gippsland Basin is a proven world-class petroleum province which contains some 20 producing oil and gas fields, including Australia's largest oil discovery to date, the Kingfish Field.

The Vic/P42 permit lies adjacent to Kingfish, as well as to Bream and other Esso/BHP producing oil and gas fields. Existing non-producing gas and condensate discoveries within Vic/P42 at ZaneGrey and Omeo further underline the prospectivity of the area.

BAS continues to pursue its long term commitment to exploration in southeast Australia and the offshore Gippsland Basin. Indeed BAS has held an interest in Vic/P42 since 1998, a period which has seen the drilling of three exploration wells (two by BAS as operator, including the 2005 non-commercial discovery at ZaneGrey-1) and the recording of two 3D seismic surveys.

During the last 3 years, the technical direction of Vic/P42 exploration has been guided by Apache Energy under its role as farminee and operator. During the farmin period Apache fully funded a 500 sq km 3D seismic survey and an exploration well at a cost of approximately \$35 million.

BAS studies indicate that a strong inventory of prospects and leads remains in Vic/P42. Assuming successful renewal, BAS plans to undertake a thorough re-assessment of the prospectivity of the permit incorporating the 3D data reprocessing and further new drilling and seismic data as it becomes available open-file. BAS intends to pay particular attention to depth conversion of seismic data (a key Gippsland Basin mapping issue) and will also focus on prospects such as Tarra Southeast, which is updip from the Omeo discovery and was covered with 3D seismic for the first time in 2007.

BAS considers that the potential to retain a 100% interest in Vic/P42 for a relatively low commitment is an excellent opportunity that would consolidate the Company's already strong acreage position. BAS looks forward to the successful completion of the renewal process and to a return to the operatorship in this prospective permit.

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

Andrew Adams
Managing Director
2 June 2009