

BASS STRAIT OIL COMPANY LTD
(ACN 008 694 817)

RIGHTS ISSUE PROSPECTUS

For a pro rata, non-renounceable rights issue of three (3) New Shares for every five (5) Shares held at the Record Date at an issue price of 0.1 cent (\$0.001) to raise approximately \$772,207, before issue costs and one (1) free attaching option (“New Option”) having an exercise price of 0.3 cents and expiry date of 15 December 2017 for every two (2) New Shares purchased, (“the Offer” or “the Rights Issue”). Each New Option will upon exercise, entitle the holder to one ordinary share and one (1) new Piggy Back Option having an exercise price of 0.6 cents and an expiry date of 15 December 2018.

Shareholders eligible to participate in the Offer may also apply for additional shares and options which are not subscribed (“Shortfall”).

The Offer is not underwritten.

Adelaide Equity Partners Limited is acting as corporate adviser in relation to the Offer.

Important Notice

This document is important and should be read in its entirety. The Prospectus is a “transaction specific prospectus” issued 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 advisors whom potential investor may consult. After reading this Prospectus you have any questions about the New Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The New Shares and New Options offered under this Prospectus should be considered highly speculative.

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SUMMARY OF OFFER AND INDICATIVE TIMETABLE

As announced on 18 November 2016, Bass Strait Oil Limited (ACN 008 694 817) (**the Company**) intends to raise approximately \$772,207 before costs, through the issue of up to 514,804,270 New Shares at an issue price of 0.1 cent (\$0.001) per New Share. Pursuant to this Prospectus, the Company makes the following Offer:

A pro rata, non-renounceable rights issue of three (3) New Shares for every five (5) Shares held at the Record Date at an issue price of 0.1 cent (\$0.001) to raise approximately \$772,207, before issue costs and one (1) free attaching option (“New Option”) having an exercise price of 0.3 cents and expiry date of 15 December 2017 for every two (2) New Shares purchased, (“the Offer” or “the Rights Issue”). Each New Option will upon exercise, entitle the holder to one ordinary share and one (1) new Piggy Back Option having an exercise price of 0.6 cents and an expiry date of 15 December 2018.

The Offer is not underwritten. New Shares and New Options not subscribed for under the Entitlement Offer will form the Shortfall. Further details of the Offer are set out in Section 1 of this Prospectus.

New Shares offered under this Prospectus are fully paid in the Company and will rank equally with existing Shares. The rights attaching to New Shares, New Options and Piggy-Back Options are described in Section 5 of this Prospectus.

INDICATIVE TIMETABLE*

EVENT	DATE
Offer announced and Appendix 3B lodged with ASX and Prospectus lodged with ASIC.	18 November 2016
Notice of Offer sent to Shareholders	21 November 2016
Shares quoted ex Rights	22 November 2016
Record Date (5.00pm AEDT)	23 November 2016
Prospectus and Entitlement and Acceptance Form dispatched to Shareholders	28 November 2016
Closing Date**	7 December 2016
New Shares quoted on a deferred settlement basis.	8 December 2016
Notification to ASX of Shortfall Offer	12 December 2016
Issue date for New Shares and New Options (including Shortfall Offer) Deferred settlement trading ends	14 December 2016
Commencement of trading of New Shares (Normal trading of Shares resumes)***	15 December 2016

* This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the Listing Rules and the Corporations Act.

**The Directors may extend the Closing Date by giving at least 3 Business Days' Notice to ASX prior to the Closing Date. In that event, the date the New Shares are expected to be issued and commence trading on ASX may vary.

***Trading of New Options will be subject to the New Options being granted Official Quotation (refer to “Important Information” section of this Prospectus).

IMPORTANT INFORMATION

Understanding this Prospectus

Below is important information in relation to the Offer.

This Prospectus is dated 18 November 2016 and was lodged with ASIC on that date.

Neither ASIC nor ASX take responsibility for the content of this Prospectus. Subject to the requirements of the Corporations Act and the Listing Rules, the Directors of the Company reserve the right to close the Offer earlier than the timetable (summarised above) or vary any of the important dates set out in this Prospectus without prior notice, including extending the closing date of the Rights Issue. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus and this Prospectus will expire on 17 December 2017.

The Company will apply to ASX for the New Shares and New Options to be granted Official Quotation within seven days of the date of this Prospectus. Official Quotation of the New Options will be conditional on there being a sufficient number of holders of the New Options to satisfy the requirements of the ASX for the creation of a new class of listed security. No application monies will be repaid if the New Options offered under this Prospectus are not admitted to official quotation.

This Prospectus should be read in its entirety. The risks associated with investing in the Company are significant and potential investors should carefully consider those risks and seek professional advice before deciding whether to invest. The risks associated with the Offer which the Company has identified are summarised below and set out in further detail in Section 5 of this Prospectus.

If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. Important capitalised terms and phrases used in this Prospectus are defined in the glossary in Section 10.

Disclaimer

No person has been authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with this Prospectus.

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

Overview of the Company

The Company is an oil and gas exploration and production company. Bass has realigned its corporate strategy in anticipation of the landmark acquisition of Cooper Energy's 55% interest in the Tangai-Sukananti production assets located in the prolific oil & gas region of South Sumatra, Indonesia. Bass intends on developing an oil and gas business with a clear focus on executing opportunities in the South-East Asia region. Bass has a strong and committed shareholder base with Board and management holding in excess of 20% of issued capital.

Further details on investment highlights and current activities can be found on page 1 and detailed in Section 2 of this Prospectus.

After payment of fees and costs, funds raised through the Offer will be applied to payment of the cash consideration to be paid on completion of the acquisition of the Company's interest in the TS Project (subject to that transaction being approved by shareholders and completion of the transaction), together with the Company's ongoing working capital requirements. The Company will continue to evaluate potential acquisitions of prospective exploration assets which are in line with the Company's direction and present value to the Company (refer also to Section 2 with respect to the Purpose and Effect of the Offer).

Key Investment Risks

Shareholders and prospective investors should be aware that subscribing for New Shares (including under the Shortfall Offer) in the Company involves a number of risks.

The risk factors set out in Section 5 of this Prospectus, and other general risks applicable to all investments in listed securities, may affect the value of the Shares, now or in the future. Accordingly, an investment in the Company should be considered highly speculative.

