**MOBY OIL & GAS LIMITED**

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## **RELEASE**

### **CONSENT TO DRILL MOBY 1 – VIC/P47**

Bass Strait Oil Company Ltd (“BSOC”), as Operator of Vic/P47 and of the Moby 1 well, has been advised by the Designated Authority (“DA”), acting pursuant to the Petroleum (Submerged Lands) Act (“PSLA”), that the DA has:

- consented to the use of the Diamond Offshore General Company MODU “Ocean Patriot” to drill the Moby 1 exploration in Vic/P47.
- accepted the Bass Strait Oil Company Ltd Emergency Response Plan and Oil Spill Contingency Plan.
- accepted the Bass Strait Oil Company Ltd Safety Case Bridging Document.
- approved the drilling of the Moby 1 exploration well in accordance with the Bass Strait Oil Company Ltd drilling programme.
- accepted the Bass Strait Oil Company Ltd Environment Plan for drilling the Moby 1 exploration well.

The commencement of drilling operation at Moby 1 requires Bass Strait Oil Company Ltd and its contractors to adhere to these procedures, manuals, safety case, drilling programme, as well as the Australian Petroleum Production and Exploration Association Ltd (“APPEA”) Code of Environmental Practice. Bass Strait Oil Company Ltd is a full member of APPEA.

#### **Environment Matters**

Bass Strait Oil Company Ltd is responsive to environmental concerns, and conducts all of its operations in a manner that complies with APPEA’s Code of Practice.

As Australia’s offshore waters are rich in living and non-living natural resources, including oil and gas resources, petroleum exploration and development activities are subject to environmental conditions specified in the PSLA and its associated regulations and directions, as well as the Environment Protection and Biodiversity Conservation Act 1999 (the EPBC).

#### **Good Oilfield Practice**

The PSLA contains a broad requirement for titleholders to operate in accordance with “good oil field practice”. In addition, specific environmental provisions relating to work practices essentially require operators to control and prevent the escape of wastes and petroleum. The

PSLA also requires activities to be carried out in a manner that does not interfere with other rights, including the conservation of the resources of the sea and seabed.

Before any drilling operation commences, companies must have an approved oil spill contingency plan and have complied with the requirements of the EPBC and the PSLA. BSOC now has received approval for its Emergency Response Plan and Oil Spill Contingency Plan in relation to the Moby 1 well.

### **Heath and Safety**

BSOC and Moby believes that all injuries are avoidable. BSOC, as Operator, has policies and procedures in place to ensure that BSOC and its contractors manage safety accordingly. It is committed to achieve and maintain safety as an instinctive behaviour for all associated with the drilling of the Moby 1 well. There will be a continuous process of monitoring, and evaluation of our procedures, equipment and operations to ensure that our practices are the best available.

BSOC previously operated the Melville 1 well in Vic/P42 which was drilled and completed to 3345m with "zero lost time injuries" and zero environmental incidents.

BSOC's Environment Policy Statement and Safety Policy statement are attached.

Percentage Interests in the drilling of the Moby 1 well are:

