

BASS OIL LIMITED

ACN 008 694 817

RIGHTS ISSUE PROSPECTUS

For a pro-rata non-renounceable rights issue to Eligible Shareholders of 1 New Share for every 2 Shares held on the Record Date at an issue price of \$0.002 per New Share with 1 free attaching New Option for every 2 New Shares subscribed for and issued (each such New Option exercisable at \$0.004 on or before 30 July 2021).

Important Information

The Rights Issue closes at 5.00pm Melbourne time on 25 July 2019 (or such later date as the Directors, in their absolute discretion may determine).

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

An investment in the securities offered by this Prospectus should be considered as speculative.

Important information

Important notice

You should read this entire Prospectus carefully. It is important that you consider the risk factors (see Section 4) that could affect the Company's financial performance, before deciding on your course of action.

This Prospectus is dated 5 July 2019. A copy of this Prospectus was lodged with ASIC on 5 July 2019. No New Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to the ASX for the New Shares and the New Options to be quoted on the ASX within 7 days after the date of this Prospectus.

Applications for New Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus. The Entitlement and Acceptance Form sets out a shareholders' Entitlement to participate in the Offer. Eligible Shareholders who do not take up their Entitlement will have their existing interest in the Company diluted. Please refer to Section 1 for details of how to accept the Offer.

The Company has not authorised any person to give information, or to make any representation, in connection with this Prospectus which is not contained in the Prospectus or inconsistent with it. Any information or representation not so contained, or inconsistent with the information in this Prospectus, may not be relied on as having been authorised by the Company in connection with this Prospectus.

Some words in this Prospectus have defined meanings. The definitions appear in Section 7 at the end of this Prospectus. References to dollars are to Australian dollars unless otherwise indicated.

All amounts stated in this Prospectus may be subject to slight variation due to rounding.

This Prospectus contains an offer to Eligible Shareholders in Australia or in New Zealand of **"continuously quoted securities"** (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Please refer to Section 1 for further information concerning the nature of this Prospectus.

Neither the ASIC nor the ASX take any responsibility for the contents of this Prospectus, or the merits of the investment to which this Prospectus relates.

Foreign Shareholders and Foreign jurisdictions

The New Securities are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Prospectus does not constitute an offer in any place where it would not be lawful to make such an offer, nor does it constitute an offer to any person to whom it would not be lawful to make such an offer. Ineligible Foreign Shareholders are not entitled to participate in the Rights Issue.

Future performance

Except as required by law, and only then to the extent required, neither the Company nor any other person, guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Any investment in the New Securities should be considered speculative.

Enquiries

If you have any queries about your Entitlement or the Offer, please contact the company between the hours of 8.30am and 5.00pm (AEST), Monday to Friday:

Phone: +61 3 9927 300

Email: admin@bassoil.com.au

Alternatively, contact your stockbroker or other professional advisor.

Chairman's letter

5 July 2019

Dear Shareholder

On behalf of the Board of Bass Oil Limited, I am pleased to invite you to participate in a non-renounceable Rights Issue to raise up to a total of approximately \$2.7 million.

The Rights Issue provides all Eligible Shareholders the opportunity to invest in 1 New Share for every 2 Shares held at 7.00pm (Melbourne time) on the Record Date (10 July 2019) with 1 free attaching New Option for every 2 New Shares subscribed for and issued (with each New Option being exercisable at \$0.004 up until 30 July 2021). The New Shares will be issued at \$0.002 per New Share.

In addition, Eligible Shareholders may apply for Additional Shares (and attaching Additional Options) over and above their Entitlement at the same price of \$0.002 per Additional Share, if and to the extent there is any Shortfall. Further details are included in Section 1.2 of the Prospectus.

The Rights Issue is not underwritten and funds to be raised from the Rights Issue will be primarily used for the drilling of up to two low risk Bunian development wells, pursuing business development opportunities and to provide funds to pay the fourth and final deferred instalment amount owing to Cooper Energy of \$770,000 in respect of the Company's acquisition of the Tangai-Sukananti asset..

Further information about the Rights Issue including the timetable for completion is detailed in this Prospectus.

The Prospectus was lodged with ASIC on 5 July 2019 and a copy will be sent to all Shareholders of the Company who are on the register of members as at 7.00pm on 10 July 2019 and who have registered addresses in Australia or New Zealand.

To find out what you need to do to participate in the Rights Issue, please refer to the attached Entitlement and Acceptance Form which sets out the details of your Entitlement and how to accept all or a portion of your Entitlement.

I urge you to read the Prospectus thoroughly. The Prospectus is intended to be read in conjunction with publicly available information relation to the Company. This information regarding the Company can be accessed via links on the Company website, www.bassoil.com.au

On behalf of the Directors, I commend this Offer to you.

Yours sincerely



Mr Peter Mullins
Chairman

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Summary of Important Dates

Table 1: Rights Issue Key Dates

Date of Lodgement of Prospectus with ASIC and ASX	5 July 2019
Notice of Rights Issue sent to Shareholders	8 July 2019
Existing Shares quoted ex-rights	9 July 2019
Record Date to determine Entitlements under Rights Issue	10 July 2019
Prospectus with Entitlement and Acceptance Form despatched to Eligible Shareholders	12 July 2019
Acceptances Open	
Closing Date for acceptances	25 July 2019
New Securities are quoted for ASX trading on a deferred settlement basis	26 July 2019
Company notifies ASX of under subscriptions	30 July 2019
Issue of New Shares and New Options	30 July 2019
Despatch of holding statements	31 July 2019

The above dates are indicative only and may change without notice.

Defined terms and abbreviations

Terms and abbreviations used in this Prospectus are defined in the Glossary in Section 7.

1 DETAILS OF THE OFFER

1.1 General

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable Rights Issue on the basis of:

- (a) 1 New Share for every 2 Shares held on the Record Date at an issue price of \$0.002 per New Share; together with
- (b) 1 free attaching New Option for every 2 New Shares subscribed for and issued, with an option exercise price of \$0.004 and an expiry date of 5.00pm Melbourne time on 30 July 2021.

If all Entitlements are taken up (or the Directors are successful in placing all of the Shortfall Securities), then:¹

- (a) 1,340,583,741 New Shares and 670,291,870 New Options will be offered under the Rights Issue; and
- (b) the amount of \$2,681,167 before costs, will be raised by the Company from the Rights Issue.

1.2 Additional Shares and Additional Options

Eligible Shareholders who take up their full Entitlement may also apply for Additional Shares (and attaching Additional Options). Applications for Additional Shares may be considered if not all of the New Securities are taken up by the Eligible Shareholders under the Offer. Additional Shares will be issued at the discretion of the Directors and, as a result, there is no guarantee that you will receive Additional Shares and attaching Additional Options.

