

3rd March 2015

Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

**Bass Strait Oil Company Limited: Non-Renounceable Rights Issue Cleansing Notice
Notice under Section 708AA(2)(f) of the Corporations Act 2001 (Cth)**

Bass Strait Oil Company Limited (**BAS**) today announced that a non-renounceable rights issue to raise up to approximately \$1 million (**Entitlement Offer**) would be made to eligible BAS shareholders entitled to participate in the Entitlement Offer (**Eligible Shareholders**). The Entitlement Offer will be fully underwritten by Merchant Corporate Finance Pty Ltd (**Underwriter**). The record date for the Entitlement Offer is 7:00pm (Melbourne time) on Tuesday, 10 March 2015.

The Entitlement Offer will be made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) and in accordance with the requirements of section 708AA of the Corporations Act, BAS gives notice that:

- (a) BAS will make an offer to eligible shareholders to subscribe for 1 new fully paid ordinary shares (**New Shares**) for every 3 existing BAS ordinary shares under the Entitlement Offer at an offer price of \$0.005 per New Share and the issue of New Shares will be without disclosure under Part 6D.2 of the Corporations Act.
- (b) This notice is being given in accordance with section 708AA(2)(f) of the Corporations Act.
- (c) As at date of this notice, BAS has complied with:
 - the provisions of Chapter 2M of the Corporations Act as they apply to BAS; and
 - section 674 of the Corporations Act.
- (d) As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as notionally modified by ASIC that is required to be set out in this notice.
- (e) Having regard to the composition of BAS's share register, the terms of the Entitlement Offer, the underwriting and sub-underwriting arrangements in place for the Entitlement Offer, and the nature of the Underwriter and sub-underwriters, BAS does not believe that any person will increase their percentage shareholding in BAS pursuant to the Entitlement Offer in a way which will have any material impact on the control of BAS.

The potential effect that the issue of the New Shares under the Entitlement Offer will have on the control of BAS, and the consequences of that effect, are as follows:

- if all Eligible Shareholders take up their entitlements under the Entitlement Offer, there will be no significant effect on the control of BAS;
- if Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, the shareholding interests of those Eligible Shareholders will be diluted;
- the proportional interests of Shareholders with registered addresses outside Australia and New Zealand will be diluted because those Shareholders are not entitled to participate in the Entitlement Offer; and
- as a consequence of Cooper Energy Limited having a current shareholding in BAS of approximately 19.7% and having entered into a firm commitment with the Underwriter to take up its entitlement in full and to sub-underwrite any shortfall to a maximum of 20,000,000 New Shares (net of their entitlements), there is a possibility that after the close of the Entitlement Offer and after the allocation of shortfall shares, Cooper Energy Limited will have a shareholding in BAS in excess of 20% (but in any case no greater than approximately 22.7%).

[An Appendix 3B with respect to the issue of the New Shares is attached].

If you have any questions in relation to the Entitlement Offer, please contact the Company on +61 3 9927 3000 between 9:00am and 5:00pm (Melbourne time) on business days during the offer period for the Entitlement Offer.

Peter F Mullins

A handwritten signature in black ink, appearing to read 'P. Mullins', with a stylized, cursive script.

Non-Executive Chairman

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

BASS STRAIT OIL COMPANY LIMITED

ABN

13 008 694 817

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 201,095,249 Fully Paid Ordinary Shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	\$0.005 (0.5 cents) per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To fund the on going work programme obligations of the Company's exploration portfolio, to identify opportunities to acquire additional interests in prospective oil and gas projects and for general working capital purposes,
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	16 December 2014
6c	Number of +securities issued without security holder approval under rule 7.1	None

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	None							
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	None							
6f	Number of +securities issued under an exception in rule 7.2	Up to 201,095,249 Fully Paid Ordinary Shares							
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A							
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A							
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<table><tr><td>LR 7.1</td><td>90,492,862</td></tr><tr><td>LR 7.1A</td><td>51,828,575</td></tr><tr><td>Total</td><td><u>142,321,437</u></td></tr></table>		LR 7.1	90,492,862	LR 7.1A	51,828,575	Total	<u>142,321,437</u>
LR 7.1	90,492,862								
LR 7.1A	51,828,575								
Total	<u>142,321,437</u>								
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	2 April 2015							
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number Up to 804,380,996	+Class Fully Paid Ordinary Shares						

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Nil	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividends will be paid in the foreseeable future.	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1:3 (one new share for every three shares held)
14	+Class of +securities to which the offer relates	Fully Paid Ordinary Shares
15	+Record date to determine entitlements	10 March 2015
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Fraction entitlements of less than one share will be rounded up.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Only shareholders with a registered address in Australia or New Zealand are eligible to participate.

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	26 March 2015
20	Names of any underwriters	Merchant Corporate Finance Pty Ltd
21	Amount of any underwriting fee or commission	Management Fee of 1.5% of the amount underwritten. Underwriting Fee of 4.5% of the amount underwritten (excluding any firm commitments for their entitlements and shortfall shares received from Directors and their related parties and Cooper Energy).
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	12 March 2015
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	2 April 2015

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☐ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000

⁺ See chapter 19 for defined terms.

100,001 and over

- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought

- 39 +Class of +securities for which quotation is sought

- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-

- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another +security, clearly identify that other +security)
-

- 42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)
- | Number | +Class |
|--------|--------|
| | |

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Company Secretary)

Date: 3 March 2015

Print name: Robyn Hamilton

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	518,285,747
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	- 85,000,000 (AGM 16 December 2014) -
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	603,285,747

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	90,492,862
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	-
“C”	-
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	90,492,862
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.15] – “C”	90,492,862 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	518,285,747
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	51,828,575
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	-
“E”	-

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	51,828,575
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	51,828,575 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.