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ASX RELEASE
28 February 2005

ZaneGrey-1 Update

Bass Strait Oil Company Ltd (ASX Code: BAS) reports that at 6:00 am the ZaneGrey-1 well was at a depth of 3107 metres (2685 vertical metres below sea level) in the Latrobe Formation. A failure of the drilling bit assembly lead to further delays over the weekend with no progress achieved since Friday night.

Forward operations are to sidetrack around equipment which has been lost down hole and to drill ahead to the first of the target zones which we now expect to reach late this week or next weekend.

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%

A handwritten signature in black ink, appearing to read "E.G. Albers", written in a cursive style.

E.G. Albers
Chief Executive Officer
28 February 2005