BASS OIL LIMITED

ACN 008 694 817

RIGHTS ISSUE PROSPECTUS

For a pro-rata, fully underwritten non-renounceable rights issue to Eligible Shareholders of 1 New Share for every 5 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 September 2024).

Important Information

The Rights Issue closes at 5.00pm Melbourne time on 30 September 2021 (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 30 August 2021. A copy of this Prospectus was lodged with ASIC on 30 August 2021. 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 3000

Email: admin@bassoil.com.au

Alternatively, contact your stockbroker or other professional advisor.

Chairman's letter

30 August 2021

Dear Shareholder

On behalf of the Board of Bass Oil Limited, I am pleased to invite you to participate in a fully underwritten non-renounceable Rights Issue to raise up to a total of $1,537,560.

The Rights Issue provides all Eligible Shareholders the opportunity to invest in one (1) New Share for every five (5) Shares held at 7.00pm (Melbourne time) on the Record Date (3 September 2021) with one (1) free attaching New Option for every two (2) New Shares subscribed for and issued (with each New Option being exercisable at $0.004 up until 30 September 2024). 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 fully underwritten by Peak Asset Management. Funds raised from the Rights Issue will be used to pay:

- the costs and expenses of the Rights Issue;
- for optimisation and production enhancing activities and exploration studies on Cooper Basin assets to be acquired (as announced on 12 July 2021);
- capital expenditure relating to the Company's Tangai-Sukananti Drilling program;
- for business development opportunities; and
- meet ongoing working capital requirements of the Company.

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

The Prospectus was lodged with ASIC on 30 August 2021 and a copy will be sent to all Shareholders of the Company who are on the register of members as at 5.00pm on 3 September 2021 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	30 August 2021
Existing Shares quoted ex-rights	2 September 2021
Record Date to determine Entitlements under Rights Issue	7:00pm (AEST) 3 September 2021
Prospectus with Entitlement and Acceptance Form despatched to Eligible Shareholders Acceptances Open	7 September 2021
Closing Date for acceptances	30 September 2021
New Securities are quoted for ASX trading on a deferred settlement basis	1 October 2021
Company notifies ASX of under subscriptions	1 October 2021
Issue of New Shares and New Options	4 October 2021
Despatch of holding statements	31 October 2021

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) one (1) New Share for every two (2) Shares held on the Record Date at an issue price of $0.002 per New Share; together with

(b) one (1) free attaching New Option for every two (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 September 2024.

If all Entitlements are taken up, then:[1]

(a) 768,780,243 New Shares and 384,390,121 New Options will be issued under the Rights Issue; and

(b) the amount of $1,537,560, 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 (1) Additional Option for every two (2) 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.

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

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

1.4 Minimum Subscription

There is no minimum subscription for the Offer.

1.5 Underwriting

The Rights Issue is fully underwritten by Peak Asset Management.

Details of the Underwriting Agreement are set out in Section 5.3.

1.6 Opening Date and Closing Date

The Rights Issue will open on 7 September 2021 (**Opening Date**) and close at 5.00pm Melbourne time on 30 September 2021 (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 mailed 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 cheque, bank draft or money order, you must complete an Entitlement and Acceptance Form and return it to the Share Registry. You should allow sufficient time to ensure that your Entitlement and Acceptance Form reaches the Share Registry by the specified time of 5.00pm (Melbourne time) on the Closing Date, being 30 September 2021 unless extended by the Directors.

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

1.8 Use of Funds

The purpose of the Offer is to raise up to $1,537,560. 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.

1.9 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.

1.10 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.

1.11 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).

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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 2020;

(b) the Company's audited consolidated financial statements for the financial year ended 31 December 2020; and

(d) any continuous disclosure notices used to notify ASX of information relating to the Company between 1 April 2021 (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. Primarily Bass is an onshore Indonesian oil producer, however, the Company has been seeking to expand its exploration, development and production assets around its existing Sumatran production footprint and considers that the market is now right to include Australian based acquisitions within its portfolio.