In the event that Entitlements are not taken up in full, Eligible Shareholders who have taken up all of their Entitlement and have made an application for Additional Securities may be allocated Additional Securities as follows:

- (a) the number of Additional Shares allocated to an Eligible Shareholder who has applied for Additional Shares will be at the discretion of the Directors;
- (b) an Eligible Shareholder will be allocated one Additional Option for every two Additional Shares allocated to them (if any);
- (c) the Directors reserve the right to allocate Additional Shares to Eligible Shareholders in part or not at all; and
- (d) an Eligible Shareholder will not receive more Additional Shares than they have applied for.

There is no guarantee that Eligible Shareholders will be successful in being allocated any of the Additional Shares and Additional Options that they may apply for. If an application for Additional Shares is scaled back or the Directors decide not to issue Additional Shares to an Eligible Shareholder, then the Application Moneys for those Additional Shares which are not issued to the applicant will be returned to the applicant without any payment of interest.

The policy adopted by the Directors for the exercise of their discretion as to the allocation of any Additional Shares (and attaching Additional Options) subscribed for pursuant to the Prospectus will be as follows:

- (i) Eligible Shareholders who have applied for Additional Securities will receive the Additional Securities they have applied for unless there is an over subscription for Additional Shares, in which case Eligible Shareholders will receive Additional Securities on a pro-rata basis having regard to their Entitlement; and
- (ii) no Additional Securities will be issued to Eligible Shareholders in a way that would increase a particular Eligible Shareholder's voting power above 20% or in a way that would have a material effect on the control of the Company.

1.3 Your Entitlement and trading of Entitlements

Your Entitlement is shown in the accompanying Entitlement and Acceptance Form.

In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number and, for this purpose, holdings in the same name will be aggregated for calculation of Entitlements.

¹ Note that all figures stated in this Prospectus are subject to slight variation due to rounding.

The Rights Issue is being made on a non-renounceable basis, meaning that Entitlements cannot be transferred or sold.

1.4 Minimum Subscription

There is no minimum subscription for the Offer.

1.5 No Underwriting

The Rights Issue is not underwritten.

1.6 Opening Date and Closing Date

The Rights Issue will open on 12 July 2019 (**Opening Date**) and close at 5.00pm Melbourne time on 25 July 2019 (or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine) (**Closing Date**).

Completed Entitlement and Acceptance Forms must be received at the Company's Share Registry by the Closing Date, together with payment, in Australian dollars, for the amount of the application.

1.7 How to take up your Entitlement

Under the Rights Issue, you may apply for 100% of your Entitlement or for a portion less than your Entitlement, by using the personalised Entitlement and Acceptance Form sent to you with this Prospectus.

The Entitlement and Acceptance Form details your Entitlement and payment should be made in accordance with the instructions set out on its reverse side.

If you elect to pay by BPAY, you do not need to complete and return an Entitlement and Acceptance Form.

If you elect to pay by cheque, bank draft or money order, you must complete an Entitlement and Acceptance Form and return it to the Share Registry along with your Application Monies. You should allow sufficient time to ensure that your Entitlement and Acceptance Form and Application Monies reach the Share Registry by the specified time of 5.00pm (Melbourne time) on the Closing Date, being 25 July 2019 unless extended by the Directors.

1.8 Directors' right to place Shortfall Securities

The Directors reserve the right to issue any New Shares and New Options which are not taken up by Eligible Shareholders pursuant to the Offer on the terms and conditions below (**Shortfall Offer**). The Directors may, at their discretion, issue any Shortfall Securities within 3 months after the Closing Date for acceptances. The issue price for any New Securities will be an amount that is no less than the issue price for securities offered under the Rights Issue. It is important that Eligible Shareholders understand that if they do not take up their Entitlement, then they will have their existing interest in the Company diluted.

The Company may pay a commission and management fee of up to 6% of the issue price of Shortfall Securities where they are placed by a Participant of the Australian Securities Exchange and issued by the Company.

In exercising their discretion to allocate any Shortfall Securities pursuant to the Shortfall Offer, the Directors will not allocate Shortfall Securities in a way that would increase a particular Shareholder's voting power above 20% or in a way that would have a material effect on the control of the Company.

1.9 Use of Funds

The purpose of the Offer is to raise up to approximately \$2.7 million. The gross proceeds of the Rights Issue are intended to be used for the purposes and in the amounts set out in the table in Section 3.1 of this Prospectus.

1.10 Issue and Allotment of New Shares and New Options

The allotment of New Shares and New Options will take place as soon as practicable after the Closing Date.

The New Shares will be issued fully paid and, from the date of issue, will rank equally in all respects with Shares. A summary of the rights attaching to New Shares and New Options is set out in Sections 5.1 and 5.2.

By returning your Entitlement and Acceptance Form, you agree to comply with the Constitution in respect of the New Securities issued to you.

Until the issue and allotment of the New Securities the Application Monies will be held on trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application Monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Securities takes place. No allotment of New Securities will take place until the proceeds of the Rights Issue have been received and ASX grants permission to quote the New Shares and New Options.

1.11 ASX Quotation

The Company will make application to the ASX within 7 days following the date of this Prospectus for the grant of official quotation of the New Shares and the New Options. Quotation of the New Shares and the New Options, if granted by the ASX, will commence as soon as practicable after statements of holdings for the New Shares and the New Options are dispatched.

If approval for official quotation of the New Shares and/or New Options is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot or issue any New Securities and will repay all Application Monies (where applicable) within the time prescribed under the Corporations Act, without interest.

That the New Shares and the New Options have been admitted to quotation on ASX is not to be taken in any way as an indication of the merits of the Company or the New Shares and the New Options.

1.12 Overseas Shareholders

The New Securities being offered under this Prospectus are being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The Company believes it is unreasonable to extend the Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the securities that would be offered to those shareholders; and
- (b) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Offer under this Prospectus is not made to Ineligible Foreign Shareholders (as defined in Section 7).

1.13 Risks associated with not accepting your Entitlement

It is important that Eligible Shareholders understand the risks associated with not accepting their Entitlement.

If you elect not to accept your Entitlement in full under this Prospectus, your Shareholding in the Company will be diluted. Please carefully consider whether to accept your Entitlement and, if you are in doubt as to whether to accept, you should consult your independent professional investment adviser.

1.14 Brokerage and stamp duty payable on subscription under Entitlement

No brokerage or stamp duty will be payable by you in respect of a subscription for New Securities under your Entitlement.

