

**ASX RELEASE**

**EARLY 2010 3D SEISMIC FOR WINDERMERE OIL DISCOVERY**

Bass Strait Oil Company Ltd (ASX: BAS) advises that preparation for the Windermere 3D seismic programme in PEP 167 is well advanced. The survey will cover approximately 40 sq km and recording is scheduled for early 2010. Cost of the survey is expected to be in the region of \$1.8 million.

The 1987 Windermere-1 well produced oil on test but was ultimately abandoned as uneconomic given the oil prices and the available technology at that time. BAS's review indicates that the oil bearing formation may have been damaged during drilling operations and that there is good potential to achieve commercial flow rates at Windermere, particularly given careful well design, modern drilling techniques and potentially employing horizontal drilling.

Imaging of the complexly faulted subsurface at the Windermere discovery has proven difficult on the existing 1980s vintage 2D seismic data. However, it is expected that the new 3D data will provide high quality definition of the Windermere oil zone for the first time.

The objective of the new Windermere 3D survey is to define the nature and extent of the Windermere accumulation and to allow detailed planning and optimisation for appraisal drilling. Surrounding follow-up leads will also be addressed by the new survey.

A successful 3D seismic survey could lead to appraisal drilling for Windermere oil by later next year.

A key factor in the Windermere project is that the economics of any oil production that may be established in this area are favourable, with good access, local infrastructure and support and relatively short transport distance via sealed highway to the Geelong refinery.

**Permit PEP 167**

BAS holds a 100% interest in exploration permit PEP 167 located in the onshore Otway Basin, near Portland, in western Victoria. The permit covers 833 sq kms of primarily agricultural land with largely gentle terrain and good internal road access.

PEP 167 contains two discovery wells: the 1987 Windermere-1 oil well and at the 2002 Port Fairy-1 oil and gas well.

The Windermere 3D seismic survey will fulfil the PEP 167 Year 3 permit obligation.



Andrew Adams  
Managing Director  
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