BASS STRAIT

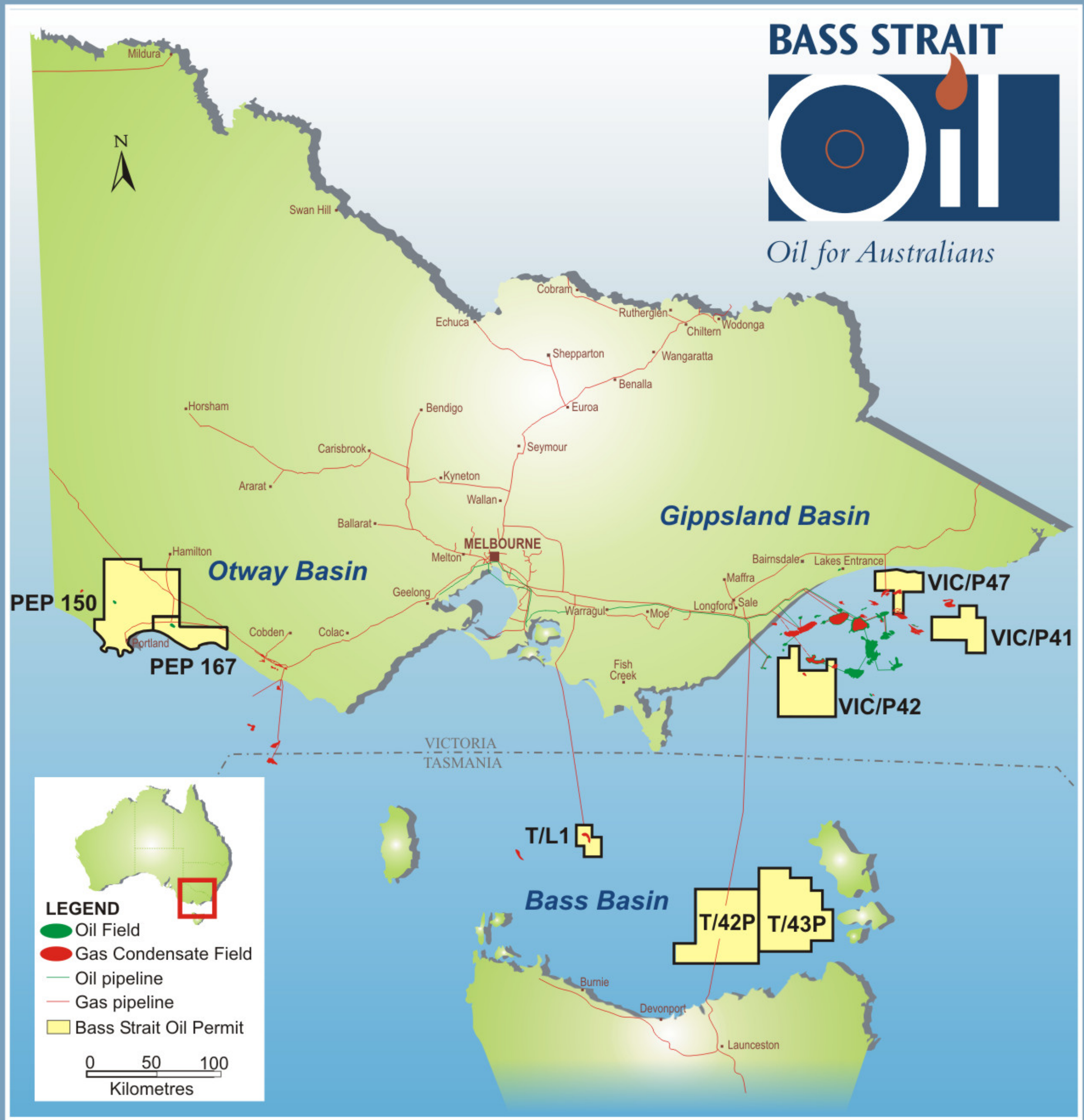
Oil

Oil for Australians

"OIL FOR AUSTRALIANS"

- Australia's crude oil and condensate production has declined, from nearly 100% of Australia's needs in 2000, to just over 60% today.
- Without significant new discoveries, it will decline to an anticipated 32% by 2017.
- In dollar terms, from a of $900 million surplus in 2000, to a deficit of $13.7 billion today, and a projected $28 billion deficit in 2017.

APPEA 2008



Bass Strait Oil Company Permits

<u>Gippsland</u>
VIC/P41 – 45% operator
VIC/P42 – 20%
VIC/P47 – 40% operator

<u>Bass</u>
T/42P & T/43P – 100% operator

<u>Otway</u>
PEP167 – 100% operator
PEP150 – farmin right to 15%

BAS ACREAGE OVERVIEW

BALANCED PORTFOLIO of OPPORTUNITIES: APPRAISAL thru FRONTIER

- **OFFSHORE GIPPSLAND** VIC/P41, VIC/P42 & VIC/P47

  GAS APPRAISAL plus 3D DEFINED EXPLORATION

  Proven world class basin with high quality 3D seismic data
  High impact oil exploration plays – prospects with field analogues
  Judith gas discovery

- **ONSHORE OTWAY** PEP167

  OIL APPRAISAL with EARLY DEVELOPMENT POTENTIAL plus EXPLORATION

  Onshore = lower cost and shorter project cycle time
  Windermere oil appraisal / potential development, 100% BAS interest
  Exploration upside in proven petroleum system

- **OFFSHORE DURROON SUB BASIN** T/42P & T/43P

  FRONTIER EXPLORATION in UNDER-EXPLORED BASIN

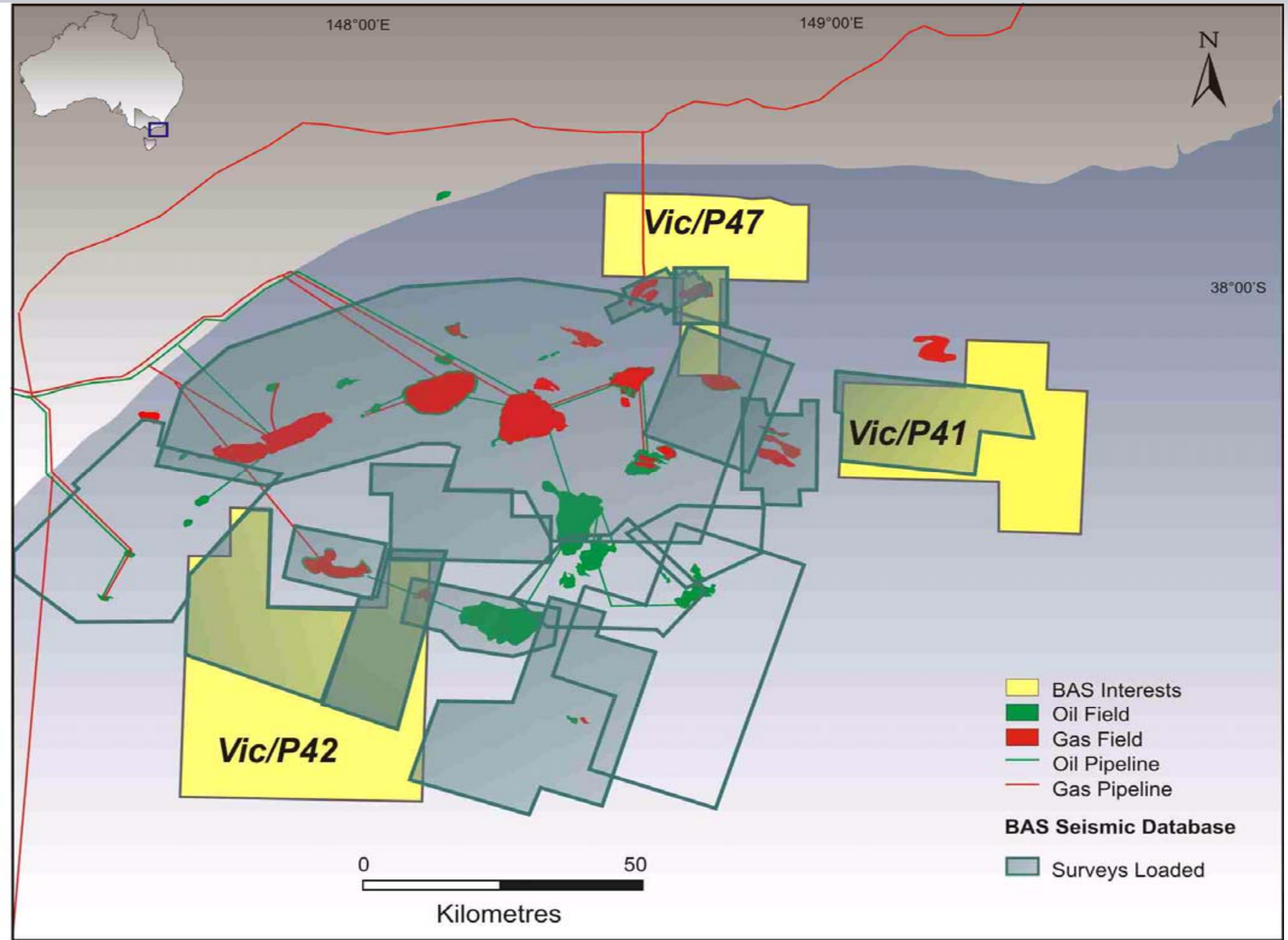
  'Whole of Basin' permits, 100% BAS interest
  BAS geological and geophysical work to add value and mitigate risks
  New seismic survey completed June **2008**

