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ASX RELEASE

WINDERMERE JV CONFIRMS DRILLING PLANS FOR 2011

Bass Strait Oil Company Ltd (ASX: BAS) is pleased to announce that the PEP 167 joint venture has agreed to drill a new well to follow-up the 1987 Windermere-1 oil discovery in the onshore Otway Basin, near Portland, in western Victoria.

Planning has commenced targeting a drilling project in the second quarter of 2011.

The 1987 Windermere-1 well produced oil on test but was not developed for production given the low oil prices and the available technology at that time.

The joint venture's decision to drill at Windermere is a key step following on from our April 2010 3D seismic survey over the area. This new seismic data is providing a high resolution image of the Windermere oil zone for the first time. Based on interpretation of the new 3D data, the joint venture has resolved to drill a new well near the original Windermere-1 well.

Given the recovery of oil from the 1987 well, many of the risks usually associated with exploration drilling are significantly reduced at the Windermere project. In addition to the 3D seismic survey, BAS has conducted a series of technical studies on Windermere which indicate the potential to achieve commercial flow rates by applying careful well design and modern drilling techniques.

Windermere is located on easy terrain with good all-weather road access. PEP 167 also benefits from local infrastructure and support and a relatively short transport distance via sealed highway to the Geelong refinery. Therefore, if oil production is established at Windermere, we anticipate a relatively short development schedule and low capital and operating costs leading to robust economics.

Drilling at Windermere remains subject to the usual approvals from the relevant authorities.

PEP 167 is held by a joint venture of BAS 50% (operator) and Interra Resources (Australia) Pte Ltd 50%.

A handwritten signature in black ink, appearing to read "Andrew Adams", is written in a cursive style.

Andrew Adams
Managing Director
29 November 2010