1.15 Tax implications

The Company makes no representation and provides no advice in relation to the tax consequences for any Shareholder of taking up their Entitlement under the Offer. Shareholders should seek professional taxation advice about the tax consequences of taking up the Entitlement.

1.16 Enquiries

Any questions concerning this Prospectus or the Offer should be directed to the Chief Executive Officer or the Company Secretary at the Company's registered office, details of which are set out in Section 8.

1.17 The Company's regular reporting and disclosure requirements

The Company is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As a disclosing entity, the Company is subject to regular reporting and disclosure obligations. Broadly, these obligations require:

- the preparation of both yearly and half yearly financial statements, a report on the operations of the Company during the relevant accounting period together with an audit or review report by the Company's auditor;
- any half year financial report lodged with ASIC by the Company after lodgement of the above financial report and before the lodgement of the copy of the Prospectus with ASIC; and
- immediate notification to the ASX of any information concerning the Company which it becomes aware of and which a reasonable person would expect to have a material effect on the price or value of the Shares, subject to certain exceptions.

Copies of any documents in relation to the Company which are lodged with ASIC may be obtained from, or inspected at, an ASIC office. ASX maintains a file of all announcements lodged with it by the Company. Copies of documents lodged by the Company with ASX can be found on ASX's website, www.asx.com.au and on the Company's website, www.bassoil.com.au

During the period that the Offer remains open, the Company will provide copies of the following to any person on request, free of charge:

- (a) the Company's annual financial report for the year ended 31 December 2018;
- (b) the Company's audited consolidated financial statements for the financial year ended 31 December 2018; and
- (d) any continuous disclosure notices used to notify ASX of information relating to the Company between 29 March 2019 (being the date of lodgement with ASIC of the annual financial report referred to in paragraph (a)) and the date of lodgement of this Prospectus. The documents listed in Schedule 1 to this Prospectus were lodged by the Company with ASX during this period.

All requests for copies of the above documents should be addressed to the Company Secretary.

2 COMPANY OVERVIEW

The Company is an oil and gas exploration and production company. The Company has re-aligned its corporate strategy following its landmark acquisition in March 2017 of Cooper Energy's 55% interest in the Tangai-Sukananti production assets located in the prolific oil and gas region of South Sumatra, Indonesia (**Tangai-Sukananti Project**). The Company intends to develop an oil and gas business with a clear focus of executing opportunities in the South-East Asia region.

Bass has a strong and committed shareholder base with the Board and management holding in excess of 16.6% of its issued capital.

A summary of the major activities and financial information relating to the Company for the financial year ended 31 December 2018 is contained in the Annual Financial Report which was lodged with ASX on 29 March 2019. The Company's continuous disclosure notices (ie ASX announcements since 29 March 2019) are listed in Schedule 1 to the Prospectus. As stated in Section 1.8, copies of these documents are available free of charge from the Company.

3 PURPOSE AND EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

3.1 Purpose of the Rights Issue

The purpose of the Rights Issue is to raise up to \$2.7 million before costs. Costs related to the Offer are expected to be approximately \$163,000. No funds will be raised from the issue of the New Options.

The gross proceeds to be raised from the Offer are planned to be used in accordance with the table set out below:

Use of proceeds raised	\$	%
Capital expenditure relating to the Company's Tangai-Sukananti Project	\$1,467,000	54.4%
Pursuing new business growth opportunities	\$300,000	11.1%
Fourth and final deferred instalment owing to Cooper Energy in respect of the Company's acquisition of the Tangai-Sukananti Project	\$770,000	28.5%
Expenses related to the Rights Issue	\$163,000	6.0%
Total	\$2,700,000	100%

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the proceeds are ultimately applied. The Board reserves the right to alter the way proceeds are applied on this basis.

3.2 Principal effect of Rights Issue

If all Entitlements are taken up (or if less than all Entitlements are taken up but the Directors are successful in placing all of the Shortfall Securities pursuant to the Shortfall Offer), then the principal effect of the Rights Issue on the Company will be that:

- cash reserves and contributed equity of the Company will increase by approximately \$2.7 million before deducting the expenses of the Rights Issue; and
- the number of Shares on issue will increase by 1,340,583,741 from 2,681,167,481* shares to 4,021,751,222 shares;
- the number of Options on issue will increase by 670,291,870, from 37,500,000* to 707,791,870 Options.

* As announced on the date of this Prospectus, the Company has received firm commitments from sophisticated and professional investors to raise \$150,000 by the issue of 75,000,000 Shares at \$0.002 per share (being the same issue price as for New Shares under this Prospectus) under the Placement. These investors will also receive 1 free attaching Option for every two Shares subscribed for and issued (being 37,500,000 in total) on the same terms as the New Options offered under this Prospectus. These Shares and Options will be issued on 8 July 2019 and therefore the Shares will be eligible to participate in the Offer. All references in this Prospectus to the number of Shares currently on issue include these Shares to be issued under the Placement. Further, all

references to the number of Options currently on issue include the 37,500,000 Options to be issued under the Placement.

If only 50% of all Entitlements are taken up (and the Directors are not successful in placing the Shortfall Securities), then the principal effect of the Rights Issue on the Company will be that:

- (a) cash reserves and contributed equity of the Company will increase by approximately \$1,340,583 (before costs);
- (b) the number of Shares on issue will increase by 670,291,870 from 2,681,167,481 to 3,351,459,351; and
- (c) the number of Options on issue will increase by 335,145,935.

3.3 Impact on capital structure

Shares and Options

At the date of this Prospectus, the Company has:

- (a) 2,681,167,481 Shares on issue; and
- (b) 37,500,000 Options on issue.

Assuming no Shares are issued prior to the Record Date and all Entitlements are taken up, then the New Shares issued pursuant to this Prospectus will be 1,340,583,741 or approximately 33.3% of the expanded issued capital, and the total Shares on issue after the Rights Issue will be 4,021,751,222. In addition, 670,291,870 New Options will be issued.

That is, the effect on the capital structure of the Company, assuming that all Entitlements are accepted, will be as follows:

Number of Shares on Issue prior to the Offer	Number of Shares issued under this Prospectus	Total Share on issue on completion of the Offer
2,681,167,481	1,340,583,741	4,021,751,222

Number of Options on Issue prior to the Offer	Number of Shares issued under this Prospectus	Total Share on issue on completion of the Offer
37,500,000	670,291,870	707,791,870

Market Prices of existing Shares on ASX

The highest and lowest market sale price of the Company's Shares on ASX, during the 3 months immediately preceding the lodgement of this Prospectus with ASIC and the respective dates of those sales are set out below:

Highest: \$0.003 on 4 April, 17 May and 4 July 2019

Lowest: \$0.002 on 16 April and 29 May 2019

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.003 on 4 July 2019.

