

18 November 2016

## **BASS OIL TO CONDUCT CAPITAL RAISING TO FUND UPFRONT ACQUISITION COST OF TANGAI-SUKANANTI OIL PRODUCTION ASSETS**

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### **HIGHLIGHTS**

- **Capital raising to fund upfront acquisition costs for Indonesian oil production assets**
- **Capital raising via rights issue to raise circa AUD\$772,207. Shareholders can apply for additional shares in excess of their entitlement**
- **Directors to take up their full entitlement**

Bass Strait Oil Company Ltd (“Bass” or the “Company”; ASX: BAS) is pleased to announce a pro rata, non-renounceable rights issue of three (3) New Shares for every five (5) Shares held at the Record Date – **Wednesday 23<sup>rd</sup> November 2016** - at an issue price of 0.1 cent (\$0.001) to raise up to approximately AUD\$772,207, before issue costs and one (1) free attaching option (New Options) having an exercise price of 0.3 cents and an expiry date of 15 December 2017 for every two (2) New Shares purchased, (“the Offer” or “the Rights Issue”). Each New Option will upon exercise, entitle the holder to one ordinary share and one (1) new Piggy Back Option having an exercise price of 0.6 cents and an expiry date of 15 December 2018.

The funds raised under the Offer will, subject to completion, be principally applied to the acquisition of Cooper Energy’s 55% (Operator) interest in the Tangai-Sukananti production assets located in South Sumatra, Indonesia as announced by Bass on 19 October 2016. This transaction is transformative for the Company, moving it from an Australian-based exploration focus to a South East Asian focussed oil and gas production company with cash flow positive assets. The acquisition also provides the Company with a solid platform for executing additional low-cost acquisitions within the region and exploring the multiple low-cost and low-risk development opportunities within the Tangai and Bunian oil fields.

As announced on 16 November 2016, recent production optimisation activities at the project area has, during the first two weeks of November 2016, resulted in average daily production in excess of 820 barrels of oil per day (bopd) on a 100% basis of which, 450 bopd are attributable to Bass. This outcome represents a 60+% increase in production from 500 bopd as previously reported (see ASX Announcement dated 25 October 2016). Importantly, the resultant increase in production will generate an immediate increase in free cash flow to Bass given that the effective date of the transaction is 1 October 2016. The transaction is subject to regulatory consent and approval of existing shareholders at a General Meeting which is expected in late January 2017.

The Rights Issue incorporates a Shortfall Facility under which Eligible Shareholders can apply for New Shares and New Options in excess of their pro-rata entitlement. The issue of New Shares and New Options under the Shortfall Facility will be dependent on there being a shortfall in the take up of pro rata entitlements

under the Entitlement Offer and subject to the discretion of the Board. Eligible Shareholders who wish to apply for New Shares and New Options under the Shortfall Facility can do so by specifying the number of Additional New Shares they wish to apply for in the space provided on their Entitlement and Acceptance Form.

Members of the public who are not Eligible Shareholders whose registered address is in Australia may also subscribe for New Shares and New Options under the Shortfall Offer pursuant to the Prospectus by submitting a properly completed Application Form. The Entitlements of Eligible Shareholders will be satisfied in full prior to any Shortfall Securities being allotted to members of the public in respect of such Applications.

### **Eligible Shareholders**

The eligible shareholders to whom the Entitlement Offer is being made are those shareholders who are:

- (a) registered as a holder of Bass Shares as at the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) not in the United States, are not a “U.S. person”, as defined in Regulation S under the U.S. Securities Act of 1933 (“U.S. Person”), and are not acting for the account or benefit of any person in the United States or any “US Person”; and
- (d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Company has determined that it is not practicable for Ineligible Foreign Shareholders to participate in the Offer having regard to the number of Ineligible Foreign Shareholders, the number and value of New Shares they would be offered and the costs of complying with the regulatory requirements of those jurisdictions.

### **Indicative Dates**

<b>EVENT</b>	<b>DATE</b>
<b>Offer announced and Appendix 3B lodged with ASX and Prospectus lodged with ASIC.</b>	18 November 2016
<b>Notice of Offer sent to Shareholders</b>	21 November 2016
<b>Shares quoted ex Rights</b>	22 November 2016
<b>Record Date (5.00pm AEDT)</b>	23 November 2016
<b>Prospectus and Entitlement and Acceptance Form dispatched to Shareholders</b>	28 November 2016
<b>Closing Date</b>	7 December 2016
<b>New Shares quoted on a deferred settlement basis.</b>	8 December 2016
<b>Notification to ASX of Shortfall Offer</b>	12 December 2016
<b>Issue date for New Shares and New Options (including Shortfall Offer) Deferred settlement trading ends</b>	14 December 2016
<b>Commencement of trading of New Shares (Normal trading of Shares resumes)*</b>	15 December 2016

*\* Trading of New Options is subject to official quotation.*

Dates and times in this announcement are indicative only and subject to change. All dates and times are references to Australian Eastern Daylight Time.

Bass reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations. In particular, Bass reserves the right to extend the Closing Date, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Rights Issue without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their acceptances as soon as possible after the Rights Issue opens.

Bass also reserves the right not to proceed with the whole or part of the Rights Issue at any time prior to the issue of the New Shares. In that event, application monies (without interest) would be returned to applicants.

### **Shareholder Enquiries**

Eligible shareholders will be sent further details about the Rights Issue in a Prospectus, a copy of which accompanies this announcement. Shareholders should read the Prospectus carefully before making any investment decision regarding the Rights Issue.

Shareholders who have questions relating to the Rights Issue should call the Bass Shareholder Enquiry's Line on 1800 303 491 between 9:00am and 5:00pm (Melbourne time) on business days during the offer period.

For further information, please contact:

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**Bass Strait Oil Company (ASX:BAS)** is an ASX listed exploration and production company featuring low cost oil production in Indonesia. Bass has realigned its corporate strategy following the landmark acquisition of Cooper Energy's 55% interest in the Tangai-Sukananti production assets located in the prolific oil & gas region of South Sumatra, Indonesia. Bass intends on building a substantial oil & gas business with a clear focus on executing opportunities in the South-East Asia region. Bass has a strong and committed shareholder base with Board and management holding in excess of 20% of issued capital.

[www.bassoil.com.au](http://www.bassoil.com.au)

