

ASX RELEASE

WINDERMERE OIL PROJECT: NEW PROSPECTIVE RESOURCE ESTIMATES

- **PROJECT UPSIDE 35MMBBL POTENTIAL OIL-IN-PLACE**
- **NEW MAPPING BASED ON 2010 3D SEISMIC**
- **NEW WELL PLANNED FOR SECOND QUARTER 2011**

Bass Strait Oil Company Ltd (ASX: BAS) has completed new Windermere mapping and prospective resource estimates based on 3D seismic recorded in 2010. A new well is planned for the second quarter of 2011 to follow-up the 1987 Windermere-1 oil discovery in PEP 167 in the onshore Otway Basin, near Portland, in western Victoria.

The 3D seismic survey is providing a high resolution image of the Windermere oil zone for the first time and it shows three linked closures at Windermere oil reservoir level (see map below).

The 'Greater Windermere' feature (mapped closures A, B and C combined) has an area of 6 sq km and new probabilistic estimates indicate a P10 (upside) prospective resource of 35.5 million barrels oil-in-place.

Planning is well advanced for a new well on the Windermere 'A' closure near the original well. This well will target a P50 (most likely) estimate of prospective resources for Windermere 'A' closure alone of 3.36 million barrels of oil-in-place or 0.95 million barrels of recoverable oil.

Success at the Windermere A closure would likely be a strong commercial result in its own right and could also lead to follow-up wells on the 'B' and 'C' closures of Greater Windermere as well as surrounding features.

The 1987 Windermere-1 well produced oil on test but was not developed for production given the low oil prices and the available technology at that time. Given the recovery of oil from the 1987 well, many of the risks usually associated with exploration drilling are significantly reduced at the Windermere project. In addition to the 3D seismic survey, BAS has conducted a series of technical studies on Windermere which indicate the potential to achieve commercial flow rates by applying careful well design and modern drilling techniques.

Windermere is located on easy terrain and with good all-weather road access. PEP 167 also benefits from local infrastructure and a relatively short transport distance via sealed highway to the Geelong refinery. Therefore, if oil production is established at Windermere, we anticipate a relatively short development schedule with low capital and operating costs leading to robust economics.

Drilling at Windermere remains subject to the usual approvals including those from the relevant authorities. PEP 167 is held by a joint venture of BAS 50% (operator) and Interra Resources (Australia) Pte Ltd 50%.

This release contains estimates based on information compiled by BAS's Exploration Manager, Dr Steven Mackie. Dr Mackie is a full-time employee of BAS, is a qualified person as defined under the ASX Listing Rule 5.11 and has consented in writing to the inclusion of the above estimates in this report, in the form and context in which they appear.



Andrew Adams
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