The Company announced on 12 July 2021 that it had entered into a conditional sale and purchase agreement with Cooper Energy for the acquisition of three non-operated Cooper Basin assets, including a 30% interest in the producing Worrior oil field and interests in exploration acreage for a total cash consideration of $650,000.

The transaction represents a unique opportunity for Bass to acquire a quality portfolio of assets in the Cooper Basin, which will provide a platform from which to secure additional interests in this prolific hydrocarbon province. The assets are to all be operated by the highly regarded Beach Energy Limited.

The Company has a strong and committed shareholder base with the Board and management holding in excess of 13% of issued capital.

A summary of the major activities and financial information relating to the Company for the financial year ended 31 December 2020 is contained in the Annual Financial Report, which was lodged with ASX on 1 April 2021. The Company's continuous disclosure notices (ie ASX announcements since 1 April 2021) are listed in Schedule 1 to the Prospectus. As stated in Section 1.16, 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 $1,537,560 before costs. Costs related to the Offer are expected to be up to approximately $150,000. 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	**$**	**%**
Expenses related to the Rights Issue	$150,000	10.0%
Optimisation and production enhancing activities & exploration studies on Cooper Basin assets	$400,000	26.7%
Capital expenditure relating to the Company's Tangai-Sukananti Drilling program	$500,000	33.3%
Business development opportunities and general working capital	$450,000	30.0%
Total	$1,500,000	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, 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 up to $1,537,560 before deducting the expenses of the Rights Issue; and

(b) the number of Shares on issue will increase by 768,780,243 from 3,843,901,216 shares to 4,612,681,459 shares;

(c) the number of Options on issue will increase by 384,390,121, from 250,000,000 to 634,390,121 Options.

3.3 Impact on capital structure

Shares and Options

At the date of this Prospectus, the Company has:

(a) 3,843,901,216 Shares on issue; and

(b) 250,000,000 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 768,780,243 or approximately 16.7% of the expanded issued capital, and the total Shares on issue after the Rights Issue will be 4,612,681,459. In addition, 384,390,121 New Options will be issued, and the total Options on issue after the Rights Issue will be 634,390,121.

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**
3,843,901,216	768,780,243	4,612,681,459

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**
250,000,000	384,390,121	634,390,121

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 27-Aug-21, 26-Aug-21, 23-Aug-21, 19-Aug-21, 16-Aug-21, 12-Aug-21, 5-Aug-21,,29-Jul-21, 28-Jul-21, 26-Jul-21, 21-Jul-21, 20-Jul-21, 19-Jul-21, 15-Jul-21, 14-Jul-21, 13-Jul-21, 12-Jul-21, 24-Jun-21, 23-Jun-21, 17-Jun-21, 16-Jun-21, 15-Jun-21, 11-Jun-21, 10-Jun-21

Lowest: $0.002 on 27-Aug-21, 26-Aug-21, 23-Aug-21, 19-Aug-21, 16-Aug-21, 5-Aug-21, 28-Jul-21, 26-Jul-21, 21-Jul-21, 20-Jul-21, 19-Jul-21, 14-Jul-21, 13-Jul-21, 24-Jun-21, 23-Jun-21, 17-Jun-21, 16-Jun-21, 3-Jun-21, 20-Aug-21, 18-Aug-21, 11-Aug-21, 10-Aug-21, 27-Jul-21, 23-Jul-21, 22-Jul-21, 9-Jul-21, 8-Jul-21, 6-Jul-21, 5-Jul-21, 2-Jul-21, 29-Jun-21, 18-Jun-21, 27-May-21, 17-Aug-21, 13-Aug-21, 9-Aug-21, 6-Aug-21, 4-Aug-21, 3-Aug-21, 2-Aug-21, 30-Jul-21, 1-Jul-21, 30-Jun-21, 28-Jun-21, 25-Jun-21, 22-Jun-21, 21-Jun-21, 9-Jun-21, 8-Jun-21, 7-Jun-21, 4-Jun-21, 2-Jun-21, 1-Jun-21, 28-May-21

The last available market sale price of Shares on ASX prior to the date of this Prospectus was $0.002 on 27 August 2021.

