

## **ASX RELEASE**

### **INDEPENDENT RESOURCE CERTIFICATION JUDITH GAS FIELD VIC/P47, OFFSHORE GIPPSLAND BASIN**

Bass Strait Oil Company Limited (ASX: BAS), as operator of the Vic/P47 Joint Venture, is pleased to announce that internationally recognized consultants, Gaffney, Cline & Associates (GCA) have completed an independent resource certification of the Judith Gas Discovery and associated prospects in offshore Gippsland Basin permit Vic/P47. The Vic/P47 joint venture consists of:

Bass Strait Oil Company Ltd (ASX: BAS)	40% and Operator
Moby Oil & Gas Limited (ASX: MOG)	35%
Eagle Bay Resources NL (ASX: EBR)	25%

#### **Summary points from GCA Judith Gas Field Resources Certification Letter:**

- 290 metre gross gas column, 135.5 metres net pay at Judith-1 well
- Contingent plus Prospective Gas Initially In-Place (GIIP), for the Greater Judith Area (Bscf\*):
  - Best estimate = 621.0
  - High estimate = 2,314.0
- Recoverable Contingent Resources, Judith Discovery (Bscf):
  - Best estimate = 193.7
  - High estimate = 934.2
- Additional Recoverable Prospective Resources, Greater Judith Area (Bscf):
  - Best estimate = 209.8
  - High estimate = 801.3
- Appraisal drilling recommended

Note: all estimates quoted are 100% Vic/P47 joint venture volumes

\*Bscf = Billion standard cubic feet

The GCA Certification Letter provides estimates for:

- Contingent Resources which are “those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application of development projects, but which are not currently considered commercially recoverable due to one or more contingencies.” In the case of Judith, which has to date been drilled only by one 1989 well, further appraisal drilling and related data and studies would be required to demonstrate commerciality to a certification level.
- Prospective Resources which are “those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.” These estimates relate to mapped potential gas bearing sands that were not penetrated by Judith-1, both below the original well and also in adjacent areas within Vic/47.
- GIIP estimates are the equivalent in-place volumes to the Contingent and Prospective categories above. Note that the term “resource” refers to a potentially recoverable volume.

The Judith-1 well was drilled by Shell in 1989, but not production tested or appraised. GCA reports that a gross gas column of 290 metres can be interpreted from Judith-1 electric log data and GCA has performed a new, independent petrophysical analysis that calculates 135.5 metres of net gas pay in the Judith-1 well.

The principal results of the GCA Certification Letter are as follows:

Contingent Recoverable Gas Resources for the Judith Gas Field (ie based on the known accumulation penetrated by Judith-1)

	Low Estimate	Best Estimate	High Estimate
Estimated Ultimate Recovery (Bscf)	48.3	193.7	934.2

In addition to Contingent Recoverable Gas Resources identified from the Judith-1 well, GCA has certified Prospective Recoverable Gas Resources for the both the Judith Field area and Judith Northwest area (the “Greater Judith Area”). This provides an independent estimate of the undiscovered potential related to Judith, as follows:

	Low Estimate	Best Estimate	High Estimate
Estimated Ultimate Recovery (Bscf)	28.7	209.8	801.3

