

ASX RELEASE

New 5-year Term for Vic/P47 (Judith Gas Field)

Bass Strait Oil Company Ltd is pleased to advise that the Joint Authority has formally offered to grant a new five year renewal term for the Vic/P47 exploration permit.

Vic/P47 is held by a joint venture consisting of:

Bass Strait Oil Company Ltd (ASX: BAS)	40% and Operator
Moby Oil & Gas Limited (ASX: MOG)	35%
Strategic Energy Resources Limited (ASX: SER)	25%

The Vic/P47 joint venture met or exceeded all obligations under the first six year term of the permit.

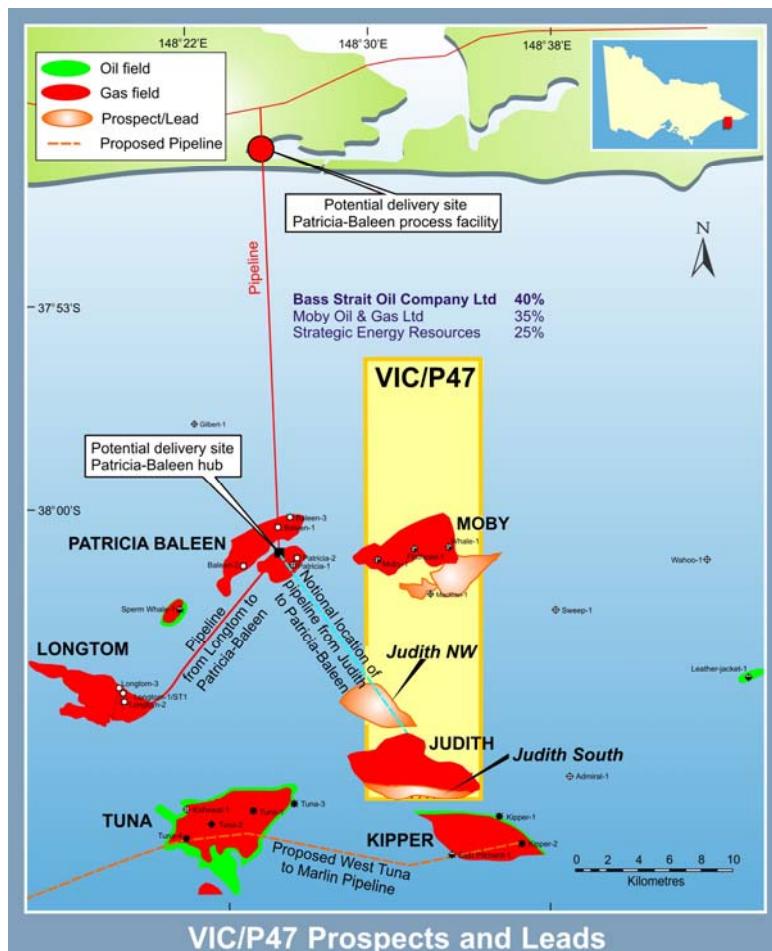
The minimum work requirements for the renewal term are modest, with only seismic reprocessing and studies committed in the first three years.

The joint venture has agreed that it will accept the offer of a new five year permit term.

The Vic/P47 exploration permit is located in the offshore Gippsland Basin, 14 km from the coast and south of the Victorian town of Orbest, with water depths ranging up to 80 metres.

The permit contains the Judith and Moby gas discoveries. The Judith gas resource was certified by international consultants Gaffney Cline & Associates in 2008 (see details below) and both Judith and Moby are in close proximity to existing and planned infrastructure in adjacent licences. The Longtom Field to the west is scheduled to commence gas production late this year and the Kipper Field to the south is being developed for first gas production in 2011.

The 200 sq km renewal area is shown on the accompanying map. It comprises the 3 graticular blocks from the original permit area which include the Judith and Moby Gas Fields. This area contains approximately 160 sq km of existing 3D seismic data and a commitment to reprocess this data is included in the terms of renewal for Vic/P47.



Judith Gas Resource Certification

Judith-1 was drilled by Shell in 1989 and discovered gas in the same geological unit as the nearby Longtom Gas Field, but was not production tested or appraised. The Vic/P47 joint venture has invested in a complete review of the Judith discovery and during June 2008, consultants Gaffney, Cline & Associates (GCA) completed an independent resource certification of the Judith Gas Field and associated prospects in Vic/P47.

GCA's certification provides independent confirmation that, subject to successful appraisal, the Judith Gas Discovery has the resource volume potential to underpin a commercial development.

GCA reported that a gross gas column of 290 metres can be interpreted from Judith-1 electric log data and GCA's petrophysical analysis indicated 135.5 metres of net gas pay in the Judith-1 well.

GCA estimated a 'high' or upside case of 1,735 Bscf (Contingent + Prospective Recoverable Gas Resources for the Greater Judith Area).

The GCA report also indicates a 'best' estimate for the area around the Judith-1 discovery well of 312 Bscf (Contingent + Prospective Recoverable Gas Resources). This is the area that could be addressed by an initial appraisal drilling programme. Consultants RPS Energy have completed a study of Judith appraisal drilling options.

By way of comparison and as an indication of potential commerciality, 22 km to the west of Judith, the Longtom Field is being developed by Nexus Energy Ltd. This development is proceeding on the basis of a contract to sell a similar volume to the Judith best case estimate, in that case 350 PJ (approximate conversion = 325 BScf) of sales gas.

Please see BAS's 20 June 2008 ASX release, available on the BAS website www.bassoil.com.au, for more details of the GCA report and for an explanation of abbreviations and resource categories quoted here.

Note: all volumetric estimates quoted for Judith are 100% Vic/P47 joint venture volumes. Bscf = Billion standard cubic feet

The Vic/P47 joint venture notes that it is seeking farmin partners to fund operations and that the opportunity has attracted credible interest. While no offers have been received to date, evaluation and assessment is continuing.



Andrew Adams
Managing Director
8 October 2009