In particular, the Company notes the following specific risks:

	Further Details
<p>Transaction Risk – Tangai Sukananti</p> <p>The acquisition is subject to conditions precedent including the obtaining of consents from representatives of the Indonesian government and the joint venture partner in the TS Project as well as shareholder approval. There is no guarantee that those consents will be obtained. Further, the TS Project transaction requires the payment of deferred acquisition costs, 12 months after completion of the TS Project transaction. While the Company expects the TS Project to generate free cash flow which will contribute to the deferred acquisition costs, to the extent such cash flows are insufficient to make payment of the deferred acquisition costs, the Company may be required to raise additional equity or debt capital in order to make such payment.</p>	Section 5.2(a)
<p>Operational Risk</p> <p>The Company's current and future operation of the businesses and assets within the Company may be affected by a range of factors, including, but not limited to:</p> <ul style="list-style-type: none">• operational and technical difficulties encountered in drilling;• difficulties in commissioning and operating plant and equipment;• mechanical failure or plant breakdown;• unanticipated drilling problems which may affect production costs;• adverse weather conditions;• industrial and environmental accidents;• industrial disputes;• unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and• adverse weather conditions.	Section 5.2(b)
<p>Foreign Risk</p> <p>The TS 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.</p> <p>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 an earthquake or cyclonic activity.</p>	Section 5.2(c)

	Further Details
<p>Geopolitical</p> <p>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 TS Project is based. Acts of terrorism or outbreak of war may disrupt or prevent us from operating its business programs.</p>	Section 55.2(d)
<p>Oil and Gas and Currency Price Volatility</p> <p>Oil and gas prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations which may materially impact the value of the Company's assets.</p>	Section 5.2(e)
<p>Title of permits</p> <p>The Company's title to its exploration interests in Australia are governed by the various petroleum laws applying in Australia and in relation to its proposed production interests in the TS Project by the relevant petroleum laws applying in Indonesia and are typically evidenced by the granting of leases, licences or permits. Each lease, licence or permit 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 licence conditions are not met or if insufficient funds are available to meet expenditure commitments.</p>	Section 5.2(f)
<p>Additional Requirements for Capital</p> <p>The Company's capital requirements depend on numerous factors. If the Company is successful in identifying a new opportunity (other than the TS Project) 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).</p>	Section 5.3(a)
<p>Economic Factors</p> <p>The Company's future possible revenues, operating costs, Share price and returns to Shareholders may be affected by changes in general economic factors.</p>	Section 5.3(b)
<p>Reliance on Key Management</p> <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company may be dependent upon the Company's senior management, key personnel and consultants.</p>	Section 5.3(c)
<p>Currency Fluctuations</p> <p>The future value of Shares and options may fluctuate in accordance with movements in foreign currency exchange rates.</p>	Section 5.3(d)
<p>Taxation</p> <p>The Company's profitability may be affected by changes in overseas, Australian and State government taxation laws and policies. There may be tax implications arising from the acquisition of New Shares, any possible receipt of dividends (both franked and un-franked) and the disposal of New Shares.</p>	Section 5.3(e)
<p>Environment Risks</p> <p>The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most oil and gas exploration and production operations, the Company's activities are expected to have an impact on the environment.</p>	Section 5.3(f)

	Further Details
<p>Development Risk/Profitability</p> <p>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.</p>	Section 5.3(g)
<p>Production and Cost Estimates</p> <p>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.</p>	Section 5.3(h)
<p>Government and Regulatory Approvals</p> <p>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.</p>	Section 5.3(i)
<p>Regulatory Risks</p> <p>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.</p>	Section 5.3(j)
<p>Uninsured Loss and Liability</p> <p>There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations.</p>	Section 5.3(k)
<p>Stock Market Risks</p> <p>The market price of the New Shares 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</p>	Section 5.3(l)
<p>Occupational Health and Safety</p> <p>There is an inherent risk of work place accidents occurring during the conduct of exploration and production activity.</p>	Section 5.3(m)
<p>Liquidity Risk</p> <p>The Shares in the Company have historically traded at low-volume and there is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.</p>	Section 5.3(n)

Obtaining a copy of this Prospectus

Additional copies of this Prospectus are available from the registered office of the Company during normal business hours. A copy of the Prospectus can be downloaded from the website of the Company at www.bassoil.com.au, or the website of ASX at www.asx.com.au. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Prospectus available on the Company's website does not include an Entitlement and Acceptance Form. Eligible Shareholders wishing to take up their Entitlement should complete the paper copy of

the personalised Entitlement and Acceptance Form which accompanies a paper copy of this Prospectus.

The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company (or downloading it from the Company's website).

Forward-looking statements

This document contains forward looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of the Company, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence, actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Prospectus are made only at the date of this Prospectus. Subject to any continuing obligations under applicable law or the Listing Rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward looking statements contained in this document.

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. Refer to Section 1.13 for treatment of International Shareholders. Applications for New Shares and New Options and Shortfall Securities and Shortfall Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or an Application Form which accompanies this Prospectus.

Qualified Petroleum Reserves and Resources Statement

This Prospectus contains information on petroleum reserves and resources which is based on and fairly represents information and supporting documentation reviewed by Mr Andrew Thomas who is not an employee of the Company (or a related party of the Company) and is a full time employee of Cooper Energy Limited (ASX: COE) holding the position of Exploration Manager, holds a Bachelor of Science (Hons), is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers and is qualified in accordance with Listing Rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

CHAIRMAN'S LETTER

Dear Shareholder

On 18 November 2016, the Company announced its proposal to undertake a renounceable rights issue to raise approximately \$772,207 (before costs of the issue).

The funds raised under the Rights Issue will, subject to completion, be principally applied to the acquisition of Cooper Energy's 55% (Operator) interest in the Tangai-Sukananti Project ('TS Project') in Indonesia announced by BAS on 19 October 2016. This transaction is expected to be transformative for the Company, moving it from an Australian-based exploration focus to a South East Asian focussed oil and gas production company with cash flow positive assets. The acquisition also provides the Company with a solid platform for executing additional low-cost acquisitions within the region and exploring the multiple low-cost and low-risk development opportunities within the Tangai and Bunian Oil fields.

Full details of the Rights Issue are included in this Prospectus. You should read the Prospectus carefully.

The Prospectus describes, in detail, the Company's offer to Eligible Shareholders of a pro rata, non-renounceable rights issue of three (3) New Shares for every five (5) Shares held at the Record Date at an issue price of 0.1 cent (\$0.001) to raise approximately \$772,207, before issue costs and one (1) free attaching option ("New Option") having an exercise price of 0.3 cents and expiry date of 15 December 2017 for every two (2) New Shares purchased, ("the Offer" or "the Rights Issue"). Each New Option exercised will also entitle the holder to one (1) new Piggy Back Option having an exercise price of 0.6 cents and an expiry date of 15 December 2018.

A maximum of 772,206,594 New Shares will be issued and the New Shares will rank equally with the Company's existing Shares on issue. If all New Options are exercised a further 386,103,297 Shares will be issued. Similarly, if all Piggy Back Options are exercised a further 386,103,297 Shares will be issued.

The Rights Issue is not underwritten.

The Directors reserve the right to place any Shortfall Securities at their discretion within 3 months after the close of the Offer pursuant to Listing Rule 7.2 Exception 3.

The Closing Date for acceptance and payment is 5.00pm AEDT on 7 December 2016. Further details on taking up your entitlement and applying for New Shares are set out in Section 8 of the Prospectus.

