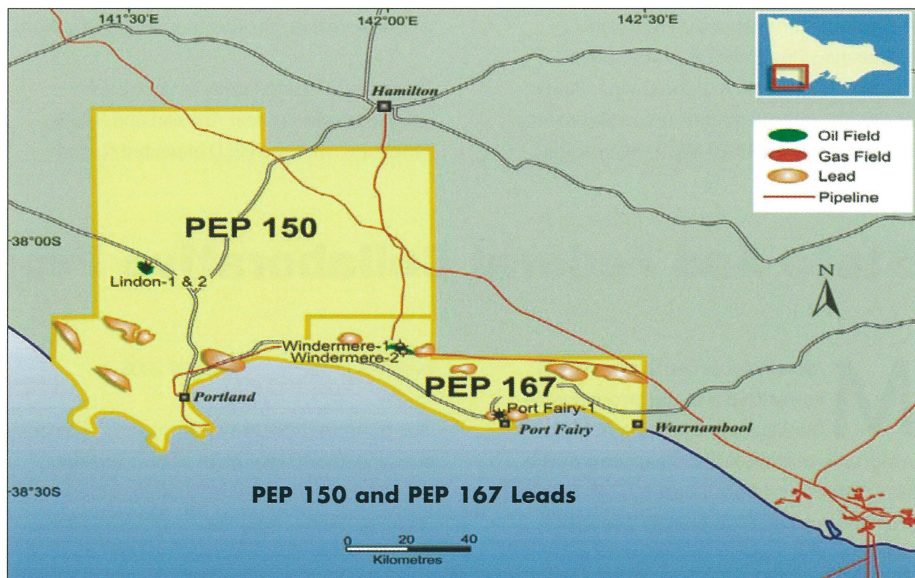


## BAS Reviews Windermere

A review of the 1987 Windermere-1 oil discovery in Bass Strait Oil Company Ltd's (BAS) PEP 167 supports the drilling of an appraisal well and also indicates significant value potential. The review in the onshore Otway Basin permit, near Portland, in western Victoria, incorporated reservoir engineering, petrophysics and seismic studies.

Early stage planning has commenced, with a view to drilling in the second quarter of 2008. BAS holds a 100% interest in exploration permit PEP 167, which contains discovery wells Windermere-1, drilled in 1987, and Port Fairy-1, drilled in 2002.

BAS's review indicates that there is good potential to achieve commercial flow rates at Windermere, particularly given careful well design, modern drilling techniques and potentially employing horizontal drilling. To help optimise these factors, BAS has opened discussion with a potential technical expert partner, who would contribute state-of-the-art drilling and completion techniques, and also earn equity in the field by funding a portion of costs.



BAS acreage location map

Windermere-1 produced 32 bbl of 41 API oil from an open-hole test of the Heathfield Sandstone member in 1987. A 1989 follow-up well at Windermere-2 did not record any hydrocarbons,

but is separated from the discovery well by a significant fault. Oil prices and available drilling techniques would likely not have supported further follow-up at that time. ■