DIRECTORS AND MANAGEMENT

- **Bernard Wheelahan, Chairman** – Chairman of Pacific Hydro, Deputy Chairman Transfield Services Ltd, former Shell senior executive
- **Andrew Adams, Managing Director** – BSc, MBA, former Amoco Canada and Santos executive, member of APPEA Exploration Committee
- **Geoffrey Albers, Director** – Lawyer & company founder
- **Dr Henry Askin, Director** – former Shell Australia Exploration Manager, Chairman Central Petroleum Ltd

- **Dr Keith Jackson, Exploration Manager** – former Shell International E&P manager
- **Ian Reid, Technical Advisor** – former Shell International executive
- **Keith Martens, Technical Advisor** – former Tap Oil and Santos executive

BAS GIPPSLAND BASIN 3D SEISMIC INVESTMENT



- *Over 7000 sq km of 3D data on BAS interpretation system*
- *Approximately 2000 sq km of proprietary 3D data*
- *500 sq km Vic/P42 Marie 3D acquired April 2007*

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EXPLORATION ACTIVITY IN SE AUSTRALIA

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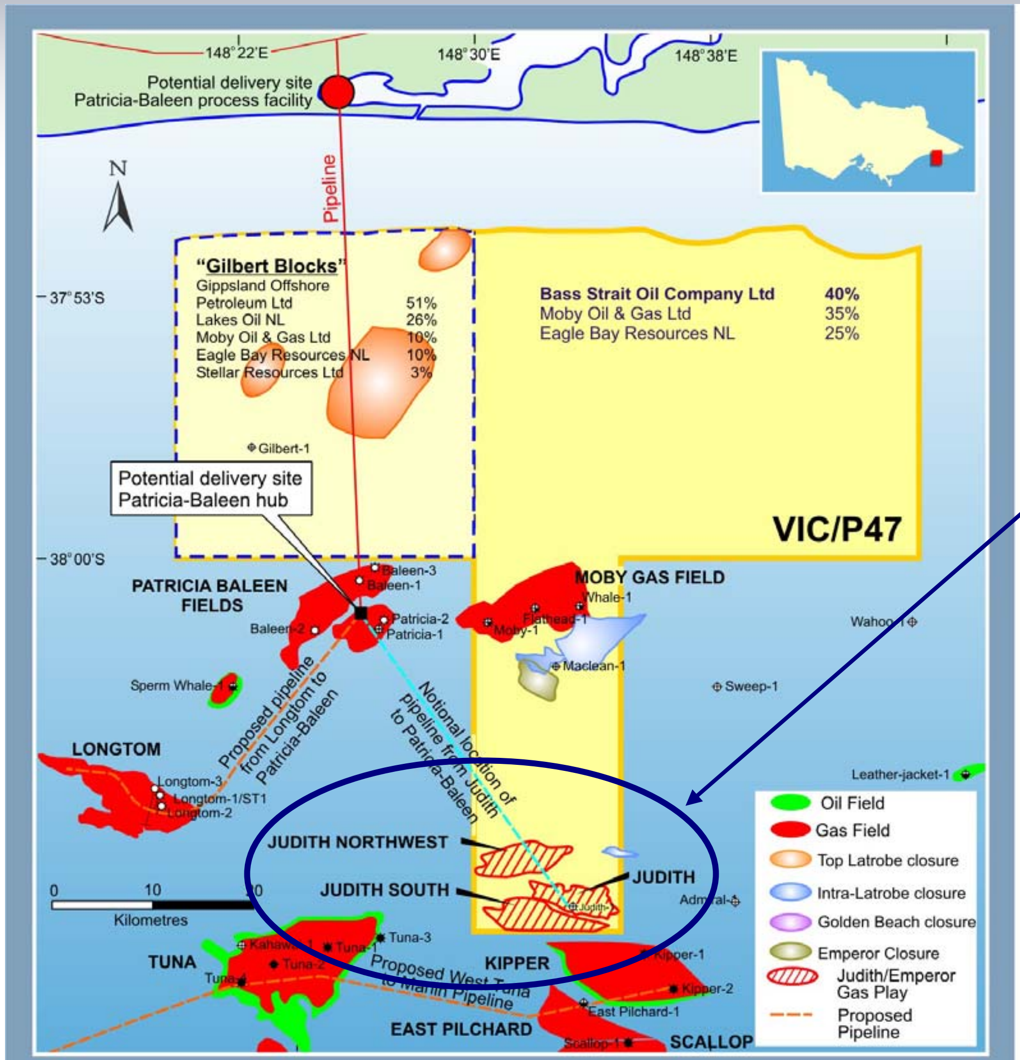
VIC/P47: JUDITH-1 GAS DISCOVERY



VIC/P47 Prospects & Leads

JUDITH-1 SUMMARY

- Drilled by Shell in 1989 on 2D seismic
- Log interpreted 135m net Emperor subgroup gas pay
- Now 3D seismic covered
- Was not tested, limited logs
- Reservoir upgraded by Longtom gas appraisal - will be first commercial development from Emperor reservoirs
- Technical studies for Judith indicate similar appraisal/development potential as Longtom
- Two notional field development scenarios – standalone or produced via Patricia/Baleen
- Appraisal potential within Judith-1, Judith South and Judith NW fault blocks identified on 3D mapping