New class of Securities – New Options

The Offer will have the effect of creating a new class of securities issued by the Company, being the New Options.

3.4 Effect on control of Company

The potential effect the Offer will have on each Shareholder's percentage interest in the total issued capital of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlement, each Eligible Shareholder's percentage in the total issued Securities of the Company will remain the same and will not be diluted; or
- (b) if some but not all Eligible Shareholders take up their Entitlement, and some or all of the Shortfall Securities are taken up under the Shortfall Offer, the percentage interest in the total issued securities of the Company of each Eligible Shareholder who does not take up their Entitlement will be diluted and the percentage interest of the total issued securities of each Eligible Shareholder who does take up their Entitlement will remain the same.

The Offer and the Shortfall Offer may have a material effect on the control of the Company as if all New Shares are applied for and issued then this will result in a 33.3% increase in the number of Shares on issue post the completion of the Offer and Shortfall Offer, together with the issue of 670,291,870 New Options. In this regard, acceptance of Entitlements or the placement of any

Shortfall Securities may result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. Shortfall Securities will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act.

3.5 Financial Effect of the Offer

The effect of the Offer on the Company's financial position if all the Entitlements are taken up will be to increase consolidated net assets and consolidated total equity by approximately \$2,518,167 after payment of the costs of the Rights Issue which are estimated at \$163,000. It is intended that these funds will be applied as set out in Section 3.1 of this Prospectus.

If only 50% of all Entitlements are taken up (and the Directors are not successful in placing the Shortfall Securities) then the consolidated net assets and consolidated total equity will increase by approximately \$1,236,583 after payment of the costs of the Rights Issue which are estimated at \$104,000.

A pro-forma Statement of Financial Position has been prepared on the basis that there have been no material movements in assets and liabilities of the Company between 31 December 2018 and the completion of the Rights Issue and assuming all Entitlements are taken up, except:

- (a) the Placement of 75,000,000 Shares to be issued on 8 July 2019 at \$0.002 to raise approximately \$150,000 (before costs), less estimated costs of the Placement;
- (b) the Rights Issue of 1,340,583,741 New Shares at \$0.002 raising \$2,681,167 (before costs);
- (c) estimated costs of the Rights Issue of approximately \$163,000 to be offset against contributed equity.

Table 4: Consolidated Statement of Financial Position

	Audited 31 December 2018 USD (\$)	Pro Forma Adjustments		Pro Forma 31 December 2018 USD (\$)
		Placement - \$140,000 (net of costs)	Rights Issue - \$2,518,167 (net of costs)	
Current assets				
Cash and cash equivalents	854,117	140,000	2,581,167	3,575,284
Trade and other receivables	1,312,608			1,312,608
Other current assets	131,060			131,060
Inventories	55,944			55,944
Other financial assets	3,882			3,882
Total current assets	2,357,611			5,078,778
Non-current assets				
Trade and other receivables	175,898			175,898
Other financial assets	27,312			27,312
Plant and equipment	3,178			3,178
Oil properties	1,345,408			1,345,408
Total non-current assets	1,551,796			1,551,796
Total assets	3,909,407			6,630,574
Current liabilities				
Trade and other payables	751,391			751,391
Provisions	75,587			75,587
Provision for tax	870,624			870,624
Borrowings	896,366			896,366
Total current liabilities	2,593,968			2,593,968
Non-current liabilities				
Provisions	246,896			246,896
Total non-current liabilities	246,896			246,896
Total liabilities	2,840,864			2,840,864
Net assets	1,068,543			3,789,710
Equity				
Issued Capital	25,728,503	140,000	2,581,167	28,449,670
Reserves	3,129,996			3,129,996
Accumulated losses	(27,789,956)			(27,789,956)
Total equity	1,068,543			3,789,710

Notes to pro-forma balance sheet:

- (i) Assumes estimated costs of the Placement of \$10,000 and Rights Issue of \$163,000.
- (ii) In the event the Directors place Shortfall Securities as outlined in Section 1.8, a commission and management fee of up to 6% per New Share may be incurred. Where a commission and management fee is incurred this will therefore not result in the costs of the Rights Issue increasing.

4 RISK FACTORS

4.1 General

The Company's activities are subject to a number of risks which may impact respective future financial performance and the market price at which New Securities trade. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, others are outside the Company's control and cannot be mitigated. Therefore, investors who acquire New Securities may be exposed to a number of risks. Broadly, these risks can be classified as risks general to investing in the share market and risks specific to an investment in Shares and Options and the Company's underlying business.

This Section sets out the identified major risks associated with investing in New Securities. This list is not exhaustive and investors should read this Prospectus in its entirety before making an investment decision. Investors should also have regard to their own investment objectives and financial circumstances, and should consider seeking appropriate independent investment advice before deciding whether to invest in the New Securities.

4.2 Specific risks relating to the Tangai-Sukananti Project

(a) Operating Risks

The operations in which the Company is currently participating are generally considered high-risk undertakings and are subject to a number of risks and hazards typically associated with such operations, each of which could result in substantial damage to facilities, other property and the environment or in personal injury and/or death and/or interruption of operations.

The operations of the Company may be affected by a range of factors, including operational and technical difficulties encountered in drilling; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated drilling problems which may affect production costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(b) Foreign Risk

The Tangai-Sukananti Project is located in Indonesia. There can be no assurance that government regulations relating to foreign investment, repatriation of foreign currency, taxation in Indonesia will not be amended or replaced in the future to the detriment of the Company's business and/or projects. As such there is exposure to sovereign risk. There can be no assurance that the systems of government and the political systems in Indonesia will remain stable.

Additionally, operations in Indonesia are subject to risk of key infrastructure unavailability such as access roads and utilities which could have a materially adverse effect upon the Company's operations and which are outside of the Company's control. There may also be increased risk of natural disaster affecting operations, such as volcanic eruption, an earthquake or cyclonic activity.

(c) Geopolitical

Politics on a global, regional or local scale could impact the Company's operations, the Company's access to certain countries and the Company's right to continue operating in a particular country, including Indonesia where the Tangai-Sukananti Project is based. Acts of terrorism or outbreak of war may disrupt or prevent the Company from operating its business programs.