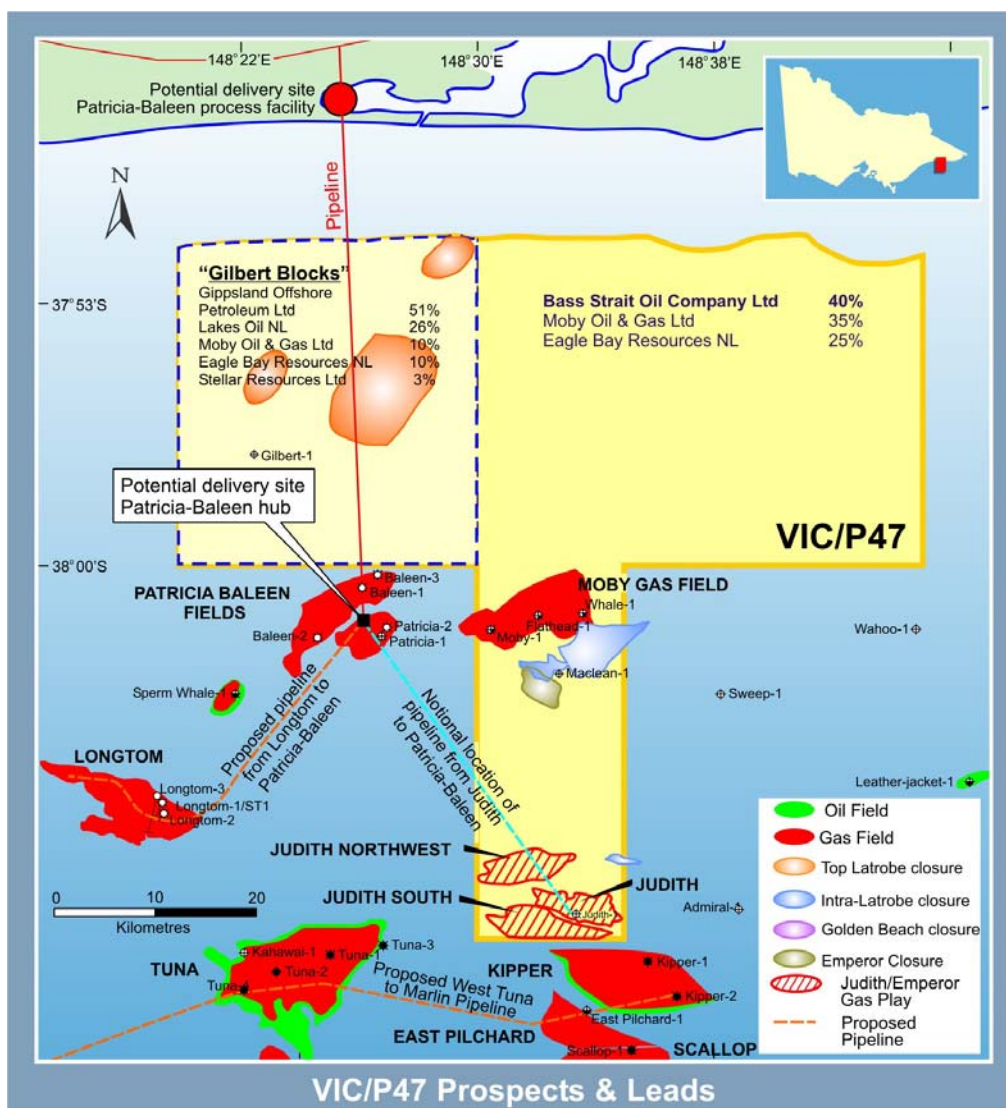
Therefore the total resource potential (discovered and undiscovered) of the Greater Judith Area within Vic/P47 is:

Contingent+ Prospective Recoverable Gas Resources for the Greater Judith Area

	Low Estimate	Best Estimate	High Estimate
Estimated Ultimate Recovery (Bscf)	77.0	403.5	1735.5

The wide range of low to high estimates is characteristic of pre-appraisal accumulations. GCA recommends an appraisal drilling programme to narrow the range of uncertainty and potentially move the Judith Field towards commerciality. This drilling would add to the limited sub-surface information gathered by the 1989 well and the new well(s) could also potentially be utilized for production. BAS will now conduct a more detailed assessment of Judith appraisal options, including seismic re-processing and analysis.

A key factor for appraisal planning is that a significant proportion of the Prospective Resource volume is located near Judith-1 well, either in deeper sands not penetrated by the original well or in adjacent fault blocks. This suggests the potential for an appraisal drilling programme centred near Judith-1 that could notionally address a combination of Contingent and Prospective Resources, with a Best Estimate volume on the order of 300 Bscf. Importantly, such an appraisal programme could also potentially target a combined High Estimate resource volume of over 1,000 Bscf.



Permit Vic/P47 is located in the offshore Gippsland Basin, approximately 5 km offshore, south of the Victorian town of Orbest. Water depths range from 20 to 80 metres and the permit covers an area of some 718 sq km.

BAS has previously evaluated notional development scenarios that indicate the potential for commercial viability of a resource of this scale. BAS is pleased to have GCA's independent confirmation that, subject to successful appraisal, the Judith Gas Discovery has the resource volume potential to underpin a commercial development.

The Judith Gas Discovery is located 22 km east of the Longtom Gas Field where Nexus Energy holds a 100% interest and is planning first gas from its new development in April 2009. Longtom will be the first commercial production from the Emperor Subgroup, a geological unit which also forms the reservoir at Judith. The Longtom Field is being developed on the basis of a contract to sell 350 PJ (approximate conversion = 325 BScf) of sales gas.

While BAS plans to focus on appraising Judith based on the Best Estimate volumes, GCA has estimated very significant upside potential for the Greater Judith Area, at over 2,300 Bscf gas in-place or 1,700 Bscf recoverable. In the context of moves to export gas from eastern Australia in the form of LNG, the growing pressure for higher gas prices and the building awareness of gas as a much cleaner alternative to coal for electricity generation, this is a very encouraging result.

The timing of any potential drilling at Judith is dependent on further appraisal studies and planning, the availability of drilling rig slots and on the progress of funding / farmout discussions by the Vic/P47 joint venture.

A handwritten signature in black ink, appearing to read 'Andrew Adams', with a stylized flourish at the end.

Andrew Adams  
Managing Director  
20 June 2008