

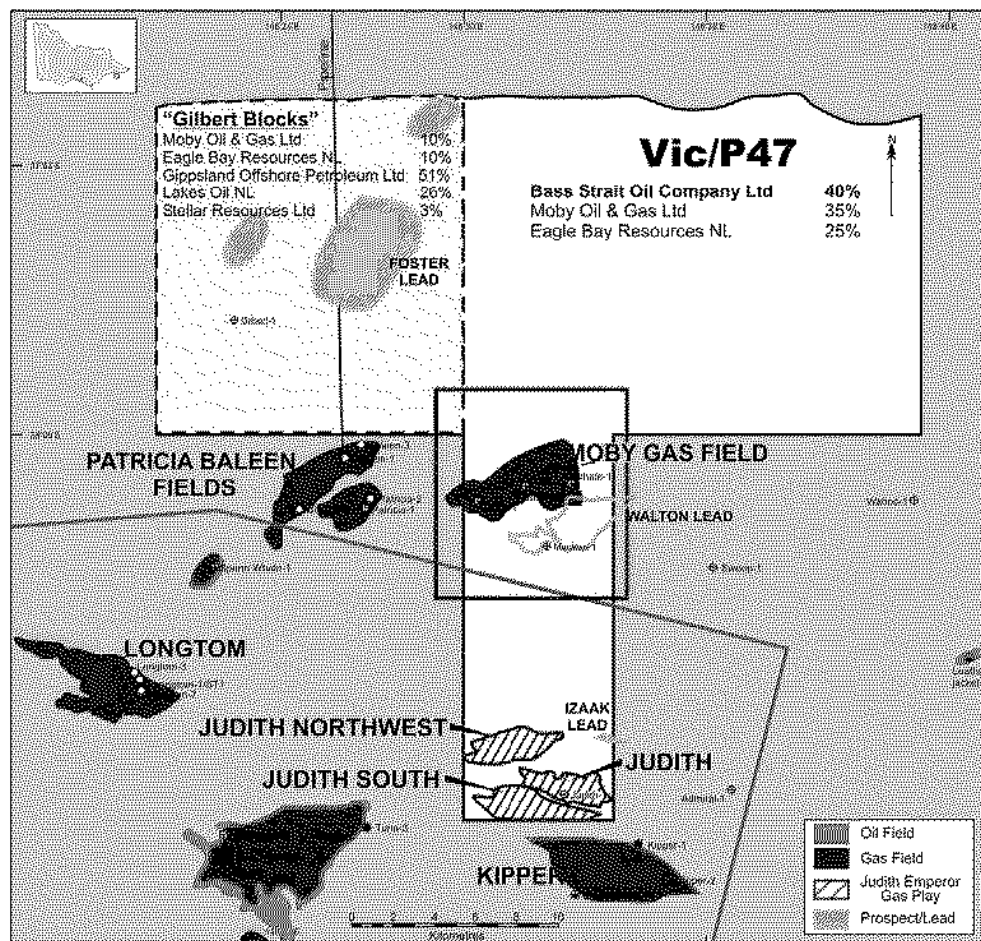
**VIC/P47 JOINT VENTURE, GIPPSLAND BASIN
 ACTIVITIES UPDATE
 MAY 2007**

The Vic/P47 Joint Venture consists of:

Bass Strait Oil Company Ltd (ASX code: BAS)	40% and Operator
Moby Oil & Gas Limited (ASX code: MOG)	35%
Eagle Bay Resources NL (ASX code: EBR)	25%

The following review summarises recent exploration activities by the Joint Venture in the Vic/P47 permit and particularly in relation to the Judith gas accumulation. Additional detail is available on the prospect montage released to the ASX under the BAS code on 23 April 2007.

Permit Vic/P47 includes the Moby-1 well, which is a gas discovery in the Gurnard Formation, and the Judith-1 well which is interpreted to be gas-bearing in the Emperor Subgroup based on logs and shows. The southern part of the permit, including both Moby-1 and Judith-1, is covered by modern 3D seismic surveys.



Vic/P47 Permit map

Currently the joint venturers are seeking parties to earn equity in Vic/P47 by contributing to drilling costs in a Judith gas appraisal programme. It is anticipated that at least two drilling rigs will be active in the Gippsland Basin in 2008, including the West Triton jackup rig, which is believed to be scheduled for development drilling at Longtom. The West Triton would be suitable for appraisal drilling at Judith and slots are available in 2008.