(d) Oil and Gas Price and Currency Volatility

Oil and gas prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Some of these influencing factors include:

- world demand for oil and gas;
- the level of production costs in major oil and gas producing regions;
- political and economic conditions in oil producing countries;
- actions of the Organization of the Petroleum Exporting Countries (OPEC) or members thereof; and
- expectations regarding inflation, interest rates and US dollar exchange rates.

Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and financial position.

Market related factors affecting oil and gas prices include:

- supply and demand fluctuations for oil and gas;

- changes in investor sentiment toward oil and gas;
- speculative trading;
- forward selling activities.

(e) **Title of permits**

The Company's title to its production interests in the Tangai-Sukananti Project is regulated by the relevant petroleum laws applying in Indonesia and are typically evidenced by the granting of leases, licences, permits or contracts. Each lease, licence, permit or contract is typically for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, these assets if the imposed conditions are not met or if insufficient funds are available to meet expenditure commitments.

4.3 Risk factors specific to the Company

(a) **Additional Requirements for Capital**

The Company's capital requirements depend on numerous factors. If the Company identifies a new opportunity in which it wishes to invest, the Company is likely to have insufficient funds to pursue the acquisition of such an interest without the raising of further funds (either through equity or debt or a combination of both).

There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of the Company and its performance. Existing shareholders may be diluted if additional funds are raised by equity securities.

(b) **Economic Factors**

The Company's future possible revenues, operating costs, Share price and returns to Shareholders may be affected by changes in factors such as:

- local and world economic conditions;
- inflation or inflationary expectations;
- currency movements;
- interest rates;
- supply and demand;
- levels of tax, taxation law and accounting practice;
- government legislation or intervention;
- industrial disruption; and
- natural disasters, social upheaval or war in Indonesia or elsewhere in South East Asia has an increased prevalence of geological disasters such as earth quakes which may have an adverse effect on the Company's operations in the region.

These factors are beyond the control of the Company and its Directors.

(c) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company is substantially dependent upon the Company's senior management, key personnel and consultants. There can be no assurance given that there will be no detrimental impact on the Company if one, or a number of, those employees or consultants cease their employment or engagement with the Company.

(d) **Currency Fluctuations**

The future value of the Company's Shares and Options may fluctuate in accordance with movements in foreign currency exchange rates.

(e) **Taxation**

The Company's profitability may be affected by changes in overseas (particularly Indonesian), Australian and State government taxation laws and policies.

There may be tax implications arising from the acquisition of New Securities, any possible receipt of dividends (both franked and un-franked) and the disposal of New Securities. All prospective investors should carefully consider these tax implications and if uncertain as to the relevant taxation issues, obtain further advice from a qualified professional adviser. Tax liabilities are the responsibility of each individual investor and the Company will not be responsible for any tax or related penalties incurred by investors.

(f) **Environmental Risks**

Environmental risks are inherent in oil and gas drilling operations. The Company adopts practices which the Company believe are appropriate to minimise the potential of causing environmental damage in all the Company's operations, but no assurance can be made that the Company will not be affected by environmental claims or issues in the future.

The Company is strongly committed to conducting the Company's operations in an environmentally responsible manner, applying the highest standards and industry best practice to all the Company's field activities.

(g) Development Risk/Profitability

The Company's commercial viability will be dependent upon the successful development and operation of the Company's projects and any other activity that the Company may undertake. No assurances can be given that the Company will be able to initiate or sustain successful operations at any of the Company's current operations or that those operations will achieve commercial viability. Equally, no representation as to future profitability or dividends can be given.

(h) Production and Cost Estimates

By their very nature, production and cost estimates and assumptions are inherently subject to significant uncertainties. Actual results may materially differ from the Company's estimates and assumptions and may materially and adversely affect the Company's commercial viability and future results.

(i) Government and Regulatory Approvals

There can be no assurance that all of the relevant approvals and permits necessary to conduct oil and gas exploration and production operations will be granted by the relevant governments and regulatory authorities or that they will remain in good standing where already granted.

(j) Regulatory

The Company's activities will require compliance with various laws relating to the protection and rehabilitation of the environment, health and safety, culture and heritage and other matters.

In addition, the Company is required to obtain numerous government permits, leases, licences and approvals in respect of the Company's oil and gas exploration and production operations.

There is a risk that the Company may not obtain or may lose permits, leases, licences or approvals, essential to the Company's operations.

The Company cannot predict how existing, or future laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on the Company's business or financial condition.

(k) Uninsured Loss and Liability

Exploration for and development of oil and gas assets involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations. If the Company incurs losses or liabilities which are not covered by the Company's insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be at risk.

(l) Stock Market Risks

The market price of the Company's securities may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.

(m) Occupational Health and Safety

There is an inherent risk of work place accidents occurring during the conduct of oil and gas production activity. The Company is totally committed to providing a safe and healthy work place for the Company's employees and contractors. The Company's safety policy is displayed prominently at all operating sites. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are provided with and required to wear personal protective equipment. Training is provided where it is needed and safety meetings are held at appropriate times in the course of the Company's production activities.

(n) Liquidity Risk

The Shares (and quoted options) in the Company have historically traded at low-volume and there is no guarantee that there will be an ongoing liquid market for New Securities. Accordingly, there is a risk that, should the market for New Securities become illiquid, holders of New Securities will be unable to realise their investment in the Company.

4.4 General Risks

There are risks involved with any investment in listed shares and options. The value of the New Securities, and any Shares issued on their exercise of New Options, once listed on the ASX, may rise or fall depending upon a range of factors and share conditions which are unrelated to the Company's future financial performance. Share market conditions are affected by many factors including, but not limited to:

- economic conditions in both Australia and internationally;
- investor sentiment and local and international share market conditions;
- changes in interest rates and the rate of inflation;
- changes in oil and oil derivative prices;
- changes to government regulation, policy or legislation;
- changes in exchange rates; and
- the nature of competition in the industry in which the Company operates.

Some of these risks can be mitigated by the use of contingency plans and safeguards. However, many are outside the control of the Company and cannot be mitigated.

Like all businesses, the Company is affected by general economic conditions including the level of interest rates, inflation and consumer spending. Any prolonged downturn in economic activity could be expected to have a negative impact on the Company. As a company having a smaller market capitalisation, the market in the Company's securities may suffer periods of illiquidity.

4.5 Other Risk Factors

Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.

Before any decision is made to subscribe for New Securities, the above matters, and all other matters described in this document must be carefully considered. The New Securities to be issued pursuant to this Prospectus, and any Shares to be issued on the exercise of New Options, should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investment in the Company is regarded as speculative and neither the Company nor any of its Directors guarantees that any specific objective of the Company will be achieved or that any particular performance of the Company or its securities, including the New Securities offered by this Prospectus will be achieved.