If you have any questions regarding the Rights Issue, please telephone the Company on 1800 303 491.

I thank all our shareholders for their continued support and encourage you to take up your Rights under the Offer to enable you to fully participate in the Company's future growth and success.

Yours faithfully,



Peter Mullins

Chairman

INVESTMENT HIGHLIGHTS

The Company's intends to utilise the capital raised from the Rights Issue to fund its acquisition of the following production asset:

PART A - Tangai Sukananti

On 19 October 2016 the Company announced that it had entered into an agreement with Cooper Energy Limited (ASX: COE) to acquire its 55% interest in the Tangai-Sukananti KSO, South Sumatra Basin, Indonesia ('TS Project'). The TS Project is currently producing in excess of 820 bopd, of which, 450 bopd are for the benefit of the Company (with the balance to the Company's joint venture partner), as disclosed by the Company on 16 November 2016.

Under the terms of the agreement, the Company will pay Cooper upfront cash consideration of A\$500,000 and scrip consideration of 180 million shares in the Company at 0.15 cents (\$0.0015) per share at completion. Cooper Energy Limited will receive a further \$2.27 million in cash 12 months after completion, and additional payments made up of receivables as they fall due.

Upon completion of the TS Project transaction, the Company will become the operator of the TS Project.

Completion of the TS Project transaction is subject to:

- (a) PT Pertamina EP (or other authorised representative of the Indonesian Government) giving all approvals required under the Sukananti KSO and the relevant Indonesian petroleum legislation to a change in control of Cooper Energy Sukananti Limited (the entity that holds the interest in the TS Project) which would arise as a result of the TS Project transaction;
- (b) PT Mega Adhyaksa Pratama Limited (the joint venture partner in the TS Project) giving its consent to a change in control of Cooper Energy Sukananti Limited (the entity that holds the interest in the TS Project) which would arise as a result of the TS Project transaction;
- (c) the Company obtaining all shareholder approvals required pursuant to the Listing Rules and/or the Corporations Act in order to complete the TS Project transaction. Such approvals may include approval of the issue of the scrip consideration to Cooper Energy Limited, which currently holds approximately 13.5% of the issued capital in the Company; and
- (d) the Company raising not less than \$500,000 in funds. This condition will be satisfied if the Rights Issue successfully raises \$500,000, being a participation rate of 64.75%.

If the TS Project transaction does not complete, then funds raised from the Offer will be used for the purpose of providing working capital to the Company and for the purpose of funding the costs associated with identifying and investigating other appropriate exploration or production assets to acquire.

Please note that the Offer has no minimum subscription amount, and the TS Project transaction may still complete notwithstanding that \$500,000 is not raised, by the Company

waiving the condition set out at paragraph (d) above. In such circumstances, the Company may make the \$500,000 payment out of one or a combination of the following:

- (a) funds raised under the Offer;
- (b) existing working capital; or
- (c) debt funding; or
- (d) the proceeds of a future capital raising.

Completion will occur 10 Business Days after the last of the above conditions is satisfied. This is anticipated to occur in January 2017. In any event all conditions must be satisfied prior to a sunset date of 19 February 2017.

The Company expects that the TS Project will generate free cash flow for the Company which will contribute towards payment of the deferred acquisition costs 12 months after completion of the TS Project transaction. To the extent such cash flows are insufficient to make payment of the deferred acquisition costs, the Company may be required to raise additional equity or debt capital in order to make such payment..

The Company will acquire a 55% interest in the TS Project. The Petroleum Reserves attributable to that 55% interest in TS Project as at 30 June 2016 were as follows:

PETROLEUM RESERVES (MMbbl)^{1*}			
Category	Proved (1P)	Proved and Probable (2P)	Proved, Probable & Possible (3P)
Developed	0.50	0.93	1.39
Undeveloped	0.31	0.80	1.70
Total²	0.82	1.73	3.09

¹Totals may not reflect arithmetic addition due to rounding. The method of aggregation is by arithmetic sum by category. As a result, the 1P estimate may be conservative and the 3P estimate may be optimistic due to the effects of arithmetic summation.

²Petroleum Reserves include current operator's share of future crude fuel usage, however no produced crude oil is used for fuel in relation to the TS Project.

The Contingent Resources attributable to the 55% interest in the TS Project as at 30 June 2016 are as follows:

CONTINGENT RESOURCES ^{1*}					
1C (P90)		2C (P50)		3C (P10)	
Gas (PJ)	Total (MMboe)	Gas (PJ)	Total (MMboe)	Gas (PJ)	Total (MMboe)
1.2	0.2	2.3	0.4	4.3	0.7

**Source: Cooper Energy Limited (COE) Annual Report 2016 released on 11 October 2016. The Company is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continue to apply. In accordance with the Listing Rules, the Company expects to announce its assessment of reserves and contingent resources attributable to the TS Project after the TS Project transaction has completed.*

Qualified Petroleum Reserves and Resources Evaluator Statement

This Prospectus contains information on petroleum reserves and resources which is based on and fairly represents information and supporting documentation reviewed by Mr Andrew Thomas who is not an employee of the Company (or a related party of the Company) and is a full time employee of Cooper Energy Limited (ASX: COE) holding the position of Exploration Manager, holds a Bachelor of Science (Hons), is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers and is qualified in accordance with Listing Rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

PART B - Effect of Rights Issue on Company

(a) Share Capital

The effect of the Offer on the capital structure of the Company, assuming that all Entitlements are accepted and no Options are exercised prior to the Record Date, will be as follows:

Shares

Number of Shares on issue prior to the Offer	Number of New Shares to be issued under this Prospectus	Total Shares on issue upon completion of the Offer
1,287,010,990*	772,206,594	2,059,217,584*

Options

Number of Options on issue prior to the Offer	Number of New Options to be issued under this Prospectus	Total Options on issue upon completion of the Offer
Nil	386,103,297	386,103,297

- * These figures do not include the 180,000,000 Shares to be issued to Cooper Energy Limited at completion of the TS Project transaction as vendor of the interest in the TS Project.

(b) Cash Position

Completion of the Offer will also have the effect of increasing the Company's cash reserves by approximately \$672,295 (after deducting estimated costs of the Offer), providing funds to advance the activities and objectives of the Company as set out in Section 4 of this Prospectus.

In the event all of the New Options are exercised, the Company will raise an additional \$1,158,310. Further if all of the New Options are exercised and all of the Piggy Back Options are also exercised, the Company will raise a further \$2,316,620.

(c) Market Prices of Existing Shares on ASX

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

Highest: 0.2 cents on 24, 31 August, 11, 20, 25, 27, 28, October, and 2, 4, 7, 11, 14 November 2016.

Lowest: 0.1 cents on 23, 26, August, 1, 2, 20, 26, 28, 29 September 14, 19 21, 26 October 2016 and 16 November 2016.

The last market sale price prior to the date of lodgement of this Prospectus with ASIC was \$0.001 (0.1 cents) on 16 November 2016.