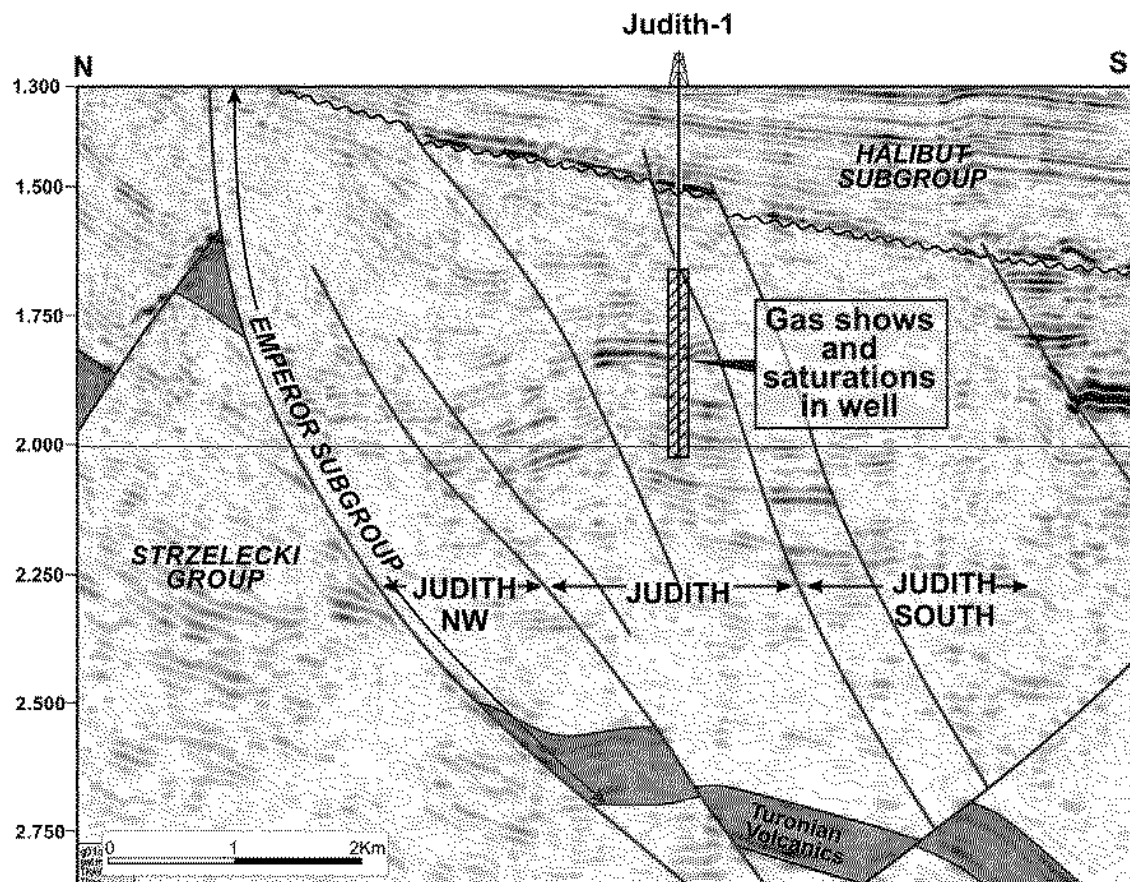
The prospective Judith Gas Accumulation is analogous to the Longtom Gas Field located 22km west of Judith. The recent success of the Longtom-3 appraisal/development well, which flowed at up to 77 MMscf/d from the Emperor Subgroup, as well as recent studies by BAS, indicates similar appraisal/development potential at Judith.

Until recently Emperor Subgroup reservoirs were viewed as non-commercial due to their low permeability, as well as market factors. However, appraisal/development success at the analogous Longtom Gas Field to the west of Judith and re-evaluation of Judith-1 log results, has demonstrated the commercial potential of these reservoirs.