INDEPENDENT RESOURCE CERTIFICATION

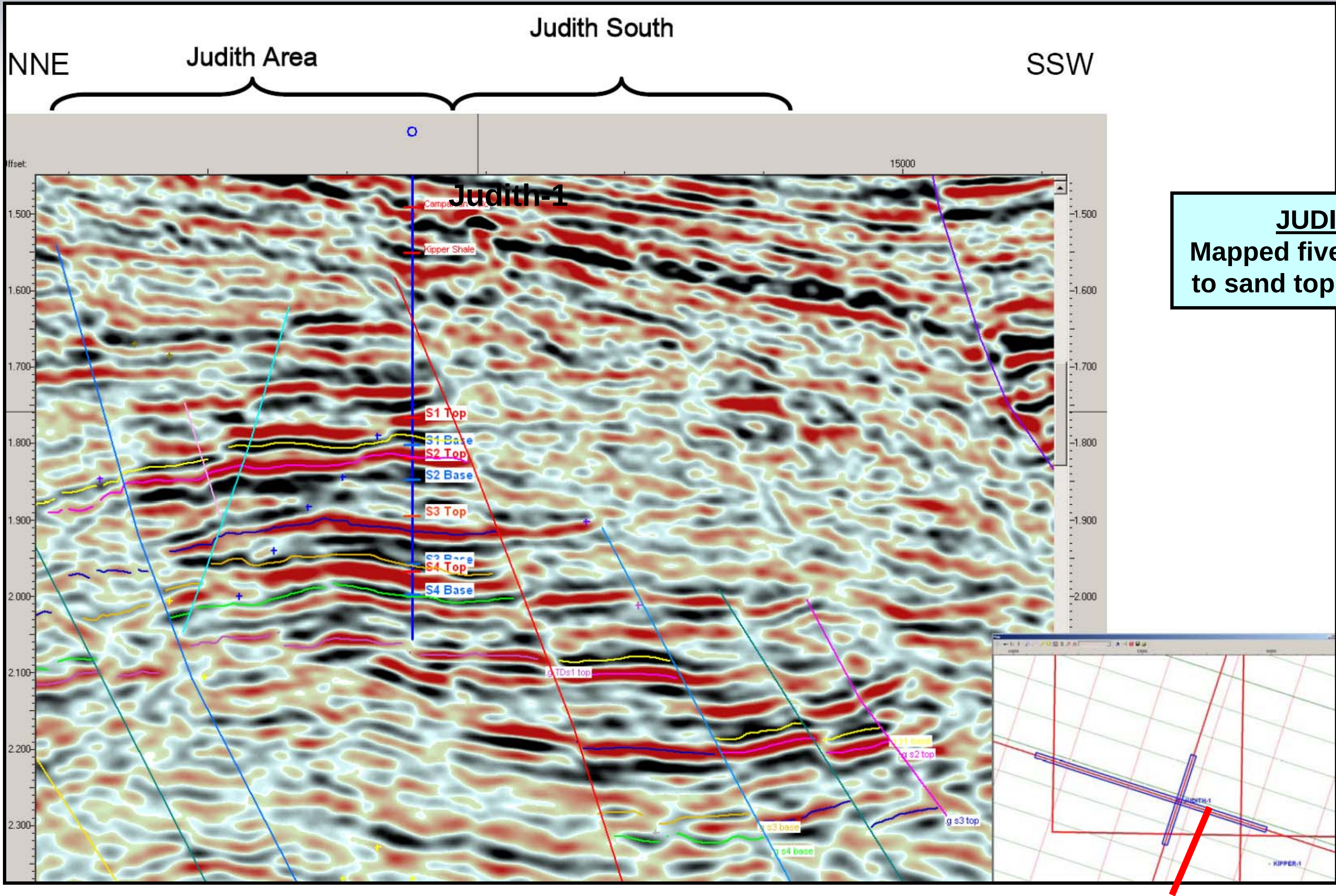
Gaffney Cline Associates

AREAL DISTRIBUTION OF GCA JUDITH GAS RESOURCES

	GIIP bcf			EUR bcf		
	Low	**Best**	**High**	**Low**	**Best**	**High**
Judith-1 Contingent	87.8	298.1	1245.6	48.3	193.7	934.2
TDS-1 Prospective	24.3	156.8	479.7	13.3	101.9	359.8
Judith South Prospective	5.7	25.8	172.5	3.2	16.8	129.4
Potential Judith Area Appraisal Contingent plus Prospective Subtotal	**117.8**	**480.7**	**1897.8**	**64.8**	**312.4**	**1423.4**
NWS-1 prospective	13.8	70.1	188.8	7.6	45.5	141.6
NWS-2 prospective	8.4	70.2	227.4	4.6	45.6	170.5
Judith Area plus Judith NW Contingent plus Prospective Total	**140**	**621**	**2314**	**77**	**403.5**	**1735.5**