The above list of risk factors should not to be taken as exhaustive of the risks faced by the Company or the Shareholders or holders of New Options. The above factors, and others not specifically referred to above, may in the future materially affect the Company's financial performance and the value of the New Securities and any Shares issued on the exercise of New Options.

5.1 Rights and liabilities attaching to Shares

The New Shares will be of the same class and will, once issued, rank equally in all respects with existing Shares (including equal voting rights and equal rights to dividends, profits and capital). The rights and liabilities attaching to the New Shares are identical in all material respects to the terms of the existing Shares. The following is a summary of the principal rights of the holders of Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders under the Constitution.

The Constitution may be inspected free of charge by appointment during office hours (Melbourne time) at the registered office of the Company.

Meetings of Shareholders and notices

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

Voting

At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands (irrespective of the number of Shares they hold) and one vote for each Share held on a poll. Where there are two or more joint holders of a Share and more than one joint holder tenders a vote, the vote of the holder named first in the register who tenders the vote will be accepted to the exclusion of the votes of the other joint holders.

Voting at any meeting of Shareholders is by a show of hands unless a poll is demanded. A poll may be demanded by:

- (i) at least three Shareholders entitled to vote on the resolution;
- (ii) Shareholders with at least 5% of the votes that may be cast on the resolution; or
- (iii) the Chairman.

If the votes are equal on a proposed resolution, the Chairman has a casting vote on a show of hands.

Dividends

The Company may pay to ordinary shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment.

Subject to any special rights or restrictions attaching to any shares, dividends must be paid equally on all shares and in proportion to the number of, and the amounts paid on, the shares held.

Issues of Shares

Subject to the restrictions on the issue of shares imposed by the Constitution, the ASX Listing Rules and the Corporations Act, the Directors may issue, grant options in respect of, or otherwise dispose of further shares to any person on such terms and conditions (including preferential, deferred or special rights, privileges or conditions, or restrictions) as they see fit.

Variation of class rights

Subject to the Corporations Act and their terms of issue, the rights attached to a class of shares may be varied with the consent in writing of the holders of at least three quarters of the issued shares in the particular class, or by a special resolution passed at a separate meeting of the holders of shares in that class.

Transfer of Shares

Generally, all shares in the Company are freely transferable subject to the procedural requirements of the Constitution and to the provisions of the Corporations Act, the ASX Listing Rules and the ASX Settlement Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the ASX Listing Rules or the ASX Settlement Rules. If the Directors decline to register a transfer, the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the ASX Listing Rules or the ASX Settlement Rules.

Directors – appointment and removal

Subject to the Corporations Act, the minimum and maximum number of Directors may be fixed by the Directors from time to time.

The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next general meeting of the Company.

Retirement will occur on a rotational basis so that no Director (excluding the Managing Director) may hold office beyond the third annual general meeting following the meeting at which they were last elected or re-elected (whichever is later) without Shareholders approving their reappointment.

Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chairman has a second or casting vote, unless there are only two Directors present or qualified to vote, in which case the proposed resolution is taken as having been lost.

Directors' and officers' indemnities

The Company, on a full indemnity basis and to the full extent permitted by law, indemnifies each person who is or has been an executive officer of the Company or a Director, and such other officers or former officers of the Company or its related bodies corporate as the Directors in each case determine (each an Officer), against any liability (including costs and expenses) incurred by that person as an Officer or a related body corporate of the Company to the extent permitted by law.

The Company, to the extent permitted by law, may insure an Officer against a liability incurred by the Officer as an officer of the Company or any of its related bodies corporate including, but not limited to, a liability for negligence or for reasonable costs or expenses incurred in defending proceedings whether civil or criminal and whatever the outcome.

Variation of the Constitution

The Constitution may be amended only by a special resolution passed by at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution. At least 28 days' written notice specifying the intention to propose the resolution must be given to Shareholders.

5.2 Rights and Liabilities attaching to Options

The New Options issued pursuant to this Prospectus will be issued on the following terms and conditions:

- Each New Option will entitle the holder to subscribe for one Share at an exercise price of \$0.004.
- All Shares allotted on exercise of the New Options will rank equally in all respects with the Company's then existing Shares.
- The New Options are exercisable at any time on or before 5.00pm (Melbourne time) on 30 July 2021 wholly or in part by delivering a duly completed form of notice of exercise to the Company's Share Registry, accompanied by payment of the exercise moneys. Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its Associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.
- Holders of New Options may only participate in new issues of securities as Shareholders if a New Option has been exercised and a Share has been allotted in respect of the New Option before the record date for determining entitlements to the issue (other than in the event of any reorganisation of the issued capital of the Company, see further details in paragraph below). The Company must give at least 6 Business Days' notice to holders of any New Options before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- Adjustments to the exercise price of a New Option or the number of Shares over which a New Option is exercisable may be made to take account of changes to the capital structure of the Company by way of pro rata bonus or cash issues in accordance with the Listing Rules (which are currently provided under Listing Rules 6.22.2 and 6.22.3).
- If there is a pro rata issue (other than a Bonus Issue), the exercise price may be reduced in accordance with the Listing Rules.
- If there is a bonus issue to Shareholders (**Bonus Issue**), on the exercise of New Options, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the New Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The exercise price will not change. The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class at the date of issue of the Bonus Shares. If, prior to the expiry of any New Options, there is a reorganisation of the issued capital of the Company, the New Options shall be reorganised in the manner set out in the Listing Rules.

5.3 Related party transactions

Other than as disclosed elsewhere in this Prospectus, the Company is not a party to any agreement that would be considered a related party transaction.

5.4 Litigation and material disputes

As at the date of this Prospectus, the Company is not involved in any legal or administrative proceedings and the Directors are not aware of any claim or threatened claim against the Company which may result in material legal proceedings.

5.5 Interests of Directors and promoters

Other than as set out below or elsewhere in this Prospectus, no Director or promoter of the Company (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Rights Issue; or
- the Rights Issue,

and, other than as set out below or elsewhere in this Prospectus, no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- any Director to induce him or her to become or to qualify as a director of the Company; or
- any Director or promoter of the Company (or entity in which they are a partner or director) for services which he or she has provided in connection with the formation or promotion of the Company or the Rights Issue.

The Directors and their related entities have the following interests in the Shares and the Options as at the date of this Prospectus.

Directors' Interests (including indirect interests)

Director	Shares Held	Options held
Peter Mullins	45,600,000	Nil
Tino Guglielmo	265,630,465	Nil
Hector Gordon	20,266,668	Nil
Mark Lindh	94,162,682	Nil

Directors' interests include interests they have in Shares registered in the name of other persons. The Directors holding Shares will be entitled to participate in the Offer on the same basis as other Eligible Shareholders.