MANAGEMENT OVERVIEW

Mr Peter F Mullins

Chairman and non-executive independent Director

Mr Mullins has over 40 years banking experience in Australia and New York, USA, specialising in Institutional and Corporate Finance across the Agriculture, Defence, Energy, Infrastructure, Mining, Oil & Gas, Property and Wine industries. He is experienced in Mergers and Acquisitions, Privatisations, Structured Finance, IPO's and Capital Raisings.

Mr Mullins retired as Head of Institutional Banking SA&NT with the Commonwealth Bank of Australia in 2009 to take up a part time role as Senior Advisor, Institutional, Corporate and Business Banking for Commonwealth Bank in SA&NT. He retired from this role in 2013.

Mr Mullins was a Director of Somerton Energy Ltd, a listed oil and gas exploration company, from April 2010 until it merged with Cooper Energy Ltd in July 2012. He is a Fellow of the Financial Services Institute of Australasia and graduated from the Advanced Management Program at the University of Melbourne – Mt Eliza, in 1987.

Mr Hector M Gordon

Non-executive non-independent Director

Mr Gordon currently serves on the Board of Cooper Energy Limited as an Executive Director – Exploration and Production. Mr Gordon is a geologist with over 35 years' experience in the petroleum industry. Mr Gordon was previously Managing Director Somerton Energy Limited until it was acquired by Cooper Energy Limited in 2012. Previously, he was an Executive Director with Beach Energy Limited where he was employed for more than 16 years. In this time Beach Energy experienced significant growth and Mr Gordon held a number of roles including Exploration Manager, Chief Operating Officer and, ultimately, Chief Executive Officer.

Mr Gordon's previous employers also include Santos Limited, AGL Petroleum, TMOC Resources, Esso Australia and Delhi Petroleum Pty Ltd. Cooper Energy Limited is a substantial shareholder of Bass Strait Oil Company Limited. The Board do not consider Mr Gordon to qualify as an independent Director due to his position with Cooper Energy Limited.

Mr Giustino (Tino) Guglielmo

Executive Director

Mr Guglielmo is the Principal of a specialist advisory consultancy, Petroleum Advisors. He is a well credentialed Petroleum Engineer with over 33 years of technical, managerial and senior executive experience in Australia and internationally.

Mr Guglielmo was the CEO and Managing Director of two successful ASX listed companies; Stuart Petroleum Ltd for seven years and Ambassador Oil & Gas Ltd for three years. Both companies merged with larger ASX listed companies generating significant value for shareholders following the identification of compelling resource potential in their respective petroleum resource portfolios.

Mr Guglielmo also worked at Santos Ltd, Delhi Petroleum Ltd, and internationally with NYSE listed Schlumberger Corp. His experience spans the Cooper basin, Timor Sea, Gippsland basin, and exposure to US land and other international basins. Mr Guglielmo is currently a Director of Octanex NL and a member of the Resources and Infrastructure Task Force and the Minerals and Energy Advisory Council, both South Australian Government advisory bodies.

He is a Fellow of the Institution of Engineers, Australia, a member of the Society of Petroleum Engineers and Australian Institute of Company Directors.

Mr Mark L Lindh

Non-executive non-independent Director

Mr Mark Lindh is a corporate advisor with in excess of 15 years' experience in advising mining and resources companies with a particular focus on the energy sector. He is a founding director of Adelaide Equity Partners Limited, an investment and advisory company. The Board do not consider Mr Lindh to qualify as an independent Director due to his position with Adelaide Equity Partners Limited

Details of the Directors' interests and benefits are set out in Sections 7.5 to 7.7.

SECTION 1 DETAILS OF THE OFFER

This Section provides details of the Offer made under this Prospectus. Before deciding whether to apply for New Shares under this Prospectus, you should read this Prospectus in its entirety.

1.1. Entitlement Offer

The Offer being made in this Prospectus comprises a pro rata renounceable rights issue ("Entitlement Offer"), as follows:

Entitlement Offer Details	
New Shares:	A maximum of 772,206,594 fully paid ordinary shares in the Company to be issued. New Shares will rank equally with existing Shares. The terms and conditions of the New Shares are set out in Section 6.
New Options:	Each subscriber for New Shares will receive one (1) free attaching Option for every two (2) New Shares subscribed for, having an exercise price of 0.3 cents and expiry date of 15 December 2017. Upon exercise each New Option will entitle the holder to one (1) ordinary share in the Company and one Piggy Back Option
Piggy Back Option:	For each New Option that is exercised the holder will receive one (1) free option having an exercise price of 0.6 cents and an expiry date of 15 December 2018.
Fractions:	Calculation of any Eligible Shareholder's fractional entitlements will be rounded up to the nearest whole number.
Price:	0.1 cent (\$0.001) per New Share.
Entitlement:	Eligible Shareholders are offered the right to subscribe for three (3) New Shares for every five (5) Shares they hold at the Record Date.
Eligible Shareholders:	Shareholders of the Company registered on the Company's share register at the Record Date and residing in Australia and New Zealand. Please refer to Section 1.5 for further information about eligibility.
No Rights Trading	The rights of Eligible Shareholders to subscribe for their entitlement are non-renounceable and may not be traded on the ASX
How to apply:	Eligible Shareholders wishing to subscribe for New Shares need to complete an Entitlement and Acceptance Form and submit it to the Company, together with payment prior to the Closing Date. See Section 8 for more details on how to apply.
Opening Date:	The Entitlement Offer will open on 28 November 2016.
Closing Date*:	The last day to subscribe for New Shares under the Entitlement Offer is 5:00 pm (AEDT) on 7 December 2016.

Shortfall	Any New Shares not applied for by Eligible Shareholders under the Entitlement Offer shall form Shortfall Securities and be allotted pursuant to the Shortfall Offer. The Directors reserve the right to place any Shortfall Securities at their discretion within 3 months after the close of the Offer pursuant to Listing Rule 7.2 Exception 3.
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* The Board reserves the right to close the Offer early or extend the Closing Date should it consider it necessary to do so.

1.2. No trading of Entitlements

The Entitlement Offer is non-renounceable and Eligible Shareholder's rights to subscribe for their Entitlement to New Shares under this Prospectus are not able to be sold, traded or transferred. Any part of your Entitlement that is not accepted by you will lapse.

1.3. Shortfall Offer

Any New Shares and New Options not applied for by Eligible Shareholders under the Entitlement Offer shall form the Shortfall Securities. Eligible Shareholders can apply for additional New Shares in excess of their pro rata entitlement ("Shortfall Offer") by completing the relevant section on their Entitlement and Acceptance Form and specifying the number of additional New Shares (and by implication, New Options) they wish to subscribe for. The issue of any Shortfall Securities under the Shortfall Offer will be dependent on the number of Shortfall Securities available.

Applications for Shortfall Securities must be accompanied by payment in full for the price of the Shortfall Securities applied for.