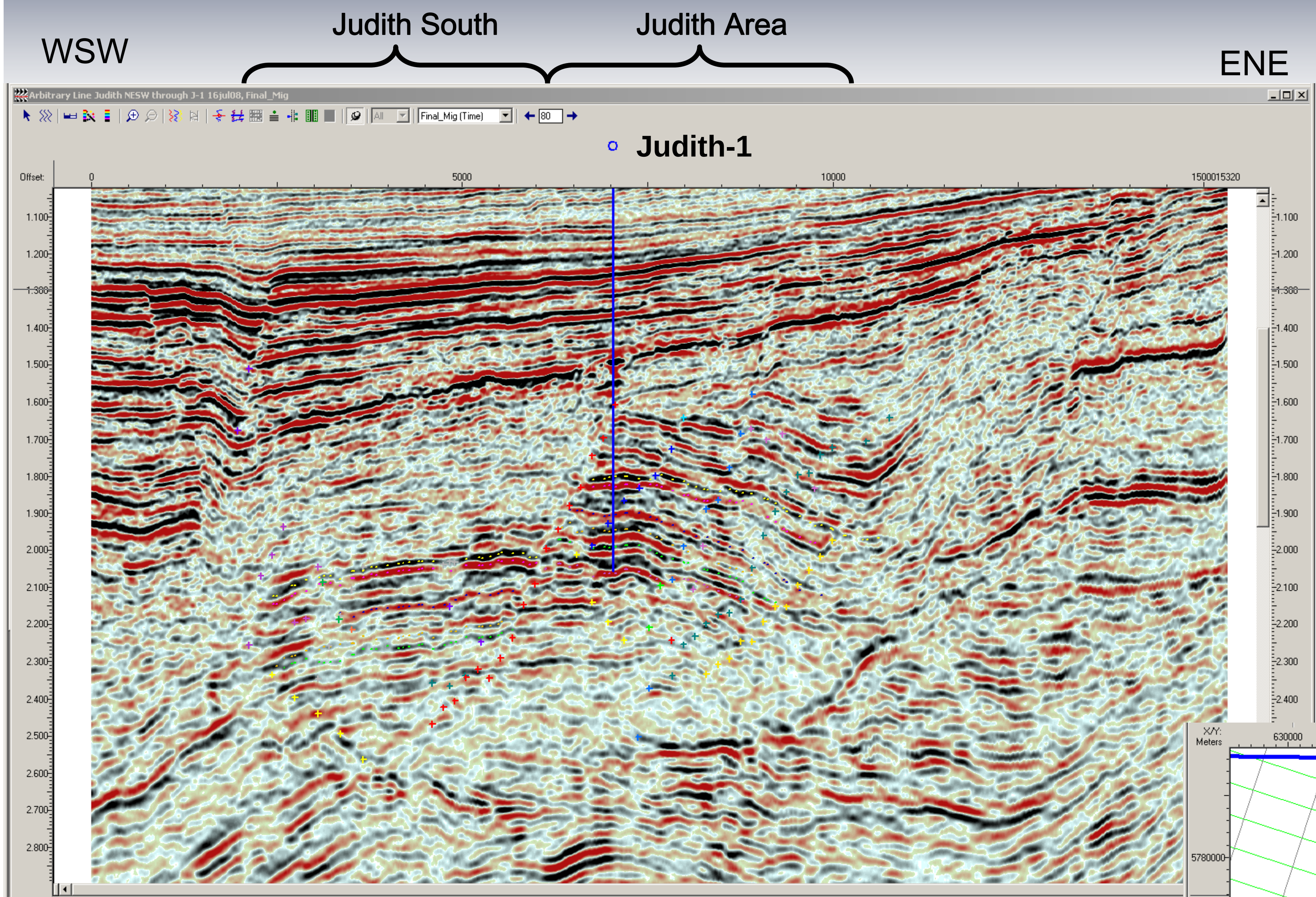
100% Vic/P47 Joint Venture volumes

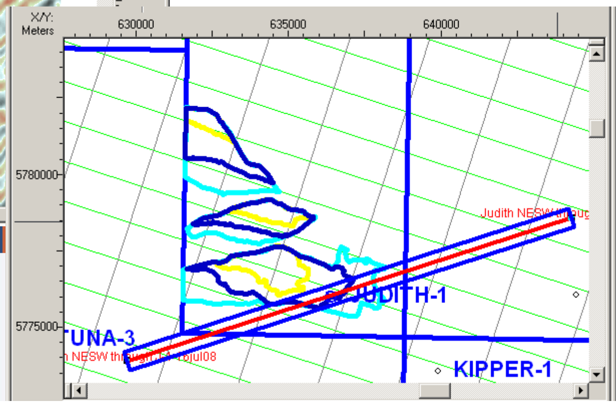
JUDITH-1: WELL - SEISMIC TIE



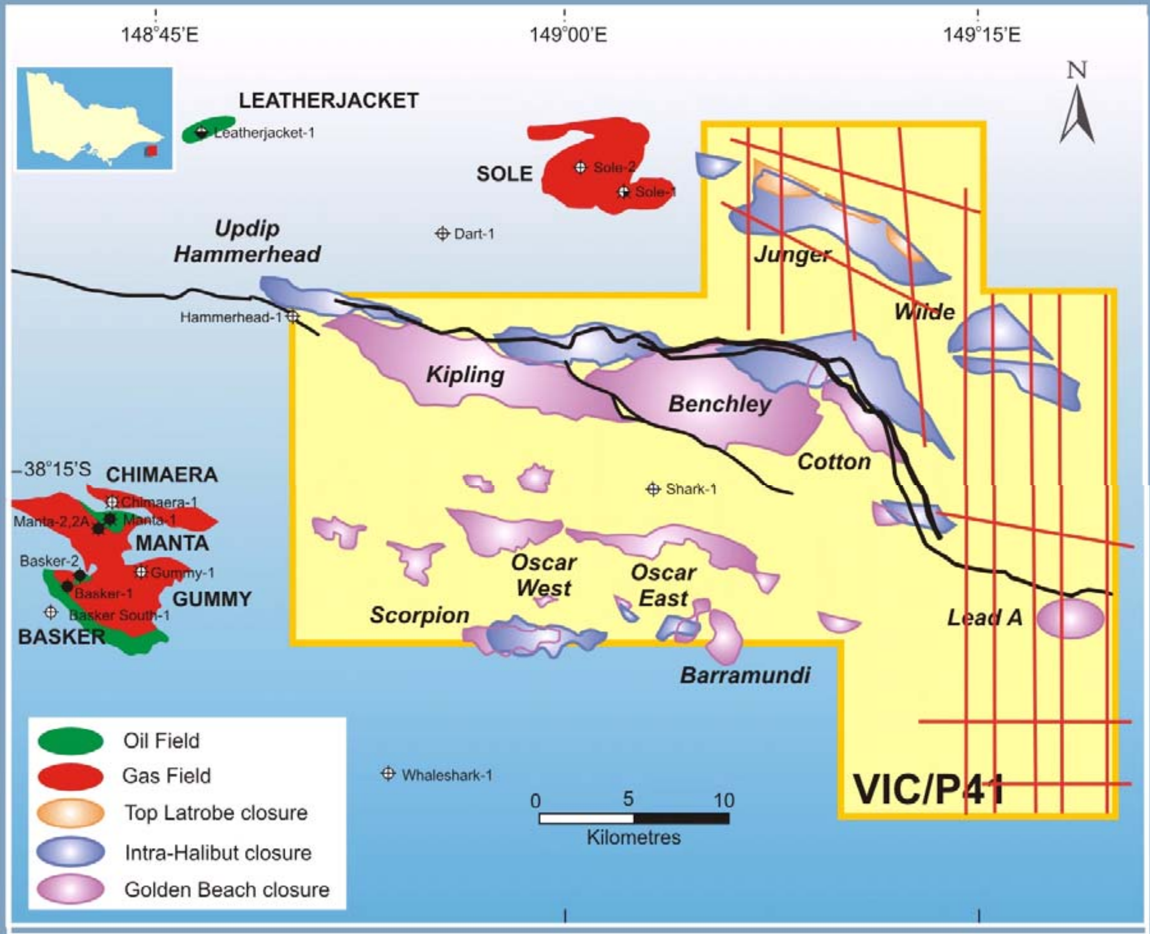
JUDITH -1
Mapped five events tied to sand tops and bases

JUDITH S/JUDITH BLOCK - TRAVERSE: NE TO SW





VIC/P41 PROSPECTS AND LEADS – BAS 45% and operator



VIC/P41 Prospects and Leads

- *3D defined, high impact prospects, ready to drill*

  ***Kipling**, analogous to Kipper field*
  P50: 124 MMbbls +620 Bcf
  ***Benchley**, GB and Halibut targets*
  P50: 184 MMbbls + 1.4 Tcf
  ***Oscar,** analogous to Basker/Manta*
  P50 combined total - 40 MMbbls
  (Unrisked, 100% volume estimates)

- *Leads defined on 2D in east of permit, 250 km 2D seismic acquisition in June 2008*