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 in full, 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 is taken up by Eligible Shareholders applying for Additional Securities, the percentage interest in the total issued securities of the Company of:

  (1) each Eligible Shareholder who does not take up their Entitlement (either not at all or partially) will be diluted;

  (2) each Eligible Shareholder who does take up their Entitlement will remain the same; and

  (3) each Eligible Shareholder who takes up their Entitlement and is issued Additional Shares will increase.

To the extent Eligible Shareholders do not take up their Entitlement and some or all of the Shortfall is not taken up by Eligible Shareholders applying for Additional Securities then the Shortfall will be issued to Peak Asset Management or persons procured by Peak Asset Management in accordance with the Underwriting Agreement. Peak Asset Management and its related bodies corporate are not presently a shareholder or related party of the Company. The Company, in consultation with Peak Asset Management, will ensure that the Offer (including the equitable dispersion of any Shortfall) complies with the provisions of Chapter 6 of the Corporations Act and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

The 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 20.0% increase in the number of Shares on issue post the completion of the Offer, together with the issue of 384,390,121 New Options. In this regard, acceptance of Entitlements or the issue of any Shortfall may result in existing Shareholders, Peak Asset Management or new investors (pursuant to the Underwriting Agreement) significantly increasing their interest in the Company or obtaining a substantial interest in the Company.

Where Shares are issued pursuant to the exercise of New Options, the voting power of the Option holders who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire. The exercise of the New Options is subject to compliance with the Corporations Act, and in particular Chapter 6 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 $1,350,000 after payment of the costs of the Rights Issue which are estimated at $150,000. It is intended that these funds will be applied as set out in Section 3.1 of this Prospectus.

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 2020 and the completion of the Rights Issue and assuming all Entitlements are taken up, except:

(a) the Placement of 500,000,000 Shares issued on 30 August 2021 at $0.002 raised $1,000,000, less estimated costs of the Placement;

(b) the Rights Issue of 768,780,243 New Shares at $0.002 raising $1,537,560;

(c) estimated costs of the Rights Issue of up to approximately $150,000 to be offset against contributed equity.

Table 4: Consolidated Statement of Financial Position

	Audited 31 December 2020 USD ($)	Pro Forma Adjustments: Placement – AUD $0.94 million (net of costs) USD ($)	Pro Forma Adjustments: Rights Issue - AUD$1.4 million (net of costs) USD ($)	Pro Forma 31 December 2020 USD ($)
Current assets				
Cash and cash equivalents	95,642	676,800	972,000	1,744,442
Trade and other receivables	1,270,434			1,270,434
Other current assets	12,467			12,467
Inventories	176,586			176,586
Other financial assets	4,236			4,236
Total current assets	**1,559,365**			**3,208,165**
Non-current assets				
Trade and other receivables	300,900			300,900
Other financial assets	27,469			27,469
Plant and equipment	423			423
Right of use assets	78,973			78,973
Oil properties	1,935,331			1,935,331
Total non-current assets	**2,343,096**			**2,343,096**
Total assets	**3,902,461**			**5,551,261**
Current liabilities				
Trade and other payables	1,007,065			1,007,065
Provisions	200,875			200,875
Lease liabilities	68,123			68,123
Provision for tax	589,023			589,023
Total current liabilities	**1,865,086**			**1,865,086**
Non-current liabilities				
Provisions	99,909			99,909
Lease liabilities	13,950			13,950
Total non-current liabilities	**113,859**			**113,859**
Total liabilities	**1,978,945**			**1,978,945**
Net assets	**1,923,516**			**3,572,316**
Equity				
Issued Capital	26,684,884	676,800	972,000	28,333,684
Reserves	3,129,996			3,129,996
Accumulated losses	(27,891,364)			(27,891,364)
Total equity	**1,923,516**			**3,572,316**