5.6 Remuneration of Directors

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process.

(a) Employment contract of Managing Director

The employment conditions of the Managing Director, Giustino (Tino) Guglielmo, is formalised in an employment agreement. The employment agreement stipulates a 6 month resignation notice period. The Company may terminate the employment agreement without cause by providing 6 months' written notice. Termination payments are not payable on resignation or dismissal for wilful or gross misconduct. In the instance of wilful or gross misconduct the Company can terminate employment at any time.

(b) Remuneration of Non-executive Directors

The compensation for non-executive directors is set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies. None of the non-executive directors receive performance-related compensation. Directors' fees cover all main board activities. The maximum aggregate remuneration of non-executive Directors fees has been set at A\$250,000.

The following table shows the annual remuneration paid to both executive and non-executive Directors and the Company Secretary for the last two financial years ended 31 December 2018 and six months to 31 December 2017 in USD, the Company's functional currency:

	Short-term employee benefits (Salary and fees) USD (\$)		Post-employment benefits (Super) USD (\$)		Termination payments	Total Compensation 2017 and 2018 USD (\$)
	2017	2018	2017	2018		
Peter Mullins	29,216	55,353	2,775	5,234	-	92,578
Tino Guglielmo	116,865	224,590	11,102	21,211	-	373,768
Hector Gordon	21,425	40,592	2,036	3,839	-	67,892
Mark Lindh	19,478	36,901	1,850	3,490	-	61,719
Robyn Hamilton	41,791	69,016	-	-	-	110,807

No Share-based payments or long term benefits were paid to directors or officers in the last two financial years.

Further details of the remuneration of Directors is set out in the Remuneration Report set out in the Annual Report 2018 of the Company.

5.7 Privacy notification

By filling out the Entitlement and Acceptance Form to apply for New Shares, you are providing personal information to the Company.

The *Privacy Act* 1988 (Cth) regulates the way the Company collects, uses, disposes, keeps secure and gives people access to their personal information.

The Company collects, holds and uses that personal information in order to process your application and to administer your shareholding in the Company, including:

- setting up and maintaining a register of shareholders in accordance with the Corporations Act;
- paying dividends to you should the Company at a later date declare a dividend;
- communicating with Shareholders, including sending annual reports, notices of meetings and any other documents which the Company wishes to send to you as a Shareholder;
- carrying out general administration including monitoring, auditing, evaluation, modelling data, dealing with complaints and answering queries; and
- complying with its legal and regulatory obligations.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company may not be able to process or accept your application for New Shares.

Your personal information may be provided to the Company's agents or service providers.

The types of agents and service providers that may be provided with your personal information include:

- the Share Registry for ongoing administration of the share register;
- printers and mail houses for the purposes of preparation and distribution of documents to you and for handling mail; and
- professional service providers such as lawyers, accountants, auditors and other professional advisers for the purpose of administering, and advising on, the New Shares and for any associated actions.

Your personal information may be provided to certain third parties. The types of third parties that may be provided with your personal information, and the circumstances in which your personal information may be disclosed, include:

- your financial adviser or broker (other than your tax file number information) in connection with services provided to you by your adviser or broker;
- government, regulatory authorities or other people when permitted or required by law, such as ASIC or people inspecting the share register in accordance with the Corporations Act;

- ASX; and
- in certain circumstances and with safeguards to respect your privacy, potential or actual purchasers of an interest in the Company or the Company's business or any part thereof.

You have the right to gain access to your personal information held by, or on behalf of, the Company, subject to certain exemptions under the law. You may be required to pay a reasonable charge in order to access your personal information. You can request access to your personal information by writing to the Company Secretary.

5.8 Taxation Implications

The Company recommends that Eligible Shareholders obtain their own independent taxation advice regarding the possible taxation implications of the Rights Issue.

5.9 Interests of advisers

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, do not have, and have not had in the two years before the date of this Prospectus, any interests in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue,

and, other than as set out below or elsewhere in this Prospectus, no amounts have been paid or agreed to be paid and no other benefit has been given or agreed to be given to any persons named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, in connection with the formation or promotion of the Company or the Rights Issue.

By a mandate agreement between Adelaide Equity Partners Limited (**Adelaide Equity**) and the Company, Adelaide Equity has agreed to act as Corporate Advisor in respect of the Offer and the Shortfall Offer as well as provide certain other advisory and investor relations services (**Mandate Agreement**). Pursuant to the Mandate Agreement the Company has agreed to pay Adelaide Equity a fee of 2% of funds received by the Company from applications under the Offer and a fee of 6% of funds received by the Company from applications under the Shortfall Offer.

Under the Mandate Agreement, the Company has also agreed that if the Company raises at least \$3 million in aggregate from the Placement, the Offer and the Shortfall Offer, the Company will issue to Adelaide Equity (or its nominee) 50 million options to subscribe for Shares. Each option would have an exercise price of \$0.004 and expire two years from the date of issue. The Company will apply to the ASX for these options to be quoted on the ASX.

Link Market Services Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of applications received pursuant to this Prospectus and will be paid for these services on established industry terms and conditions.

5.10 Consents to statements in the Prospectus and consents to be named

Adelaide Equity Partners Limited has given and, at the time of lodging of this Prospectus with ASIC, has not withdrawn, its consent to be named in this Prospectus as Corporate Advisor for the Company in the form and context in which it is named.

Link Market Services Limited has given and, at the time of lodging of this Prospectus with ASIC, has not withdrawn, its consent to be named in this Prospectus as Share Registry for the Company in the form and context in which it is named.

Adelaide Equity Partners Limited and Link Market Services Limited:

- have not authorised or caused the issue of this Prospectus;
- do not make or purport to make, any statement in this Prospectus, or any statement in which a statement in this Prospectus is based, other than as specified above; and
- to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than the reference to their name or as otherwise specified above.

5.11 Estimated Costs of the Rights Issue

The expenses of the Rights Issue (exclusive of GST) are estimated to be approximately \$163,000, made up as follows:

Expenses	\$
Legal	12,000
Printing, postage and share registry	19,000
ASX listing fees	11,000
ASIC lodgement fee	3,206
Corporate advisory fees (Adelaide Equity)	118,000 ²
Total estimated costs of Rights	\$163,206

6 AUTHORISATION

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:



Mr Peter Mullins
Chairman
Bass Oil Limited

² This is an estimate of the percentage based fee payable to Adelaide Equity under the Mandate Agreement as described in Section 5.9.