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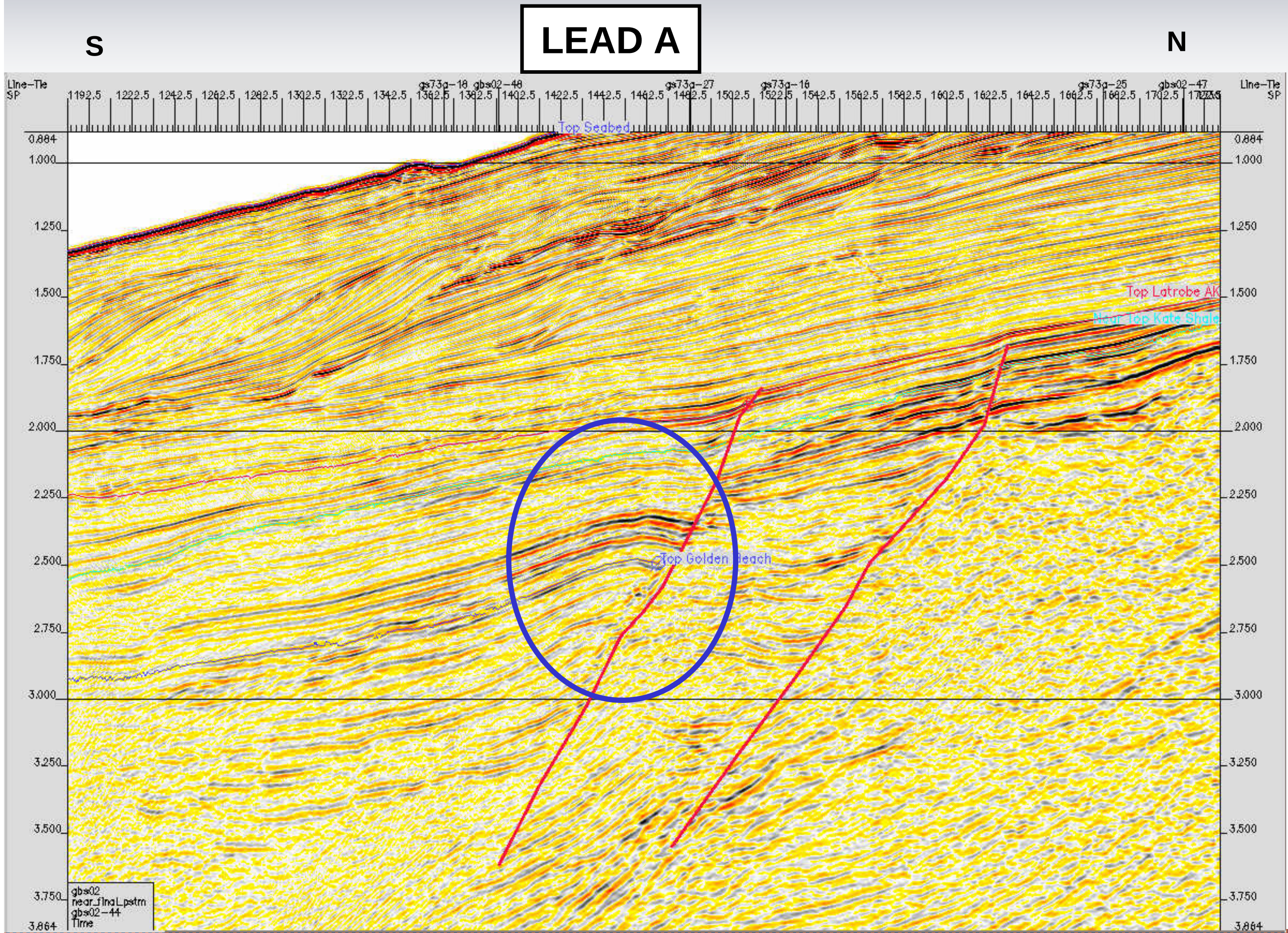
VIC/P41: DEEP WATER LEADS – EASTERN AREA



- *Golden Beach feature*
- *New seismic control acquired in June 2008*
- *Potentially large structure*
- *Lies in ca 600 metres water*

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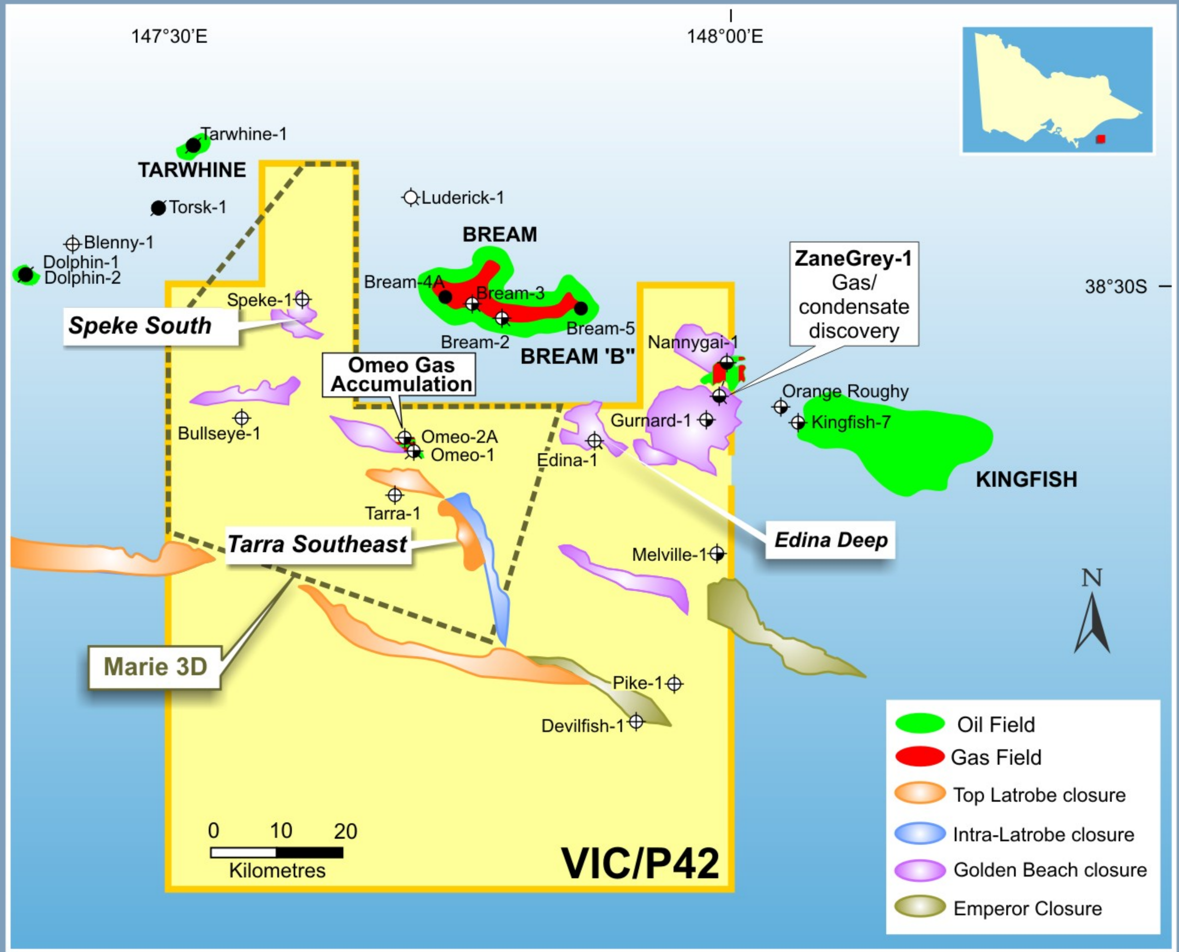
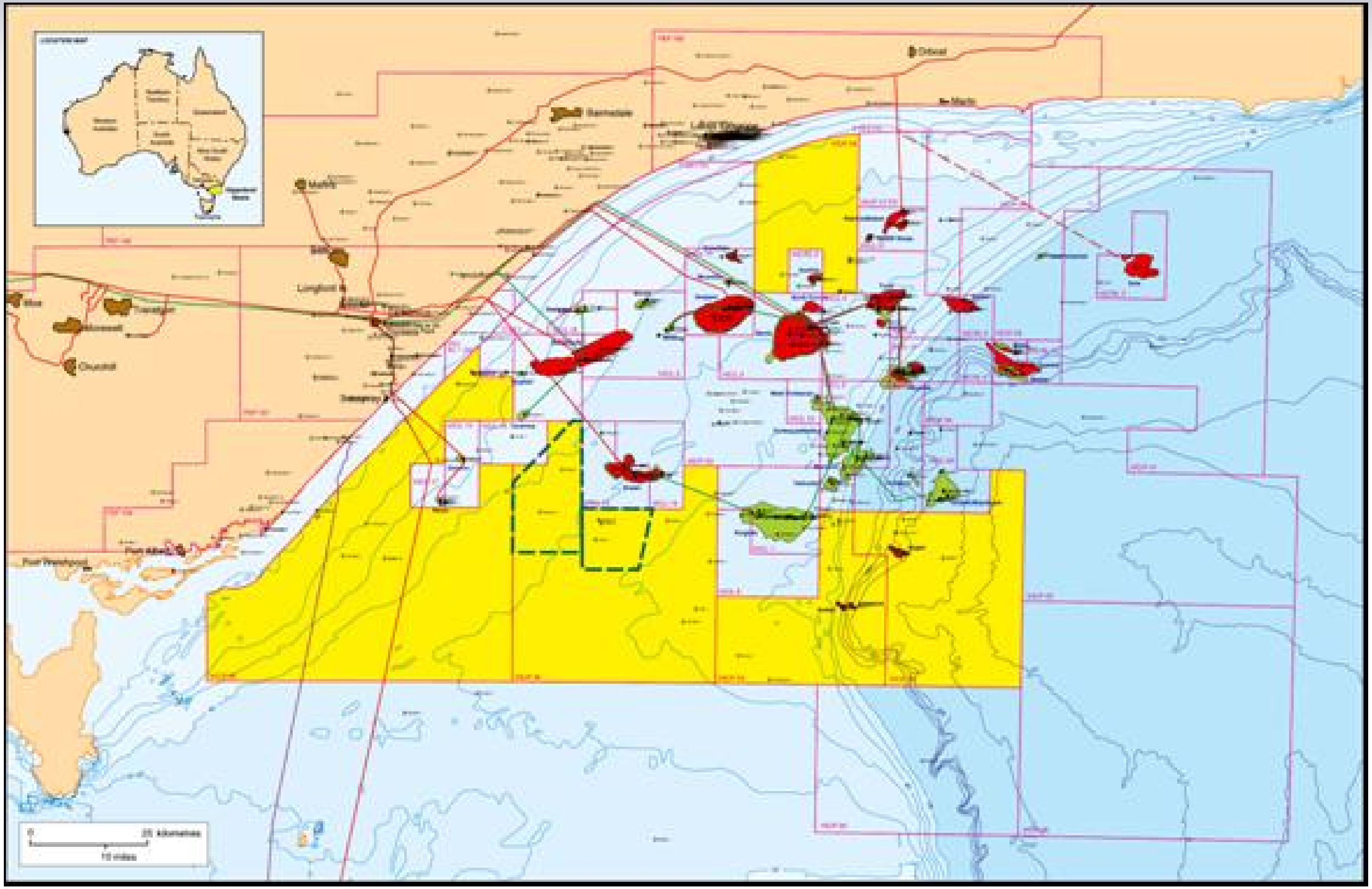
VIC/P42 PROSPECTS & LEADS - BAS 20%