Notes to pro-forma balance sheet:

(i) Assumes estimated costs of the Rights Issue of $150,000 and of the Placement of $60,000

(ii) Assumed foreign exchange rate USD$0.72 to AUD $1.00

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 Company's operations

(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; remediation 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) **Joint venture**

The Company's interests in the Cooper Basin assets (if the acquisition is completed) will be held through joint venture arrangements with Beach Energy Limited. The Company will hold only minority interests and therefore may not control the approval of work programs and budget which the joint venture may vote to participate in and could be subject to the risk of dilution of its interest generally or in respect of a particular program, or be at risk of not gaining the benefit of the program at a later time, except at a significant cost penalty. Delays in programs may arise due to joint venture partners not reaching agreements on exploration and development activities. The Company has no assurance of the financial viability of other joint venture partner and may incur unforeseen costs and losses in the event of default of joint venture participants.

(f) **Title of permits**

The Company's title to its production interests in the Tangai-Sukananti Project and the Cooper Basin assets (if the acquisition is completed) are regulated by the relevant petroleum laws applying in the place of their location 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 tenements or that 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 us 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 or 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 ADDITIONAL INFORMATION

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 (1) 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 September 2024 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 1,000,000.
- The Options cannot be exercised if, as a result of the exercise, the Option holder 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 respected 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 Summary of Underwriting Agreement

The Company has entered into an agreement with Peak Asset Management under which the Company appoints Peak Asset Management to act as underwriter for, and to fully underwrite, the Rights Issue (**Underwriting Agreement**).

The Underwriting Agreement applies to all of the New Shares (and attaching free New Options) which the Company offers under the Rights Issue, for which the Company does not receive valid applications by 5.00pm on the Closing Date (**Underwritten Securities**). The Underwriter must cause applications for the Underwritten Securities to be lodged with the Company together with the application money within 30 days of being notified by the Company of the number Underwritten Securities.

The Underwriter may terminate the Underwriting Agreement, by giving notice in writing to the Company, if any of the following events occur before the Closing Date (unless previously announced by the Company on ASX):

(a) ASIC makes an order under section 739 of the Corporations Act in relation to the Prospectus and such order is not lifted within 30 days;

(b) ASX does not give approval for the New Shares to be listed for official quotation or approval is withdrawn, qualified or withheld;

(c) the All Ordinaries Index as published by ASX falls 20% or more below its respective level on the three consecutive trading prior to the date of the Underwriting Agreement;

(d) the Company or a related body corporate undertakes a proposal contemplated under section 257A of the Corporations Act or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;

(e) the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter;

(f) the Company is in material default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given (in any material respect) and does not remedy such default within 3 business days of being notified of it;

(g) an event of insolvency occurs in respect of the Company or a related body corporate;

(h) if the Company or a related body corporate converts all or any of its shares into a larger or smaller number of shares, resolves to reduce its share capital, enters into a buy-back agreement, approves the terms of a buy-back agreement, disposes of or agrees to dispose of the whole or part of its business or property, resolves to wind up the Company, appoints a liquidator, receives a court order winding up the Company, appoints an administrator under the Corporations Act, executes a deed of company arrangement or appoints a receiver in relation to the whole or substantial part of the property of the Company;

(i) the Company suspends payment of its debts generally;

(j) a takeover offer or scheme of arrangement is publicly announced in relation to the Company and is recommended for approval by a majority of independent directors of the Company;

(k) any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a related body corporate where such investigation has or is reasonably likely to have a materially adverse effect on the success of the Offer;

(l) a director of the Company or any related body corporate is charged with an indictable offence where such charge has or is reasonably likely to have a materially adverse effect on the success of the Offer; or

(m) the Underwriter reasonably forms the view that a supplementary or replacement document must be lodged with ASIC and the Company does not lodge a supplementary or replacement document in the form and content and within the time reasonably required.