Shortfall Securities

Allocation of Shortfall Securities amongst applicants under the Shortfall Offer

Allocation of any Shortfall Securities to Eligible Shareholders who have submitted applications under the Shortfall Offer amongst those applicants will be considered and determined by the Directors at their discretion. The Directors reserve the right to place any Shortfall Securities at their discretion within 3 months' after the close of the Offer pursuant to Listing Rule 7.2 Exception 3.

Takeover law requirements

It is the responsibility of each Eligible Shareholder to ensure that it will not breach the takeovers provisions under the Corporations Act (the 20% threshold) by applying for additional New Shares under the Shortfall Offer. These provisions are set out in section 606 of the Corporations Act. No Eligible Shareholder will be permitted to acquire additional New Shares under the Shortfall Offer to the extent the Company considers (acting reasonably) that doing so would result in a contravention of the takeovers limits in section 606 of the Corporations Act.

No certainty regarding allocations

As a consequence of the arrangements described above, there can be no guarantee of the number of additional New Shares and New Options available to Eligible Shareholders under the Shortfall Offer. Eligible Shareholders who apply for Shortfall Securities under the Shortfall Offer will be bound to accept any lesser number of additional New Shares allocated to them in accordance with the allocation procedure described above. If you do not receive all of the additional New Shares and New Options you applied for, any excess application monies will be returned to you without interest.

1.4. No Minimum Subscription

There is no minimum subscription and the Offer is not underwritten. Please note that the TS Project acquisition may still complete notwithstanding that less than \$500,000 is raised pursuant to the Offer. In such circumstances, the Company may make the \$500,000 payment out of one or a combination of the following:

- (a) funds raised under the Offer;
- (b) existing working capital; or
- (c) debt funding; or
- (d) the proceeds of a future capital raising.

1.5. Eligibility of Shareholders for the Offer

The Entitlement Offer is made only to those Shareholders whose registered address is in Australia or New Zealand as at 5.00 pm (AEDT time) on the Record Date (“Eligible Shareholders”).

Shareholders whose registered address is not in Australia or New Zealand, or who become registered holders of Shares in the Company after the Record Date, are not eligible to participate in the Entitlement Offer.

An Entitlement and Acceptance Form setting out Eligible Shareholders’ Entitlements accompanies the hard copy of this Prospectus distributed to Eligible Shareholders.

Eligible Shareholders who do not take up their Entitlement in full may, as a result of this Rights Issue, have their percentage shareholding in the Company diluted.

Eligible Shareholders are also invited to apply for additional New Shares and New Options under the Shortfall Offer, by completing the section of the personalised Entitlement and Acceptance Form which deals with the Shortfall Securities. Section 8.3 of this Prospectus provides further information regarding Applications for Shortfall Securities.

1.6. Public Offer

Members of the public who are not Eligible Shareholders whose registered address is in Australia may subscribe for New Shares and New Options under the Shortfall Offer pursuant to this Prospectus by submitting a properly completed Application Form. Members of the public whose registered address is not in Australia, may not subscribe for New Shares and New

Options under the Shortfall Offer. The Entitlements of Eligible Shareholders will be satisfied in full prior to any Shortfall Securities being allotted to members of the public in respect of such Applications. Upon Entitlements of Eligible Shareholders being satisfied in accordance with valid applications, any Shortfall Securities will be allotted between Eligible Shareholders who have applied for additional New Shares under the Shortfall Offer, members of the public who submit a valid Public Offer Application Form.

The allocation of any Shortfall Securities to members of the public who have submitted a valid Public Offer Application Form will be at the discretion of the Board.

A Public Offer Application Form will be included in the Prospectus and is available on the Company's website (www.bassoil.com.au). Applications must be submitted prior to the Closing Date together with payment in full for the number of Shortfall Securities applied for.

1.7. Custodians and Nominees

The Offer is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Offer and the nominee must not take up any Entitlement or send any materials to the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

1.8. Eligible Shareholder Entitlements

The Entitlement of each Eligible Shareholder is shown on the personalised Entitlement and Acceptance Form.

1.9. Closing Date and Payment for New Shares

The Closing Date for acceptance of Entitlement and Acceptance Forms and Application Forms is 5:00pm (AEDT) on 7 December 2016.

Cheques must be drawn in Australian currency on an Australian bank and made payable to '*Bass Strait Oil Limited*' and crossed 'Not Negotiable'. Shareholders are asked not to forward cash or postal notes by mail. Receipts for payment will not be issued.

Eligible Shareholders may submit payments for New Shares applied for using BPAY®. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form.

Cheques will be returned if New Shares are not issued or Application for New Shares is not accepted.

1.10. Allotment of New Shares

New Shares and New Options will be allotted and issued as soon as practicable after the issue of this Prospectus, in accordance with Listing Rules and indicative timetable as set out in page (i) of this Prospectus. Holding statements for all New Shares and New Options allotted shall be dispatched as soon as practicable in accordance with the Listing Rules after the Closing Date.

Until the allotment and issue of the New Shares and New Options under this Prospectus, application monies will be held by the Company in trust in a separate bank account maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

1.11. ASX Quotation

On or within 7 days of the date of this Prospectus the Company will make application for the New Shares and the New Options issued pursuant to the Offer to be granted quotation on the Official List of the ASX. The Company also intends to apply for the Piggy Back Options issued on exercise of the New Options be granted quotation on the Official List of the ASX.

Official Quotation of the New Options (and Piggy Back Options) will be conditional upon there being a sufficient number of holders of the New Options (and Piggy Back Options) to satisfy the requirements of the ASX for the creation of a new class of listed security. No application monies will be repaid if the New Options (or Piggy Back Options) offered under this Prospectus are not admitted to official quotation

If ASX does not grant Official Quotation of the New Shares within 3 months after the date of the Prospectus then the New Shares and New Options will not be allotted and Application monies will be repaid in full without interest.

Quotation of the New Shares, the New Options or the Piggy Back Options on the Official List of the ASX does not in any way indicate an endorsement by the ASX of the Company, the Company's projects or the New Shares and New Options. The ASX takes no responsibility for the contents of this Prospectus.

1.12. CHESS System

The Company participates in the Clearing House Electronic Subregister System ("CHESS"). ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532) ("ASTC"), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Shareholders will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment of their New Shares pursuant to their acceptance of the Offer made under this Prospectus.

Shareholders who are broker-sponsored will receive a CHESS statement from ASTC.

Shareholders registered under the Issuer Sponsored subregister will receive a statement from Link Market Services Limited.