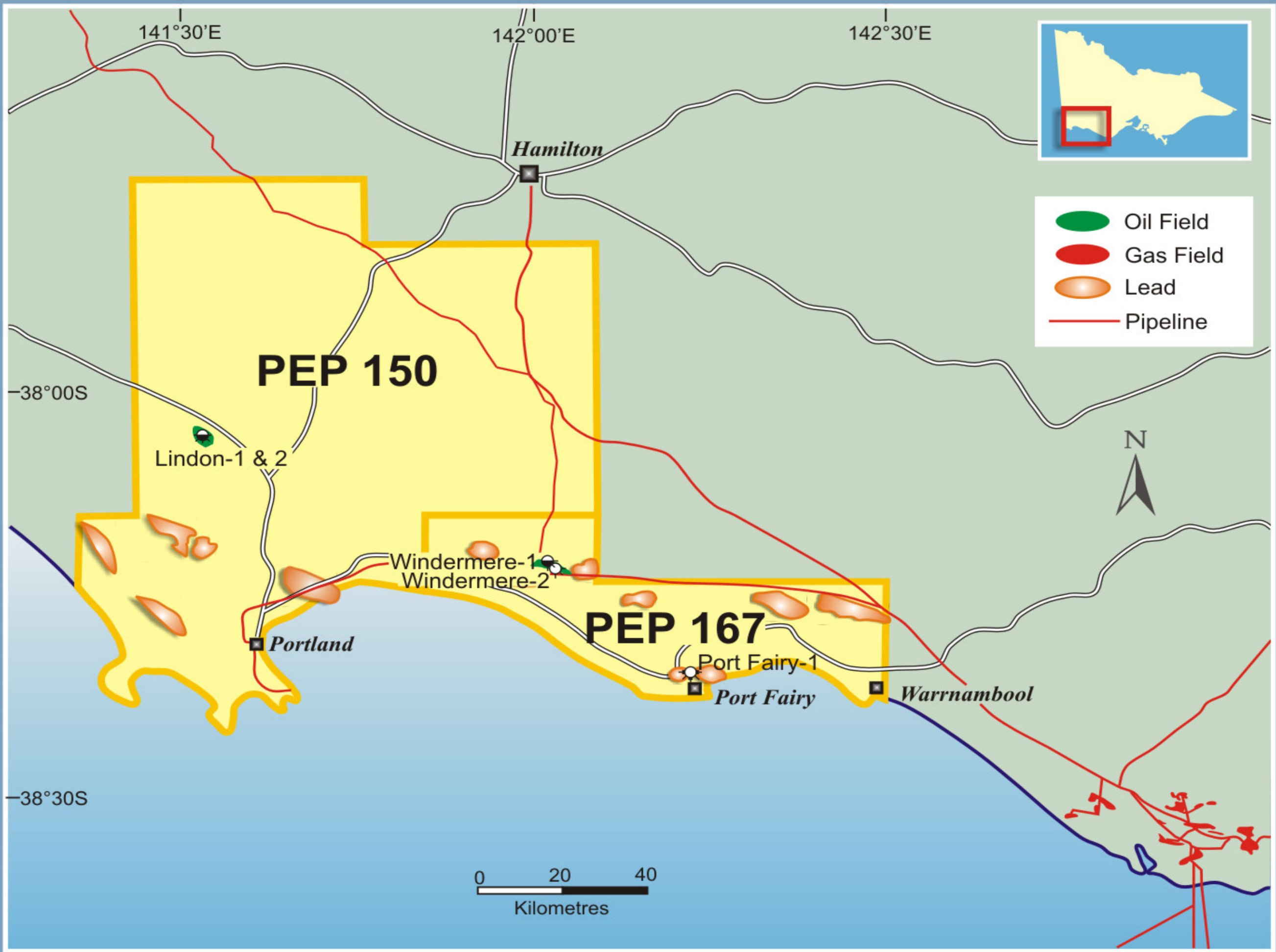
VIC/P42 Prospects and Leads

- *New and reprocessed 3D seismic dataset*
- *Apache to review new opportunities, including SE Tarra*
- *ZaneGrey and Omeo discoveries*

APACHE GIPPSLAND ACREAGE



ONSHORE OTWAY BASIN – BAS ACREAGE



PEP 150 and PEP 167 Leads

- *Excellent access and infrastructure in onshore Otway indicates good economics for oil development*
- *BAS 100% in PEP 167, contains Windermere-1 oil discovery*
- *BAS 15% farmin interest to PEP150 - contains Lindon oil discovery (permit pending native title)*

