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ASX RELEASE

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ZaneGrey-1 Progress Report

Bass Strait Oil Company Ltd (ASX Code: BAS) reports that the ZaneGrey-1 well is continuing attempts to 'kick off' a sidetrack hole at 3069 metres (2687 vertical metres below sea level) in the Latrobe Formation. Earlier this week the well was 'plugged back' 160 metres (i.e. the bottom of the hole has been cemented) to allow the drill to go around lost equipment which remains at the bottom of the original hole at approximately 3107 metres.

To date, sidetrack attempts have been unsuccessful. Forward operations are to continue kick off procedures utilising specialised kick off equipment due to arrive on the Ocean Patriot rig today. If a sidetrack cannot be established at this level, it may be necessary to plug back several hundred metres further up the hole and attempt to kick off in softer formation.

As we have previously noted, the operational difficulties at ZaneGrey-1 have not compromised the geological objectives of the well.

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:

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

E.G. Albers
Chief Executive Officer
4 March 2005