7 GLOSSARY

In this Prospectus and in the Entitlement and Acceptance Form, unless the context otherwise requires, the following terms have the meanings listed:

Additional Options	New Options applied for in addition to the number shown on a Shareholder's Entitlement and Acceptance Form.
Additional Securities	Means Additional Shares and Additional Options.
Additional Shares	New Shares applied for in addition to the number shown on the Shareholder's Entitlement and Acceptance Form.
Application Monies	The monies received from persons applying for New Shares pursuant to the terms of the Rights Issue.
ASIC	Australian Securities and Investments Commission.
Associate	Has the meaning given to that term in the Corporations Act.
ASX Settlement Rules	The ASX Settlement and Operating Rules for the ASX Settlement Pty Ltd ABN 49 008 504 532.
ASX	ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by it (as the context requires).
Board	Board of Directors of the Company.
Business Day	Has the meaning given to that term in the Listing Rules.
CHESS	Has the meaning attributed to that term in the ASX Settlement Rules.
Closing Date	5.00pm Melbourne time on Thursday, 25 July 2019, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.
Company	Bass Oil Limited ACN 008 694 817.
Constitution	The constitution of the Company.
Cooper Energy	Cooper Energy Limited ACN 096 170 295.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Shareholder	A registered holder of the Company's Shares on the Record Date whose registered address is in Australia or New Zealand.
Entitlement	A Shareholder's entitlement under the Rights Issue to subscribe for New Shares, with one attaching New Option for every two New Shares subscribed for and issued.
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Prospectus.
Existing Options	The Options listed in Table 2 in Section 3.3(b).
Ineligible Foreign Shareholder	A Shareholder with an address in the Company register of Shareholders outside Australia and New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing New Securities to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.
Listing Rules	The listing rules of the ASX.
New Option	An Option offered pursuant to the Rights Issue, the

	terms of which are set out in Section 5.2.
New Share	A Share offered pursuant to the Rights Issue.
New Securities	New Shares and/or New Options offered pursuant to the Rights Issue.
Offer	The offer to Eligible Shareholders to subscribe for New Shares and the New Options under the Rights Issue.
Option	An option to subscribe for Shares.
Optionholder	A holder of an Option.
Placement	The placement of 75,000,000 Shares issued by the Company on 8 July 2019.
Record Date	7.00pm Melbourne time on 10 July 2019.
Rights Issue	<p>A pro rata non-renounceable offer to the Eligible Shareholders to subscribe for:</p> <ol style="list-style-type: none"> (1) 1 New Share at the price of \$0.002 per New Share for every 2 Shares held at the Record Date; together with (2) 1 free attaching Option for every 2 New Shares subscribed for and issued (each exercisable at \$0.004 on or before 30 July 2021).
Section	A section of this Prospectus.
Share	A fully paid, ordinary share issued in the share capital of the Company.
Share Registry	Link Market Services Limited.
Shareholder	A shareholder of the Company.
Shortfall	The difference between the total number of New Shares and New Options offered under the Offer and the number of New Shares and New Options actually applied for by Eligible Shareholders (including applications for Additional Shares and Additional Options).
Shortfall Offer	Has the meaning given to that term in Section 1.8.
Shortfall Securities	Those New Shares and attaching New Options offered under the Rights Issue but not applied for by Eligible Shareholders under their Entitlement.
Tangai-Sukananti Project	The Company's 55% interest in the Tangai-Sukananti production assets located in South Sumatra, Indonesia.

Directors

Peter Mullins
Tino Guglielmo
Hector Gordon
Mark Lindh

Company Secretary

Robyn Hamilton

**Registered Office and
Principal Place of Business**

Bass Oil Limited
Level 5, 11-19 Bank Place
Melbourne VIC 3000

Ph: +61 3 9927 3000
Email: admin@bassoil.com.au

Company website

<http://www.bassoil.com.au>

ASX CODE: BAS

Share Registry

Link Market Services Limited
Level 13, Tower 4
727 Collins Street
Melbourne VIC 3000
+61 3 9067 2005

SCHEDULE 1 – DOCUMENTS LODGED WITH ASX SINCE 29 MARCH 2019**DOCUMENTS LODGED AT ASX SINCE 29 MARCH 2019**

Date of Announcement	Description of Announcement
13 June 2019	Onshore Indonesian Oil Operations Update – May 2019
24 May 2019	2019 Results of Annual General Meeting
24 May 2019	2019 AGM Presentation
16 May 2019	121 Oil & Gas Investment Conference Presentation, Hong Kong
13 May 2019	Onshore Indonesian Oil Operations Updated – April 2019
23 April 2019	Notice of Annual General Meeting & Proxy Form
15 April 2019	March Quarterly Activities Report and Appendix 5B
9 April 2019	Onshore Indonesian Oil Operations Update – March 2019
29 March 2019	Appendix 4G and Corporate Governance Statement

SRN/HIN:

Entitlement Number:

**Number of Eligible Shares held as
at the Record Date, 7:00pm (Melbourne time)
on 10 July 2019:**

**Entitlement to New Shares
(on a 1 New Share for 2 basis):**

**Amount payable on full acceptance
at A\$0.002 per Share:**

Offer Closes 5.00pm (Melbourne time):	25 July 2019
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 2 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.002 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Prospectus dated 5 July 2019. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you have any queries about your Entitlement or the Offer, please contact the company between the hours of 8.30am and 5.00pm (AEST), Monday to Friday by calling +61 3 9927 300 or via email at admin@bassoil.com.au.

Alternatively, contact your stockbroker or other professional advisor.

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5.00pm (Melbourne time) on 25 July 2019. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5.00pm (Melbourne time) on 25 July 2019.



Biller Code: [XXXXXXX]
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



ABN 13 008 694 817



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)	B Number of additional New Shares	C Total number of New Shares accepted (add Boxes A and B)
<input type="text"/>	<input type="text"/>	<input type="text"/>
	+	=
<input type="text"/>		<input type="text"/>

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Bass Oil Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

E CONTACT DETAILS – Telephone Number	Telephone Number – After Hours	Contact Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

BASS OIL LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Bass Oil Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.002.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Bass Oil Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Bass Oil Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Bass Oil Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Bass Oil Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Bass Oil Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5.00pm (Melbourne time) on 25 July 2019. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Bass Oil Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you have any queries about your Entitlement or the Offer, please contact the company between the hours of 8.30am and 5.00pm (AEST), Monday to Friday by calling +61 3 9927 300 or via email at admin@bassoil.com.au.

Alternatively, contact your stockbroker or other professional advisor.