A CHESSE statement or Issuer Sponsored Statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding or option-holding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

1.13. International Shareholders

This Offer 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. Shareholders who do not have a registered address in Australia or New Zealand are not eligible to participate in the Offer. The laws of jurisdictions outside of Australia and New Zealand may restrict the distribution of this Prospectus. Anyone who comes into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. A failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company is of the view that it is unreasonable to extend the Rights Issue to Shareholders with registered addresses outside Australia or New Zealand, having regard to:

- the small number of Shareholders with registered addresses outside Australia and New Zealand;
- the number and value of the New Shares which would be offered to ineligible Shareholders; and
- the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, this Offer will not be made to International Shareholders. This Prospectus is sent to International Shareholders for information purposes only. In order for a Shareholder to participate in the Offer, the Shareholder must be resident in Australia or New Zealand at the Record Date.

In particular, this Prospectus does not constitute an offer for sale of the New Shares or any right to a security into the United States or to U.S. persons. The New Shares have not been, and will not be, registered under the U.S. Securities Act and must not be offered or sold within the United States or to U.S. persons unless they are registered under the U.S. Securities Act or an exemption from the registration required of the U.S. Securities Act is available.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that participation in the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form or payment by BPAY® will constitute a representation that there has been no breach of such regulations. Shareholders who are nominees are therefore advised to seek independent advice as how they should proceed. Where the Offer has been dispatched to a Shareholder domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by this Prospectus, the Prospectus is provided for information purposes only.

1.14. Issue Expenses

The estimated expenses of the Offer including the corporate adviser fees, professional fees, registry services and printing and postage are approximately \$99,912.

1.15. Application of Funds Raised

The purpose of the Offer is to raise funds for the upfront cash consideration for the acquisition for the TS Project in Indonesia and for working capital to progress with other opportunities, as follows:

Use of Funds	Amount (\$)
Acquisition of Indonesian Assets*	\$500,000
Working Capital	\$172,295
Costs of the Offer (excluding Corporate Adviser Fee)	\$67,190
Corporate Adviser Fee	\$32,722
TOTAL	\$772,207

** NB: As the transaction to acquire that Tangai Sukananti project is subject to shareholder approval, if such approval is not obtained, the funds raised will be used for the purpose of providing working capital to the Company such that this amount will increase to \$672,295 and seeking out another appropriate asset for the Company to acquire.*

Shareholders are strongly urged to read Sections 2 and 3 of this Prospectus carefully so as to better understand the purpose of the Offer, how the funds to be raised under the Offer will be applied, the key assumptions involved and the potential impact the new funding will have on the Company's future growth and enterprise value.

SECTION 2 PURPOSE AND EFFECT OF THE OFFER

2.1. Purpose of the Offer

This Rights Issue is being undertaken principally to provide funds to meet budgeted and anticipated expenditure associated with the Company's proposed acquisition of the TS Project which is described further in Section 4, together with meeting current working capital requirements and providing for future evaluation and examination of prospective exploration or production assets and projects as identified by the Board from time to time as presenting value and being in line with the Company's direction.

Please note that completion of the TS Project transaction is subject to conditions precedent, including the obtaining of shareholder approval. If the TS Project transaction does not complete, then funds raised from the Offer will be used for the purpose of providing working capital to the Company and for the purpose of funding the costs associated with identifying and investigating other appropriate exploration or production assets to acquire.

The proceeds of the Offer are planned to be used in accordance with the table set out below*:

Proposed Use of Funds	Amount
Acquisition of Indonesian Assets*	\$500,000
Working Capital	\$172,295
Costs of the Offer (excluding Corporate Adviser Fee)	\$67,190
Corporate Adviser Fee	\$32,722
TOTAL	\$772,207

* The Board reserves the right to alter this budget as a result of a change in circumstances or intervening events.

Please note that the TS Project acquisition may still complete notwithstanding that less than \$500,000 is raised pursuant to the Offer.

The above is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board may determine to alter the way funds are applied as it considers necessary and appropriate having regard to the circumstances at the time.

2.2. EFFECT OF THE OFFER ON THE COMPANY

(a) Share Capital

The effect of the Offer on the capital structure of the Company, assuming that all Entitlements are accepted and no Options are exercised prior to the Record Date, will be as follows:

Shares

Number of Shares on issue prior to the Offer	Number of New Shares to be issued under this Prospectus	Total Shares on issue upon completion of the Offer
1,287,010,990*	772,206,594	2,059,217,584*

- * These figures do not include the 180,000,000 Shares to be issued to Cooper Energy Limited at completion of the TS Project transaction as vendor of the interest in the TS Project.

Options

Number of Options on issue prior to the Offer	Number of New Options to be issued under this Prospectus	Total Options on issue upon completion of the Offer
Nil	386,103,297	386,103,297

(b) Cash Position

Completion of the Offer will also have the effect of increasing the Company's cash reserves by approximately \$672,295 (after deducting estimated costs of the Offer), providing funds to advance the activities and objectives of the Company as set out in Section 4 of this Prospectus.

In the event all of the New Options are exercised, the Company will raise an additional \$1,158,310. Further if all of the New Options are exercised and all of the Piggy Back Options are also exercised, the Company will raise a further \$2,316,620.

(c) Market Prices of Existing Shares on ASX

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

Highest: 0.2 cents on 24, 31 August, 11, 20, 25, 27, 28, October, and 2, 4, 7, 11, 14 November 2016.

Lowest: 0.1 cents on 23, 26, August, 1, 2, 20, 26, 28, 29 September, 14, 19, 21, 26 October 2016 and 16 November 2016.

The last market sale price prior to the date of lodgement of this Prospectus with ASIC was \$0.001 (0.1 cents) on 16 November 2016.

(d) New Class of Securities – New Options

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

(e) Effect of Offer on Control

If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Offer is made pro-rata and in that case no rights would lapse or revert to the Shortfall Offer as described at Section 1.3.

As the Company does not propose to apply to ASIC for the approval of the appointment of a nominee for the purposes of section 615 of the Corporations Act, no person will be permitted to acquire New Shares or New Options under the Rights Issue to the extent that such acquisition results in that person holding a relevant interest exceeding 20% of the issued share capital of the Company on a post Rights Issue basis.

As the Rights Issue has no minimum subscription and is not underwritten and there is no guarantee that the Directors can place any or all of the Shortfall Securities remaining after close of the Offer, where the Entitlement component of the Offer is not well subscribed, the Rights Issue may result in one or more substantial shareholders increasing their voting power in the Company (but subject to the 20% threshold).

The current substantial shareholders of the Company, as at the date of this Prospectus, according to substantial holding notices lodged with the Company, are as follows:

Substantial Shareholder	No. of shares	% of current issued capital
Cooper Energy Limited	173,361,294	13.47%
Miller Anderson Pty Ltd ¹	139,805,515	10.87%
South Australian Resource Investments Pty Ltd ²	131,207,311	10.19%
Tattersfield Group	104,986,883	8.16%
Icon Holdings Pty Ltd	64,616,532	5.02%

¹Miller Anderson Pty Ltd is a company associated with the Company's Executive Director, Giustino (Tino) Guglielmo

²South Australian Resource Investments Pty Ltd is a company associated with Non-Executive Director, Mark Lindh

SECTION 3 STATEMENT OF FINANCIAL POSITION AND PRO-FORMA CAPITAL STRUCTURE

Set out below is a pro forma Statement of Financial Position for the Company after taking into account the effect of the Offer. This statement is based on the audited accounts of the Company as at 30 June 2016, lodged with the ASX on 1 September 2016.