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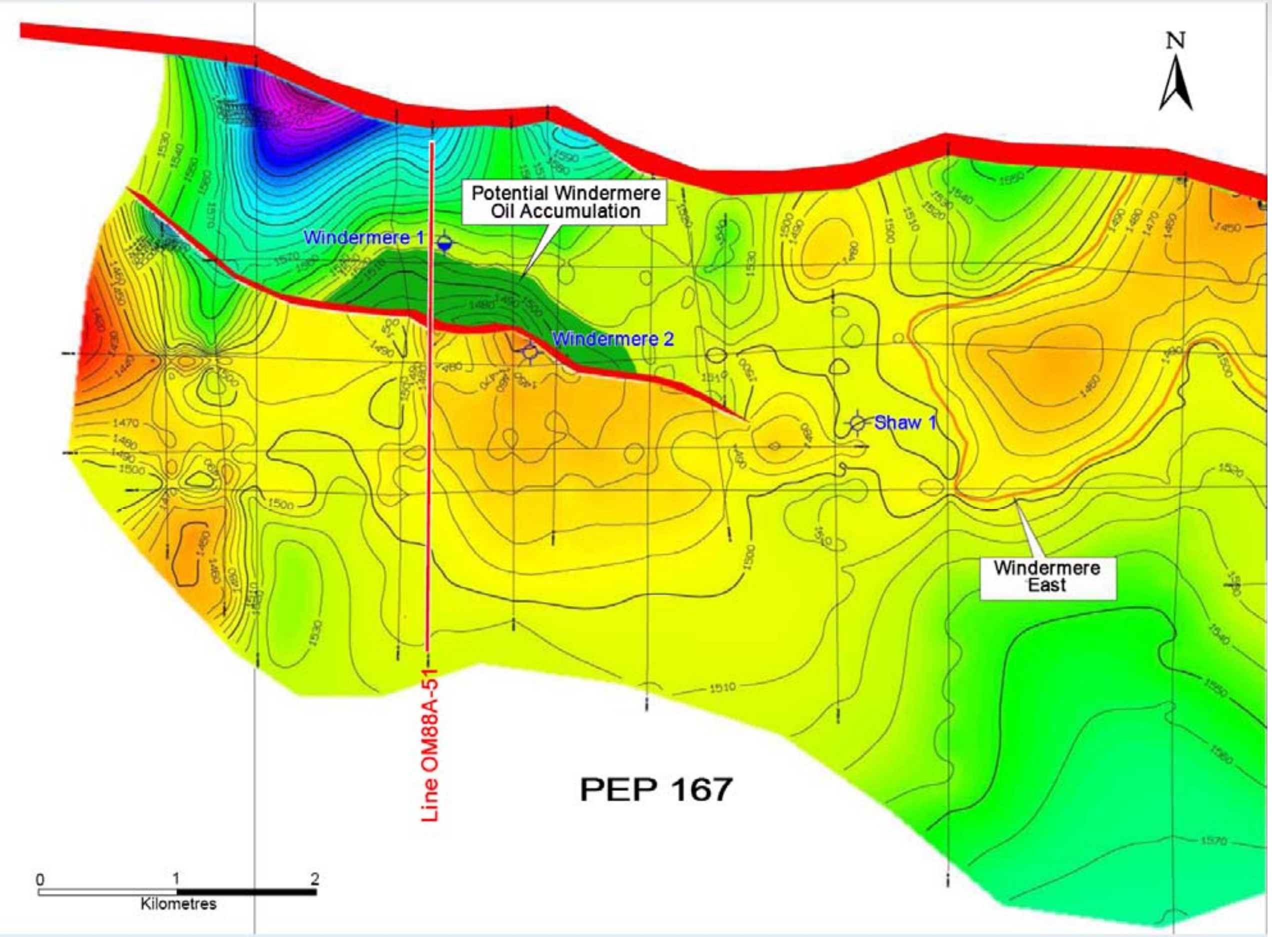
OTWAY BASIN: PEP167, WINDERMERE-1 OIL



Top Heathfield Sandstone Member
Time Structure Map over the Windermere Area

Windermere-1:

- *drilled in 1987*
- *recovered 32 bbls oils on test*

Windermere-2 drilled in 1989, dry, separated by fault

Technical studies completed

- *Seismic data reprocessing*
- *Reservoir engineering review*
- *Petrophysics*
- *Remapping*

Follow up leads also identified, require new seismic acquisition

PEP167 & WINDERMERE-1 OIL POTENTIAL

FORWARD WORK PROGRAMME – OPTIONS UNDER REVIEW:

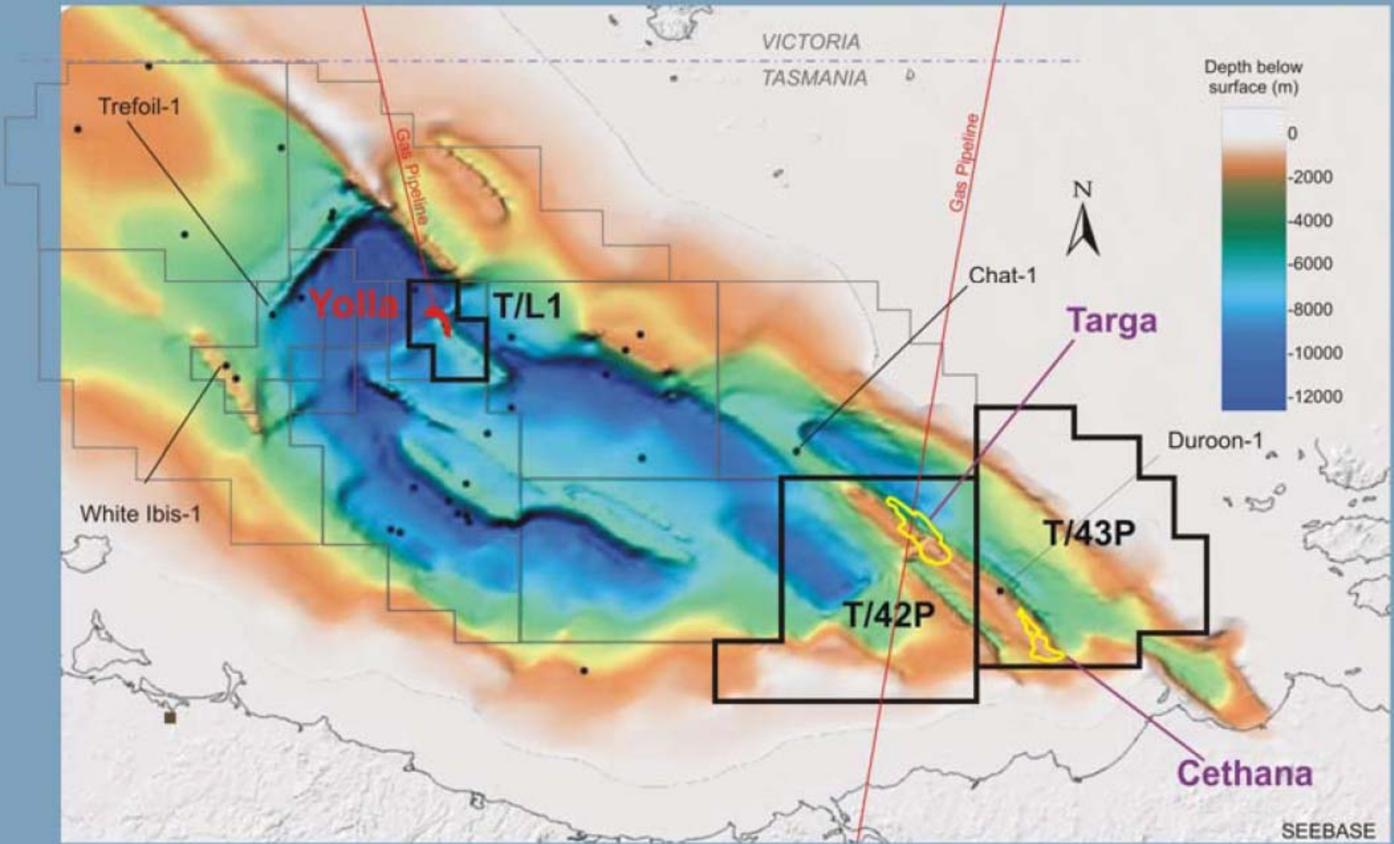
- Drill new Windermere appraisal well located on current seismic
- Re-enter Windermere-1 well to re-evaluate
- Acquire additional 2D seismic data
- Acquire 3D seismic data focused on the Windermere oil
- Continue to work up block wide potential

