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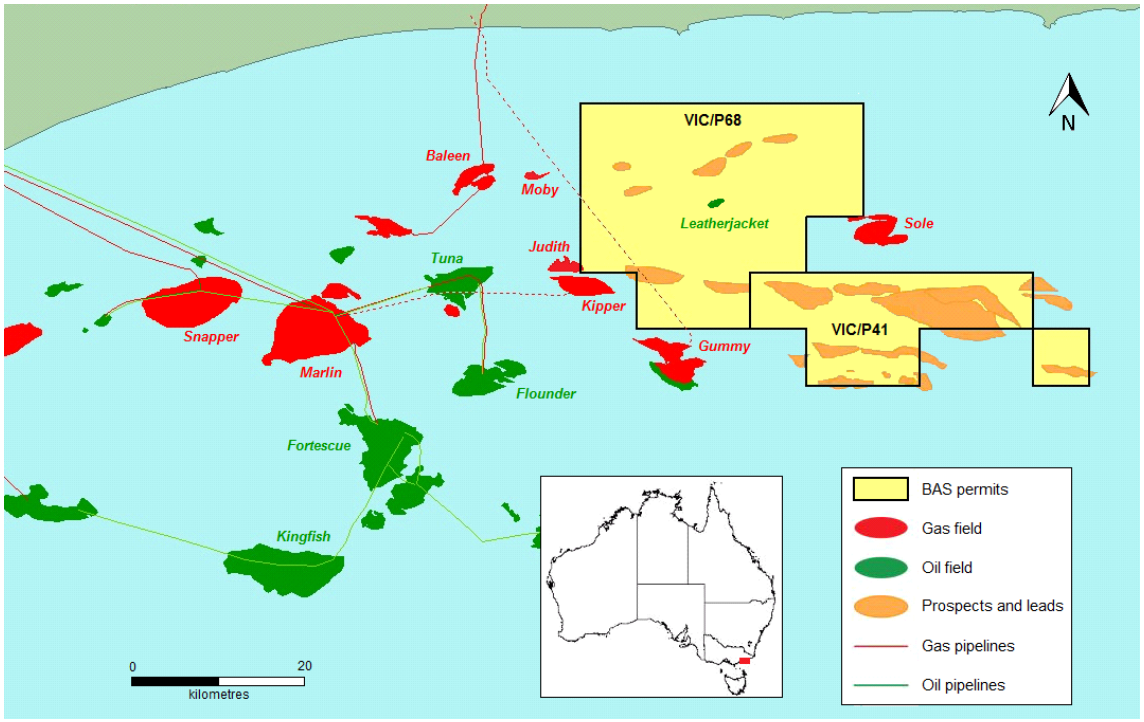
ASX RELEASE

SEISMIC REPROCESSING UPDATE

Bass Strait Oil Company Ltd ("BAS" or the "Company") (ASX:BAS) today announces that it has received the reprocessed 3D seismic dataset covering Vic/P41 and Vic/P68, as well as the adjacent Exxon/BHPB Kipper Field.



In late 2013 BAS, on behalf of the VicP41 Joint Venture, engaged DownUnder GeoSolutions ("DUG") under the project management of Cooper Energy Limited ("Cooper") (ASX:COE) to undertake a significant geotechnical project across the Rosedale Fault. The scope is shown in figure 3 and includes:

- Pre-stack time migration (PSTM) reprocessing of 1,205 km^2 of 3D seismic data;
- Quantitative interpretation (QI) consisting of petrophysical and rock physics studies and stochastic modeling; and
- Simultaneous (AVA - amplitude variation with angle) inversion to generate predictive lithology and fluid volumes.

The nature of this work is to provide a 'like-for-like' comparison along the Rosedale Fault trend from the analogue field (Kipper) in the west to the prospects identified by BAS in Vic/P41 (Kipling and Benchley). A QI study is to be undertaken using the reprocessed data to investigate if the seismic response seen in the Kipper Field is similar to that seen in the Vic/P41 prospects. The Kipper Field is one of the last major discoveries in the Gippsland Basin and contains 620 billion cubic feet of recoverable gas and 30 million barrels of condensate/LPG.