The pro forma Consolidated Statement of Financial Position illustrates the effect of the Offer based upon the following assumptions and qualifications:

- (a) there being no material changes to the Company's Statement of Financial Position since 30 June 2016;
- (b) the Offer being fully subscribed resulting in the Company issuing an additional 772,206,594 New Shares raising a total of \$772,207;
- (c) the costs of the Offer being \$99,912 (including the Corporate Adviser Fee); and
- (d) the activities of the Company since 30 June 2016 not being recognised in the *pro forma* Statement of Financial Position.

Bass Strait Oil Limited and Controlled Entities			
ABN: 15 120 973 775			
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	30 June 2016 (AUDITED)	Adjustments for Rights Issue	Pro-Forma Balance
ASSETS			
Current Assets			
Cash and cash equivalents	457,054	672,295	1,129,349
Trade and other receivables	10,511		10,511
Other current assets	7,860		7,860
Other financial asset	-		-
Total Current Assets	475,425		1,147,720
Non-Current Assets			
Other financial asset	16,133		16,133
Plant and equipment	2,674		2,674
Exploration and evaluation expenditure	1,034,689		1,034,689
Total Non-Current Assets	1,053,496		1,053,496
TOTAL ASSETS	1,528,921		2,201,216
LIABILITIES			
Current Liabilities			
Trade and other payables	131,145		131,145
Total Current Liabilities	131,145		131,145
TOTAL LIABILITIES	131,145		131,145
NET ASSETS	1,397,776		2,070,071
EQUITY			
Contributed equity	32,804,092	672,295	33,476,387
Accumulated losses	(31,406,316)		(31,406,316)
TOTAL EQUITY	1,397,776		2,070,071

SECTION 4 SUMMARY OF THE PROPOSED TRANSACTION

4.1. Background

The Company is an oil and gas project company based in Victoria.

The Company is currently focused on the acquisition of a production project, namely the Tangai Sukananti Project joint venture ("TS Project"), located in Indonesia. The rights Issue is intended to raise the funds necessary to acquire an interest in the TS Project from Cooper Energy Limited.

4.2. TS Project Joint Venture

On 19 October 2016 the Company announced that it had entered into an agreement with Cooper Energy Limited (ASX: COE) to acquire its 55% interest in the Tangai-Sukananti KSO, South Sumatra Basin, Indonesia ("TS Project"). The TS Project is currently producing in excess of 820 bopd, of which, 450 bopd are for the benefit of the Company (with the balance to the Company's joint venture partner), as disclosed by the Company on 16 November 2016.

Under the terms of the agreement, the Company will pay Cooper upfront cash consideration of A\$500,000 and scrip consideration of 180 million shares in the Company at 0.15 cents (\$0.0015) per share at completion. Cooper Energy Limited will receive a further \$2.27 million in cash 12 months after completion, and additional payments made up of receivables as they fall due.

Upon completion of the TS Project transaction, the Company will become the operator of the TS Project.

Completion of the TS Project transaction is subject to:

- (a) PT Pertamina EP (or other authorised representative of the Indonesian Government) giving all approvals required under the Sukananti KSO and the relevant Indonesian petroleum legislation to a change in control of Cooper Energy Sukananti Limited (the entity that holds the interest in the TS Project) which would arise as a result of the TS Project transaction;
- (b) PT Mega Adhyaksa Pratama Limited (the joint venture partner in the TS Project) giving its consent to a change in control of Cooper Energy Sukananti Limited (the entity that holds the interest in the TS Project) which would arise as a result of the TS Project transaction;
- (c) the Company obtaining all shareholder approvals required pursuant to the Listing Rules and/or the Corporations Act in order to complete the TS Project transaction. Such approvals may include approval of the issue of the scrip consideration to Cooper Energy Limited, which currently holds approximately 13.5% of the issued capital in the Company; and
- (d) the Company raising not less than \$500,000 in funds. This condition will be satisfied if the Rights Issue successful raises \$500,000, being a participation rate of 64.75%.

Completion will occur 10 Business Days after the last of the above conditions is satisfied. This is anticipated to occur in January 2017. In any event all conditions must be satisfied prior to a sunset date of 19 February 2017.

The Company expects that the TS Project will generate free cash flow for the Company which will contribute towards payment of the deferred acquisition costs payable 12 months after completion of the TS Project transaction. To the extent such cash flows are insufficient to make payment of the deferred acquisition costs, the Company may be required to raise additional equity or debt capital in order to make such payment.

The Company will acquire a 55% interest in the TS Project. The Petroleum Reserves attributable to that 55% interest in TS Project as at 30 June 2016 were as follows:

PETROLEUM RESERVES (MMbbl)^{1*}			
Category	Proved (1P)	Proved and Probable (2P)	Proved, Probable & Possible (3P)
Developed	0.50	0.93	1.39
Undeveloped	0.31	0.80	1.70
Total²	0.82	1.73	3.09

¹Totals may not reflect arithmetic addition due to rounding. The method of aggregation is by arithmetic sum by category. As a result, the 1P estimate may be conservative and the 3P estimate may be optimistic due to the effects of arithmetic summation.

²Petroleum Reserves include current operators' share of future crude fuel usage, however no produced crude oil is used for fuel in relation to the TS Project.

The Contingent Resources attributable to the 55% interest in the TS Project as at 30 June 2016 are as follows:

CONTINGENT RESOURCES*					
1C (P90)		2C (P50)		3C (P10)	
Gas (PJ)	Total (MMboe)	Gas (PJ)	Total (MMboe)	Gas (PJ)	Total (MMboe)
1.2	0.2	2.3	0.4	4.3	0.7

*Source: Cooper Energy Limited (COE) Annual Report 2016 released on 11 October 2016. The Company is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continue to apply. In accordance with the Listing Rules,

the Company expects to announce its assessment of reserves and contingent resources attributable to the TS Project after the TS Project transaction has completed.

Qualified Petroleum Reserves and Resources Evaluator Statement

This Prospectus contains information on petroleum reserves and resources which is based on and fairly represents information and supporting documentation reviewed by Mr Andrew Thomas who is not an employee of the Company (or a related party of the Company) and is a full time employee of Cooper Energy Limited (ASX: COE) holding the position of Exploration Manager, holds a Bachelor of Science (Hons), is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers and is qualified in accordance with Listing Rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

4.3. Potential Acquisition

The Board continues to be committed to evaluating and assessing various investment opportunities within the oil and gas exploration and production sector.

5.1. Introduction

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Potential investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Accordingly, the New Shares to be issued under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares in the Company.