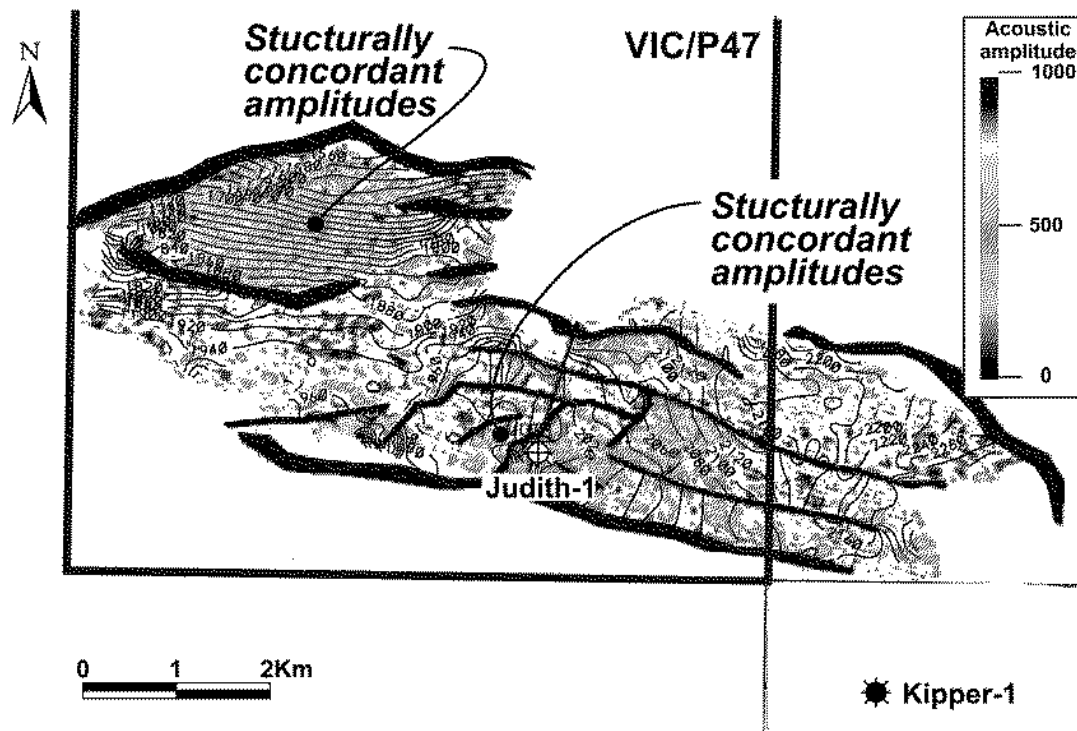
The Vic/P47 joint venture has undertaken a complete review of the prospective Judith Accumulation including: 3D seismic-based mapping, petrophysics, palynology, incorporation of open file Longtom data, prospective resource estimates, field deliverability study and notional development scenarios.

New mapping of Judith based on 3D seismic indicates that the feature can be split into three main appraisal areas within Vic/P47: Judith Area (penetrated by the Judith-1 well), Judith Northwest and Judith South. The Judith-1 well (Shell, 1989) encountered interpreted gas-bearing Emperor Subgroup sediments within a tilted fault block. There are also potential younger and older gas-bearing horizons, which are suggested by high seismic amplitudes but which were not penetrated by the Judith-1 well.

Closure for all of the Judith features is largely fault dependent. Several horizons, which often show structurally concordant amplitude anomalies, can be mapped.



3D seismic line through the Judith-1 well showing the three main appraisal areas: the Judith-1 fault block, Judith NW and Judith south. Bright events correspond to gas shows in the well and are interpreted as potential gas sands yet to be appraised by drilling.



3D seismic amplitude map showing high, structurally-concordant amplitudes at the Judith-1 area and also at Judith NW area. Judith NW exhibits similar structural character to Longtom.

Reservoir quality in the Emperor Subgroup sequence varies from excellent in sands above the Judith Fault, to marginal below the Judith Fault and reservoir quality, distribution and extent remain key uncertainties at Judith. In order to achieve commercial flow rates in Judith it is expected that long lateral completions similar to those undertaken in Longtom-3 will be required.

The study considered a wide range of in-place prospective resource estimates, from a low side case of ~143 PJ GIIP through to a Greater Judith Area development case of 940 PJ. The likely Judith well performance was benchmarked against Longtom well tests, and recovery per well has been benchmarked against other offshore developments for low permeability gas fields.

Two notional gas field development scenarios were studied based on prospective resource estimates of 185 PJ and 413 PJ of recoverable gas respectively. The first scenario assumes potential delivery of gas to the Patricia-Baleen (PB) subsea installation approximately 20 km offshore, and the second, a standalone development with a new-build pipeline to shore and delivery of gas to onshore location. Both notional scenarios anticipate that all wells are extended-reach subsea wells.

Further development planning will require additional certainty from a Judith appraisal drilling programme.

This exploration report is based on information compiled by BAS's Technical Advisor, Mr Ian Reid. Mr Reid is engaged by BAS, is a qualified person as defined under the ASX Listing Rules and has consented in writing to the inclusion of the above estimates in this report, in the form and context in which they appear.