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ASX RELEASE

1 February 2005

ZaneGrey-1 Progress Report

Bass Strait Oil Company Ltd (ASX Code: BAS) reports that the ZaneGrey-1 well spudded on Saturday. The well has now drilled to a depth of 1095 metres (approximately 1014 metres vertical depth below sea level) and is preparing to run casing. Operations are running on schedule.

Forward operations are to run and cement the casing and to install related wellhead safety equipment. The Ocean Patriot rig is expected to commence drilling ahead again on Thursday.

The target level for ZaneGrey-1 in the intra-Latrobe Formation is mapped at approximately 2800 metres vertical depth below sea level and the total depth for the well is programmed at approximately 3150 metres vertical depth below sea level. The intra-Latrobe Formation is the main reservoir in several producing oil fields in the Gippsland Basin and its characteristics are well understood. In the event of a discovery, this section of ZaneGrey-1 will be evaluated with wireline logs and formation testing tools. No drill stem tests are programmed for ZaneGrey-1.

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:

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

E.G. Albers
Chief Executive Officer
1 February 2005