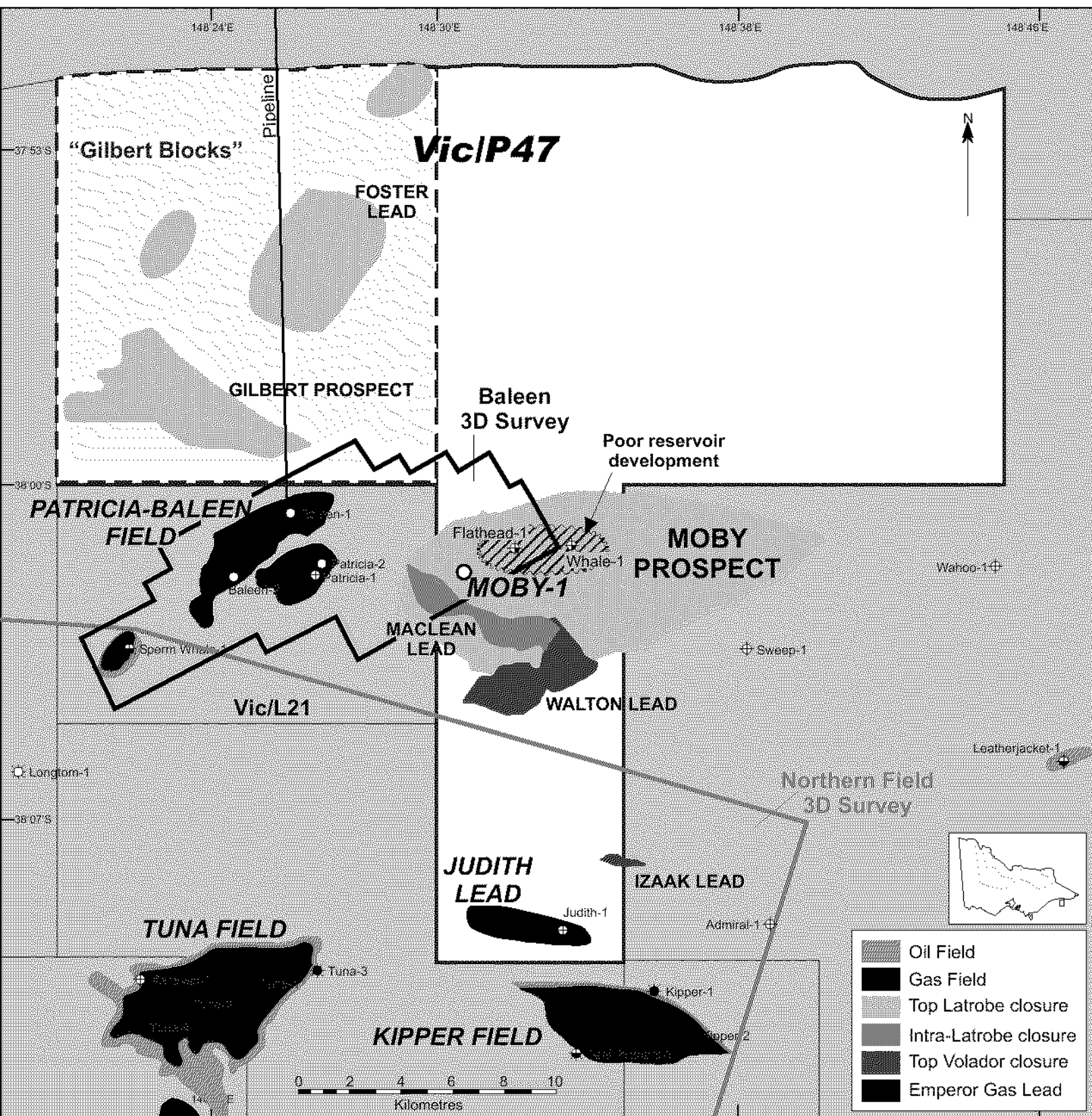
|                                                         |     |
|---------------------------------------------------------|-----|
| Bass Strait Oil Company Ltd (Operator) (ASX code: *BAS) | 40% |
| Moby Oil & Gas Limited (ASX code: MOB)                  | 35% |
| Eagle Bay Resources NL (ASX code: EBR)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

\* Subject to commencement of quotation.



**E.G. Albers**  
Chairman

9<sup>th</sup> September 2004



## **BASS STRAIT OIL COMPANY LTD**

### **SAFETY POLICY**

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At Bass Strait Oil Company Ltd., our goal is to always make Safety an essential and integral part of the way we conduct our business.

We are committed to achieve and maintain safety as an instinctive behaviour for everybody associated with Bass Strait Oil.

We recognise that safety is a state of mind, so encourage every employee to develop and maintain a responsible, self-disciplined attitude to their own and others' safety. Safety as a way of thinking about work is characterised by behaviours such as:

- anticipating problems before they occur;
- a continuous careful, alert analysis of our working environment; and,
- a disciplined approach where we all take responsibility for our actions.

Management recognises that it has, and those who provide services on behalf of Bass Strait Oil have, a responsibility to provide a safe work place and safe systems of work. To ensure this responsibility is fulfilled Bass Strait Oil will provide and shall want its contractors to provide the required information, resources and training.

To ensure we maintain ourselves as a leader in Safety, there will be a continuous process of monitoring, and evaluation of our procedures, equipment and operations to assure that our practices are always the best available.

Safety will always remain a fundamental part of the way we do things at Bass Strait Oil.



Geoffrey Albers  
Managing Director  
July 2004

## **BASS STRAIT OIL COMPANY LTD**

### **ENVIRONMENT POLICY**

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To prevent or minimise any possible environmental impact as a result of its operations, Bass Strait Oil Company Ltd. commits itself, and will encourage those companies providing services to Bass Strait Oil, to:

- comply, at a minimum, with applicable laws, regulations, standards and guidelines for the protection of the environment and in their absence adopt the best practicable means to prevent or minimise adverse environmental impacts;
- work and consult with appropriate government agencies drafting policies laws, regulations or procedures to protect the environment;
- ensure that adequate waste management practices are carried out based on the prevention, minimisation, recycling, treatment and disposal of wastes;
- provide adequate training to enable employees to adopt environmentally responsible work practices and to be aware of their environmental responsibilities;
- develop emergency plans and procedures so that incidents can be responded to in a timely and effective manner;
- develop and maintain management systems to identify, control and monitor risks and compliance with government regulations and industry guidelines;
- monitor environmental effects and assess environmental performance at all stages of exploration, development, production and rehabilitation; and
- communicate openly with government, non-government bodies and the public in a timely manner on environmental issues which relate to Bass Strait Oil operations.



Geoffrey Albers  
Managing Director  
July 2004