Subject to the Underwriter's compliance with the Underwriting Agreement, the Company must:

(a) pay the Underwriter:

    (1) an underwriting fee of 3% of all funds raised by the Company under the Offer; and

    (2) a fee of 3% of all funds raised from the issue of the Underwritten Securities, and

(b) issue to the Underwriter 125,000,000 unlisted Options with an exercise price of $0.004 and an expiry date of 30 September 2024.

The Underwriting Agreement otherwise contains provisions considered customary for an agreement of its nature (including representations and warranties and confidentiality provisions).

5.4 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.

5.5 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.

5.6 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	60,800,000	Nil
Tino Guglielmo	285,630,465	Nil
Hector Gordon	25,266,668	Nil
Mark Lindh	113,811,393	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.

5.7 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 $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 2020 and 31 December 2019:

	Short-term employee benefits (Salary and fees) USD ($)		**Post-employment benefits (Super) USD ($)**		**Termination payments**	**Total Compensation 2019 and 2020 USD ($)**
	2019	**2020**	**2019**	**2020**		
Peter Mullins	52,491	32,277	4,987	3,066	-	92,821
Tino Guglielmo	208,920	130,078	19,847	12,357	-	371,202
Hector Gordon	38,491	23,536	3,657	2,236	-	67,920
Mark Lindh	34,990	21,418	3,324	2,035	-	61,767
Robyn Hamilton	69,821	42,888	-	-	-	112,709

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 2020 of the Company.

5.8 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.

5.9 Taxation Implications

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

5.10 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 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 $10,000 a month, for 3 months during the capital raising period. This agreement started on 16 July 2020 and can be extended by agreement.

CoPeak Corporate Pty Ltd as trustee for the Peak Asset Management Unit Trust (**Peak Asset Management**) has been appointed to act as underwriter of the Offer under the Underwriting Agreement. Under the Underwriting Agreement, the Company has agreed to pay Peak Asset Management the fees described in Section 5.3. Peak Asset Management and Adelaide Equity have agreed between themselves that Peak Asset Management will pay Adelaide Equity one third of the fee of 3% of the funds raised from the issue of the Underwritten Securities described in Section 5.3.

Pursuant to a separate mandate agreement, Peak Asset Management was also appointed to act as lead manager in respect of the Placement. Under this mandate agreement, the Company has agreed to pay Peak Asset Management: (1) a management fee of 2% of all funds raised under the Placement; and (2) a capital raising fee of 4% of all such funds.

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.

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

CoPeak Corporate Pty Ltd has given and, at the time of lodging of this Prospectus with ASIC, has not withdrawn, its consent to be named in this Prospectus in the form and context in which it is 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.

CoPeak Corporate Pty Ltd, 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.

5.12 Estimated Costs of the Rights Issue

The expenses of the Rights Issue (exclusive of GST) are estimated to be up to approximately $150,000, made up as follows:

Expenses	**$**
Legal	20,000
Printing, postage and share registry	20,000
ASX listing fees	10,000
ASIC lodgement fee	3,721
Underwriting, broker and corporate advisory fees*	92,254
Total estimated costs of Rights	**$145,975**

**Note the final Underwriting, broker and corporate advisory fees will vary between $46,127 and $92,254, depending on the number of Underwritten Securities issued.*