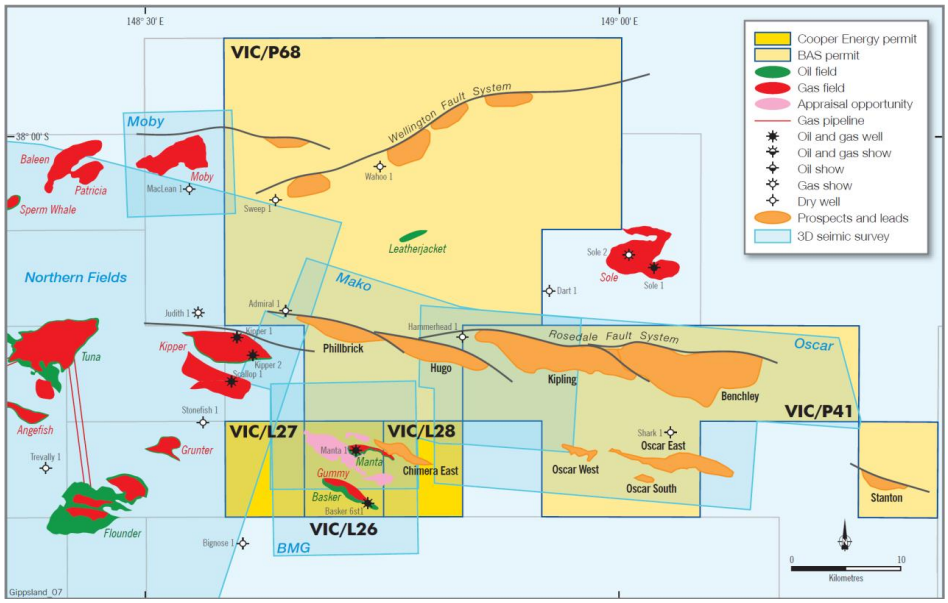


Figure 1. 3D Seismic across Vic/P41 and Vic/P68

The second phase of the work is the QI which will ultimately produce seismic inversion datasets predictive of reservoir and possible hydrocarbons over the entire study area. This will provide direct comparison between anomalies representative of hydrocarbons in the Kipper Field and any such anomalies present in prospects such as Kipling and Benchley in the company permits.

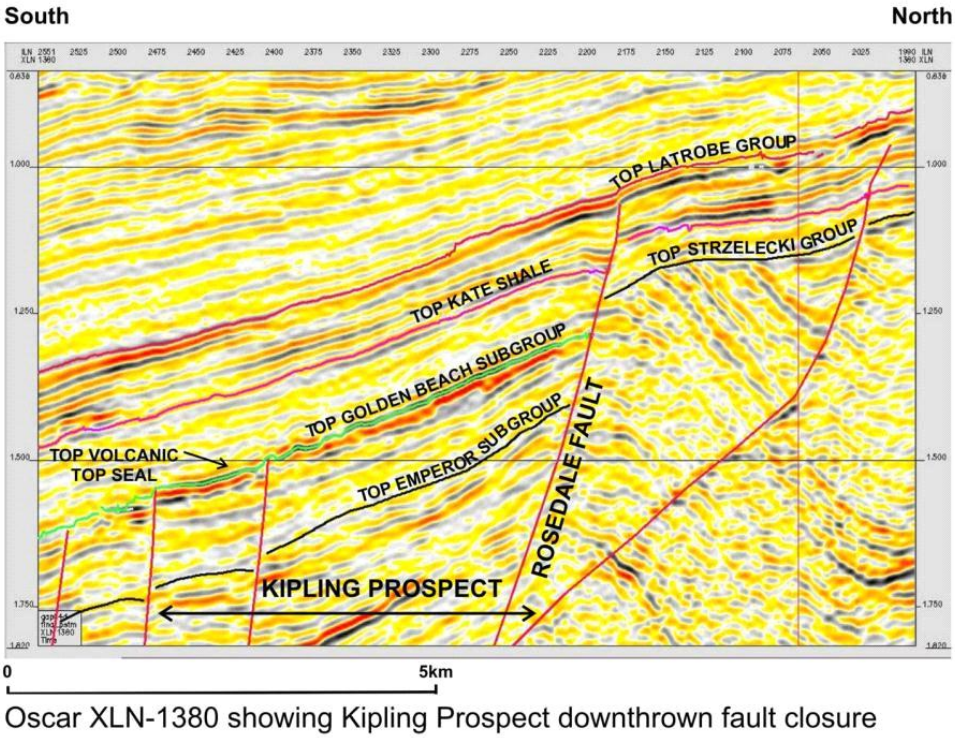


Figure 2. Seismic line from the Oscar 3D survey showing the Kipling Prospect in Vic/P41.

Seismic interpretation has now commenced over the reprocessed seismic dataset in anticipation of the second phase of deliverables and in conjunction it is hoped the work will 'high-grade' a number of prospects in Vic/P41 and Vic/P68.

The recent acquisition of equity in the Basker-Manta-Gummy ("BMG") leases by Cooper provides the opportunity for prospective resource in Vic/P41 to be commercialised via a redevelopment of the BMG infrastructure. The Vic/P41 Joint Venture is of the opinion that the BMG development will require additional near field resources making any resource in Vic/P41 a potential supply source into the BMG project.