BASS BASIN ACREAGE – BAS 100% and operator

Regional Location Map

- *T/42P & T/43P - total 6,120 sq km capturing much of the Durroon Sub basin play*
- *Under explored area with one well, limited 2D seismic. New 2D seismic in June 2008.*
- *Basin is now fully permitted, drilling planned in adjacent areas in 2008*
- *Favourably located - infra structure and growth markets, in water depth < 100m*

BASS BASIN ACREAGE – REGIONAL SETTING



Depth to Basement

- ***Evaluation focus on petroleum system plus mapping available 2D seismic***
- ***Major NW/SE structure evident on depth to basement map***
- ***Untested source "kitchens" identified***
- ***Presence of reservoirs and access to hydrocarbon charge probable based on studies***

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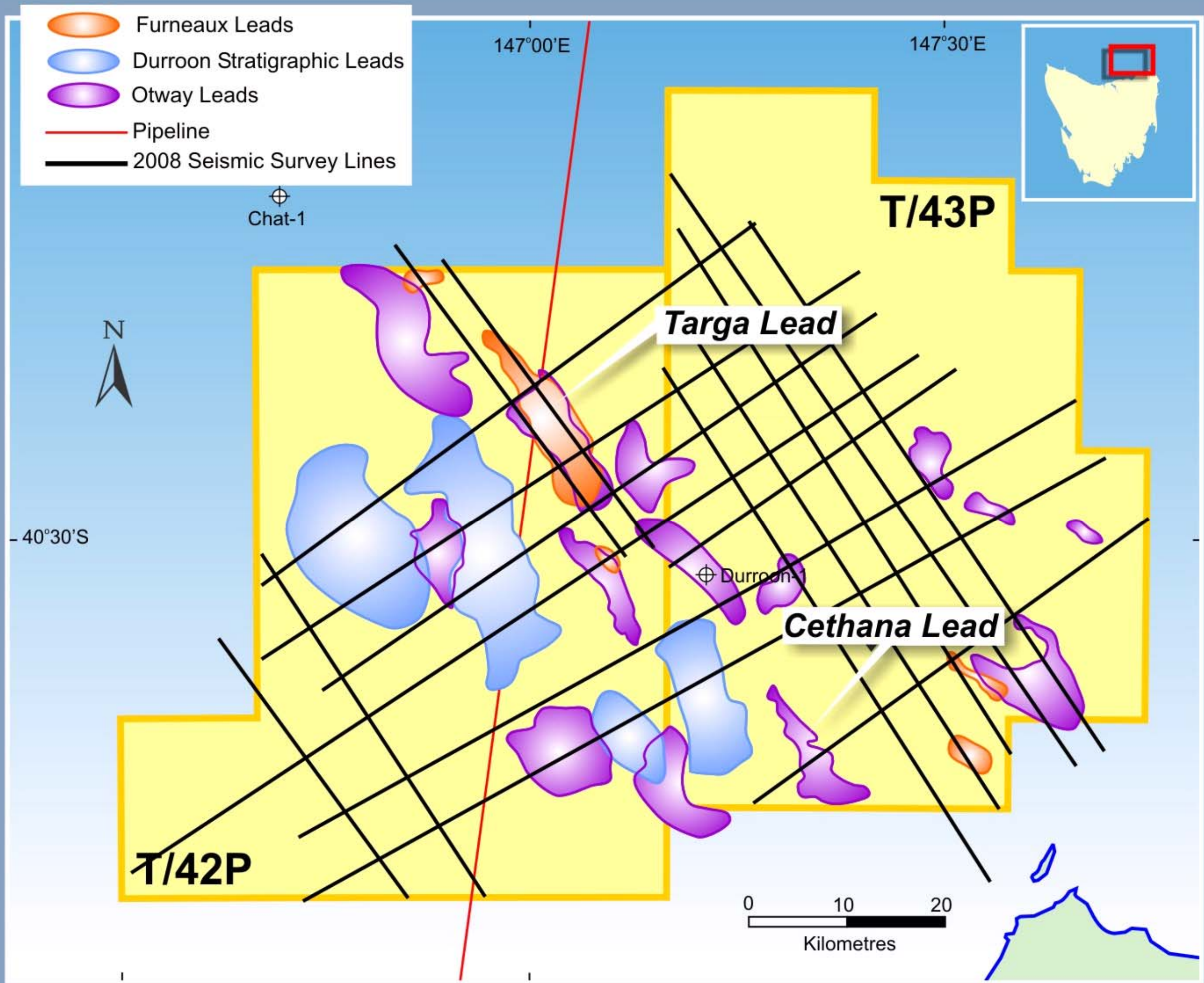
BASS BASIN ACREAGE – BAS 100% and operator



T/42P & T/43P Leads

Seismic mapping results to date:

- *Chat-1 and Durroon-1 wells considered invalid tests*
- *Several large structural leads identified at 3 stratigraphic levels*
- *1192 km 2D seismic recorded June 2008 to mature the leads*

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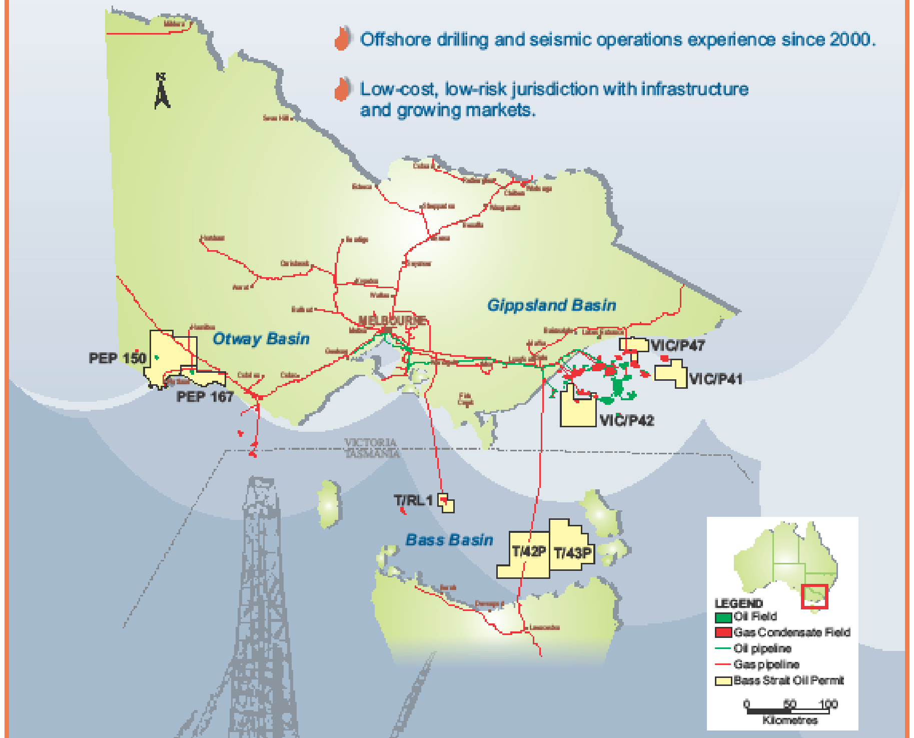
Clear Exploration Focus on Southeast Australia

- Strong permit position;
  excellent leverage to high-impact discovery potential.
- Coherent, focussed portfolio across three productive basins.
- New round of industry activity underway in the region.
- Offshore drilling and seismic operations experience since 2000.
- Low-cost, low-risk jurisdiction with infrastructure and growing markets.



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