

ASX/MEDIA RELEASE 31st October 2014

POTENTIAL BOARD CHANGES

Bass Strait Oil Company Ltd (ASX: BAS) ("BASS or the Company") wishes to update shareholders of potential changes to the composition of the Board

Cooper Energy Ltd through its 100% subsidiary Somerton Energy Pty Ltd ("Cooper") control 22.9% of the issued ordinary capital of BASS have recently had discussions with the BASS Board during which they advised that it was their view that the Board needed to be restructured if the company was to be in a position where it could best capitalise on its existing portfolio and seek new growth opportunities.

Cooper saw this as being an important step in working towards restoring shareholder value and subsequently indicated that two other significant shareholder groups supported their view, namely interests associated with both Adelaide Equity Partners Ltd ("Adelaide Equity") and Karl Paganin. Messrs Mark Lindh (Managing Director of Adelaide Equity) and Mr Karl Paganin have confirmed their support of the views expressed by Cooper.

As a result of these discussions with Cooper the Board invited Mr Hector Gordon to join the Board of the Company as a Non-independent Director and following his acceptance he was appointed to the Board on 27th October 2014. Being appointed by the Board during the year it will be necessary for Mr Gordon's appointment to be submitted to the Annual General Meeting for confirmation by Shareholders. The Company anticipates advising shareholders of the date for the Annual General Meeting shortly.

Additionally the Company has now received Notices of Intention to Nominate Messrs. Giustino (Tino) Guglielmo and Peter Mullins to be appointed as Independent Directors at the Annual General Meeting and Mr Mark L Lindh to be appointed as a Non-independent Director at the Annual General Meeting.

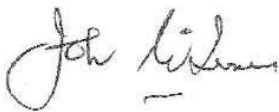
In considering this proposal the Bass Board took into account the following matters –

- The need for BASS to have keystone shareholders with the resources and commitment to support the company. The Board believe that Cooper with the support of other major shareholder groups have the capacity to provide that support and commitment.
- The need for BASS to raise new capital in the short term and the clear indication from Cooper that if they were satisfied with the direction the company was taking they would be supportive of a capital raising. This is of vital importance to the company in an equity market that seems reluctant to inject more capital into small oil and gas explorers. The Company is currently reviewing opportunities to raise further capital.
- The importance of ensuring that the Board is comprised with a majority of Independent Directors. The current Board believe it is important that this independence is perceived to be real and not merely claimed. Other major shareholders of BASS have advised the Bass Board that they see Messrs. Guglielmo and Mullins as providing the necessary independence.

- The importance of ensuring that all shareholders have the opportunity to participate in this decision to restructure the current Board. It is for this reason that the current Directors (other than Mr Gordon) have decided not to resign as directors until all shareholders have had the opportunity to consider these proposed changes.

On the basis of the above, the current Directors, except for Mr Hector Gordon have individually and collectively reached the decision that in the event that shareholders vote in favour of confirming the re-appointment of Mr Gordon and appointing Messrs. Tino Guglielmo, Peter Mullins and Mark Lindh, then Mr David Lindh will not stand for re-election to the Board and Messrs John McInnes (Chairman and Non-executive Director) together with Mr Andrew Whittle (Non-executive Director) will resign as Directors with effect from the conclusion of the meeting.

If the proposed changes have shareholder support, this will enable the hand over to the new Board to be achieved in a structured way with minimum disruption to the company and this is clearly in the best interests of BASS and its shareholders.

A handwritten signature in dark ink, appearing to read 'John L C McInnes', with a horizontal line underneath the name.

John L C McInnes
Chairman
31st October 2014