BASS STRAIT OIL

Oil for Australians

BASS STRAIT OIL COMPANY Ltd
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RELEASE

INTENDED DEALINGS IN SHARES BY DIRECTORS

In accordance with the Company's corporate governance guidelines in relation to dealings in the Company's securities, Bass Strait Oil Company Ltd ("BAS") advises that certain of the directors of the Company have indicated that they may sell up to an aggregate of 750,000 shares prior to the spudding of the ZaneGrey-1 well. This is one of the few opportunities that directors will have to deal in securities and to re-arrange personal, trust and superannuation holdings within the Company's guidelines and at the same time meet fiduciary and financial requirements personal to them.

All directors of the Company have strongly supported numerous capital raisings by the Company over the past six years. Any decision to sell shares in BAS is not based upon any negative assessment of the future prospects of BAS. Sales will represent a small proportion of shares for which the various directors are deemed to have an interest.

E.G. Albers
Managing Director

14 January 2005