



BASS STRAIT OIL COMPANY Ltd
ACN 008 694 817

Level 25
500 Collins Street
Melbourne Victoria 3000 Australia

Tel: (+61 3) 9614 0426
Fax: (+61 3) 9629 6278
Email: admin@bassoil.com.au
Website: www.bassoil.com.au

ASX RELEASE
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ZANEGREY-1 RIG ON LOCATION

Bass Strait Oil Company Ltd (ASX Code: BAS) reports that the Ocean Patriot drilling rig is now on location at ZaneGrey-1 in the offshore Gippsland Basin permit Vic/P42. Anchors have been run and it is anticipated that the well will spud late tonight or early Saturday.

ZaneGrey is a faulted anticlinal structure updip of Nannygai-1, a well drilled in 1972 on older 2D seismic data, which encountered good oil shows and an interpreted 6m of live oil in intra-Latrobe Group sandstones. BAS' evaluation of their 2002 3D seismic data indicates that the Nannygai-1 well may have drilled on the northern closure limit at intra-Latrobe Group levels. It is interpreted that the 6m of oil in the well may be part of a more significant accumulation over ZaneGrey.

BAS estimates the ZaneGrey prospect has scope to contain an unrisks prospective resource of 134 million barrels of recoverable oil within Vic/P42. The ZaneGrey prospect lies just 7 km west of Australia's largest oil field, the 1.2 billion barrel Kingfish field, and is mapped to partially extend into the Kingfish production licence area. It is understood that the Kingfish production facilities are underutilised suggesting that there could be, subject to commercial negotiation and agreement, an opportunity to connect any ZaneGrey discovery to this infrastructure. None-the-less, stand alone development options would likely also be considered for any ZaneGrey discovery.

The target level in the intra-Latrobe is mapped at approximately 2800 metres below sea level and it is programmed that the Ocean Patriot rig will take approximately 20 days to reach this depth. Total depth for the well is programmed at approximately 3150 metres below sea level and operations are scheduled for at least 29 days.

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
28 January 2005