Across Vic/P41 (BAS - 64.565%) and Vic/P68 (BAS - 100%), the Company holds a large trend focused acreage position containing significant conventional oil and gas prospects. With increasing Eastern Australian gas prices, growing customer demand for new sources of gas supply and significant value being placed on recent transactions in the Gippsland Basin, BAS believes that these assets are of increasing value to the Gippsland Basin project holders and future participants.

The output of this significant geotechnical project being undertaken by the Vic/P41 joint venture is aimed to ensure that the Company is able to deliver the best value back to shareholders through either divestment or farm-out.

The Bass Strait Oil Company CEO, Steven Noske commented: "The Company views the Gippsland portfolio as having significant value and is now well positioned to complete this major geotechnical project. The objective is to ensure the divestment or farm-out process is able to test a wide suite of interested parties."

Steve Noske
Chief Executive Officer
18 July 2014

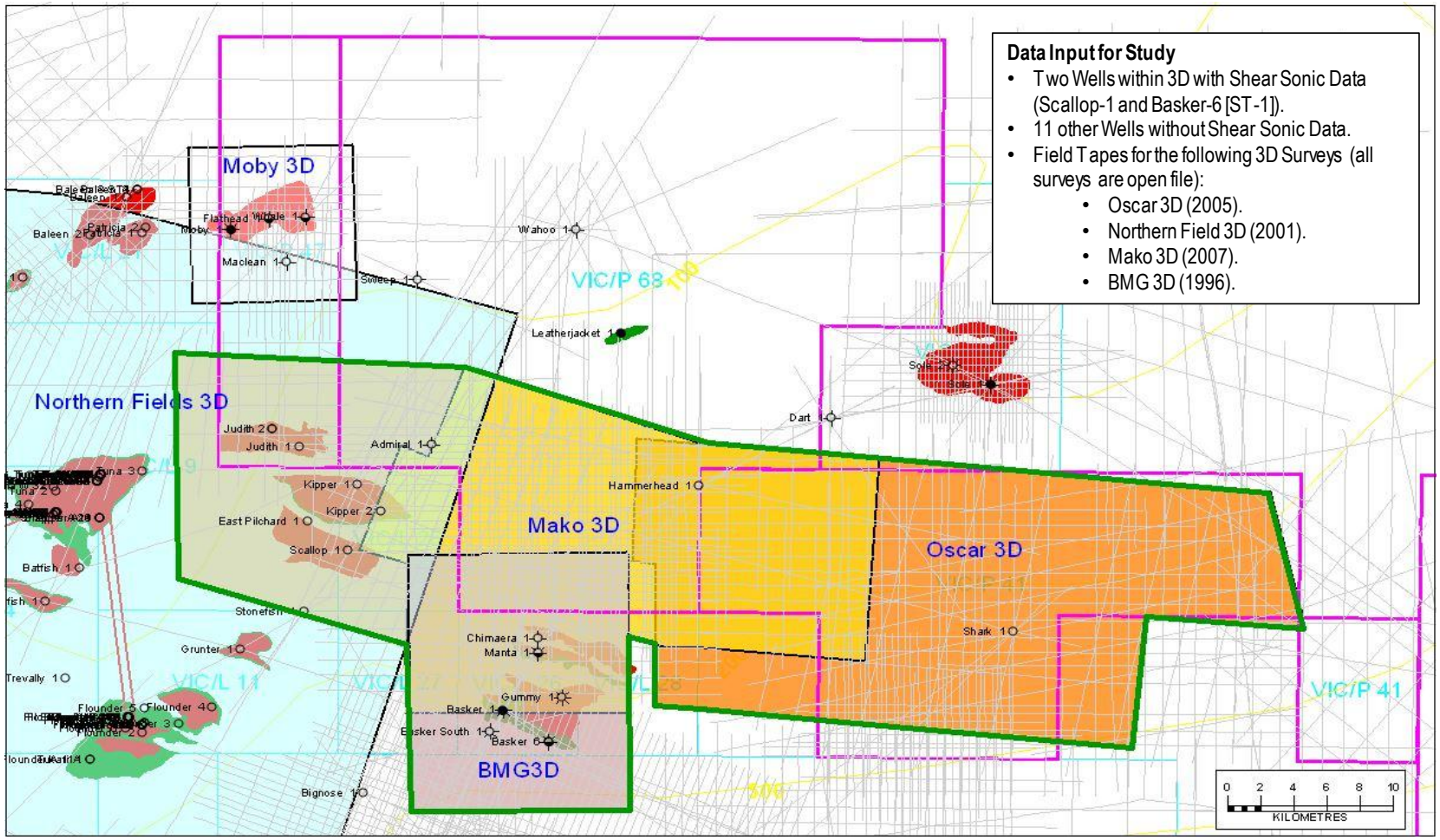


Figure 3 Outline of the reprocessed 3D seismic survey over Vic/P41 and Vic/P68 and their Kipper Field analogue