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

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, 30 September 2021, 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	*Corporations Act 2001* (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.
Peak Asset Management or Underwriter	CoPeak Corporate Pty Ltd ACN 632 277 144 as trustee for the Peak Asset Management Unit Trust.
Placement	The placement of 500,000,000 Shares issued by the Company on 30 August 2021.
Record Date	7.00pm Melbourne time on 3 September 2021.
Rights Issue	A pro rata non-renounceable offer to the Eligible Shareholders to subscribe for: (1) One (1) New Share at the price of $0.002 per New Share for every five (5) Shares held at the Record Date; together with (2) One (1) free attaching Option for every two (2) New Shares subscribed for and issued (each exercisable at $0.004 on or before 30 September 2024).
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.
Tangai-Sukananti Project	The Company's 55% interest in the Tangai-Sukananti production assets located in South Sumatra, Indonesia.
Underwriting Agreement	Has the meaning given to that term in Section 5.3.

8 CORPORATE DIRECTORY

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 9615 9800

Corporate Advisors

Adelaide Equity Partners Limited
Ground Floor,
70 Hindmarsh Square
Adelaide SA 5000
+61 8 8232 8800

Underwriters

Peak Asset Management
Ground Floor,
Level 39
55 Collins Street
Melbourne VIC 3000
www.peakassetmanagement.com.au

SCHEDULE 1 – DOCUMENTS LODGED WITH ASX SINCE 1 APRIL 2021

DOCUMENTS LODGED AT ASX SINCE 1 APRIL 2021

Date of Announcement	Description of Announcement
26 August 2021	Proposed issue of securities - BAS
26 August 2021	Bass Completes Placement and Launches Rights Issue
24 August 2021	Trading Halt
11 August 2021	Onshore Indonesian Oil Operations Update – July 2021
6 August 2021	Notification of Cessation of Securities
3 August 2021	Application for Quotation of Securities
29 July 2021	Quarterly Activities Report and Appendix 5B June 2021
26 July 2021	July 2021 – Investor Presentation and Corporate Overview
14 July 2021	Onshore Indonesian Oil Operations Update – June 2021
12 July 2021	Bass to Acquire Australian Oil & Gas Production Assets
2 July 2021	Letter to Optionholders
11 June 2021	Onshore Indonesian Oil Operations Update – May 2021
25 May 2021	2021 Results of Annual General Meeting
25 May 2021	2021 AGM Presentation
7 May 2021	Onshore Indonesian Oil Operations Updated – April 2021
23 April 2021	Notice of Annual General Meeting & Proxy Form
23 April 2021	Announcement to Optionholders
20 April 2021	Quarterly Activities Report and Appendix 5B March 2021
12 April 2021	Onshore Indonesian Oil Operations Update – March 2021
1 April 2021	Appendix 4G and Corporate Governance Statement

BASS OIL LIMITED
ABN 13 008 694 817

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

Telephone: 1300 554 474
From outside Australia: +61 1300 554 474

ASX Code: BAS

Website: www.linkmarketservices.com.au

IID:

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as at the Record Date, 7:00pm (AEST) on 3 September 2021:

Entitlement to New Shares (on a 1 New Share for 5 basis):

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

Offer Closes 5:00pm (AEST):	**30 September 2021**

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 5 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 30 August 2021. 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 any queries about your Entitlement or the Offer, please contact the Company between 8:30am and 5:00pm (AEST) Monday to Friday by calling +61 3 9927 3000 or via email at admin@bassoil.com.au.

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 (AEST) on 30 September 2021. 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 (AEST) on 30 September 2021.

BPAY

Biller Code: [XXXXXX]
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.

BASS OIL LIMITED
ABN 13 008 694 817

Please detach and enclose with payment

IID:

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)

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
				A$

E **CONTACT DETAILS –** Telephone Number

Telephone Number	Telephone Number – After Hours	Contact Name
( )	( )	

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

Please send your completed Entitlement and Acceptance Form with the payment for New Shares to the postal 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

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 (AEST) on 30 September 2021. 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 any queries about your Entitlement or the Offer, please contact the Company between 8:30am and 5:00pm (AEST) Monday to Friday by calling +61 3 9927 3000 or via email at admin@bassoil.com.au