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ASX RELEASE
18 February 2005

ZaneGrey-1 Progress Report

Bass Strait Oil Company Ltd (ASX Code: BAS) reports that at 6:00 am the ZaneGrey-1 well was setting casing at 2184 metres (1936 vertical metres below sea level) in the lower part of the Lakes Entrance Formation. It had been planned to set the casing at the original hole depth of 2772 metres (approximately 2399 vertical metres below sea level) in the Latrobe Formation, but difficult hole conditions have made it necessary to set casing at this shallower level.

It is now planned to drill new hole below the casing point, with the expectation that the target zones will be reached next week. This represents a delay of approximately one week from our original schedule.

The geological objectives of ZaneGrey-1 have not been compromised by this delay.

The prime targets of the well are the interpreted oil bearing sandstones penetrated in Nannygai-1. ZaneGrey-1 is targeting these sandstones at a shallower level on the same structure at approximately 3250 metres (2800 vertical metres below sea level) in the intra-Latrobe Formation.

BAS intends to make regular ZaneGrey-1 progress reports to the ASX on Tuesdays and Fridays. Significant events or results will also be reported as they arise.

Participants in the Vic/P42 joint venture are:

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| Bass Strait Oil Company Ltd (Operator) (ASX Code: BAS) | 50% |
| Inpex Alpha Limited | 50% |

E.G. Albers
Chief Executive Officer
18 February 2005