

ASX RELEASE

WINDERMERE FARMOUT UPDATE

On 23 November 2009, Bass Strait Oil Company Ltd (ASX: BAS) announced a \$2 million farmout of onshore Otway Basin permit PEP 167 to a subsidiary of Interra Resources Limited (ASX: ITR).

The required government approval and registrations have now been received and hence all conditions in the Farmin Agreement have been satisfied. A 50% interest in permit PEP 167 has been transferred to ITR. BAS retains a 50% interest in the permit and operatorship of the new PEP 167 joint venture.

Pursuant to the Farmin Agreement:

- ITR has commenced funding 100% of the Windermere 3D seismic survey costs, up to a value of \$1.75 million. Thereafter, BAS and ITR will contribute 50 / 50.
- ITR has paid \$250,000 to BAS for prior costs in the permit.
- BAS and ITR have also agreed to cooperate in joint exploration of the onshore Otway Basin, including in the PEP 150 area, where BAS has existing farmin rights

The Windermere 3D seismic survey is designed to define a possible drilling location to appraise the 1987 Windermere-1 oil discovery.

Survey operations are now scheduled to commence in February 2010.

Interra Resources Limited is a Singapore-based exploration and production company with onshore oil production in both Indonesia and Myanmar, as well as exploration interests in Thailand. The Windermere project is of a broadly similar nature to ITR's existing onshore oil production and exploration operations, where they have gained relevant operational experience and have applied new seismic and drilling techniques.

The potential of the Windermere project is underscored by the fact that ITR is investing in PEP 167 as its first petroleum exploration interest in Australia.



Andrew Adams
Managing Director
24 December 2009