The following summary, which is not exhaustive, represents some of the major risk factors potential investors need to be aware of as they may in the future materially affect the financial performance of the Company and the value of New Shares to be issued under this Prospectus. Potential investors should read the whole of this Prospectus in order to appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for New Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of more specific risks associated with the Company's business and its involvement in the oil and gas exploration and production industry. These risk factors are largely beyond the control of the Company and its directors because of the nature of the proposed business of the Company.

5.2. Specific risks relating to the TS Project**(a) *Transaction Risk***

The TS Project transaction is subject to a number of conditions precedent, including the obtaining of consents from representatives of the Indonesian government and the joint venture partner in the TS Project. There is no guarantee that those consents will be obtained.

Furthermore, the issue of scrip consideration to Cooper Energy Limited in relation to the TS Project transaction may require shareholder approval. There is no guarantee that shareholder approval will be granted.

The TS Project transaction requires the payment of deferred acquisition costs, 12 months after completion of the TS Project transaction. While the Company expects the TS Project to generate free cash flow which will contribute to the deferred acquisition costs, to the extent such cash flows are insufficient to make payment of the deferred acquisition costs, the Company may be required to raise additional equity or debt capital in order to make such payment.

(b) *Operating Risks*

The operations in which the Company is currently participating are generally considered high-risk undertakings and are subject to a number of risks and hazards

typically associated with such operations, each of which could result in substantial damage to facilities, other property and the environment or in personal injury and/or death and/or interruption of operations.

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

(c) ***Foreign Risk***

The TS 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 an earthquake or cyclonic activity.

(d) ***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 TS Project is based. Acts of terrorism or outbreak of war may disrupt or prevent the Company from operating its business programs.

(e) ***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.

(f) ***Title of permits***

The Company's title to its exploration interests in Australia are governed by the various petroleum laws applying in Australia and in relation to its production interests in the TS Project by the relevant petroleum laws applying in Indonesia and are typically evidenced by the granting of leases, licences or permits. Each lease, licence or permit 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 licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

5.3. Risk factors specific to the Company

(a) ***Additional Requirements for Capital***

The Company's capital requirements depend on numerous factors. If the Company is successful in identifying a new opportunity (other than the TS Project) 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 Securities, any possible receipt of dividends (both franked and un-franked) and the disposal of 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 shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.

(m) ***Occupational Health and Safety***

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

(n) ***Liquidity Risk***

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

5.4. General Risks

There are risks involved with any investment in listed shares. The value of the New Shares, 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.

5.5. 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 Shares, the above matters, and all other matters described in this document must be carefully considered. The New Shares and New Options to be allotted pursuant to this Prospectus 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 Shares and New Options offered by this Prospectus will be achieved.

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or the Shareholders. 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 Shares.

6.1. Rights attaching to the Shares

The rights attaching to ownership of the Shares arise from a combination of:

- the Constitution; and
- in certain circumstances, the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

The following is a summary of the more significant rights attaching to the Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Shareholders.

Further details of the rights attaching to Shares are set out in the Constitution of the Company, a copy of which can be inspected at the Company's registered office during normal business hours.

6.1.1. Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or cancel the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or cancelled with the consent in writing of the holders of three-quarters of the Issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.2. Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders.

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

6.3. General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

6.4. Dividends

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall (subject to the Company's Constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the shareholders such interim dividends as they may determine. Dividends shall be payable only out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. Dividends shall not carry interest as against the Company.

6.5. Winding-up

If the Company is wound up and the surplus assets are insufficient to repay the whole of the paid up capital, the surplus assets must be distributed so that, as nearly as may be, the losses are borne by the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them at the commencement of the winding up. If in a winding up the assets available for distribution among the members are more than sufficient to replay the whole of the capital paid up at the commencement of the winding up, the excess must be distributed among the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them at the commencement of the winding up. Change to Capital Structure

The Company may by ordinary resolution and subject to the Corporations Act and the Listing Rules:

- increase its share capital by the issue of new shares of such amount as is specified in a resolution;
- consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- sub-divide all or any of its shares into shares of smaller amount than is fixed by the Constitution, but so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each such share of a smaller amount is the same as it was on the case of the share from which the share of a smaller amount is derived; and
- cancel shares that. at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and reduce its share capital by the amount of the shares so cancelled.

6.6. Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

6.7. Rights attaching to New Options and Piggy Back Options

The following are the terms of the Options to be issued pursuant to this Prospectus.

6.7.1. Entitlement

- (a) Each New Option and Piggy Back Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (b) Shares issued on the exercise of New Options and Piggy Back Option will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

6.7.2. Exercise of New Option

- (a) The New Options are exercisable at any time from the date of issue.
- (b) The final date and time for exercise of the New Options is 5pm (Sydney time) on 15 December 2017. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (c) The exercise price of each New Option is 0.3 cents (\$0.003).
- (d) Each New Option is exercisable by the Option holder signing and delivering a notice of exercise of New Option together with the exercise price in full for each Share to be issued upon exercise of each New Option to the Company's Share Registry.
- (e) Remittances must be made payable to 'Bass Strait Oil Company Limited' and cheques should be crossed 'Not Negotiable'.
- (f) All New Options will automatically lapse on the earlier of the:
 - (i) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the New Option; and
 - (ii) expiry of the final date and time for exercise of the New Option as set out in paragraph (b).
- (g) In the event of liquidation of the Company, all unexercised New Options will lapse.
- (h) For every New Option that is exercised, the Option holder will receive 1 Share.
- (i) For every New Option that is exercised, a Piggy Back Option will be issued.

6.8. Exercise of Piggy Back Option

- (a) The Piggy Back Options are exercisable at any time from the date of issue.

- (b) The final date and time for exercise of the Piggy Back Options is 5pm (Sydney time) on 15 December 2018. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (c) The exercise price of each Piggy Back Option is 0.6 cents (\$0.006).
- (d) Each Piggy Back Option is exercisable by the Option holder signing and delivering a notice of exercise of Piggy Back Option together with the exercise price in full for each Share to be issued upon exercise of each Piggy Back Option to the Company's Share Registry.
- (e) Remittances must be made payable to 'Bass Strait Oil Company Limited' and cheques should be crossed 'Not Negotiable'.
- (f) All Piggy Back Options will automatically lapse on the earlier of the:
 - (i) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Piggy Back Option; and
 - (ii) expiry of the final date and time for exercise of the Piggy Back Option as set out in paragraph 6.7.2(b).
- (g) In the event of liquidation of the Company, all unexercised Piggy Back Options will lapse.
- (h) For every Piggy Back Option that is exercised, the Option holder will receive 1 Share.

6.8.2. Quotation

- (a) Subject to the requirements of the Listing Rules, the Company intends to apply to the ASX for Official Quotation of the New Options and Piggy Back Options. The Company gives no assurance that such quotation will be granted.
- (b) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any New Options and Piggy Back Option within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

6.8.3. Participation in Securities Issues

Subject to paragraph 6.8.4 below, the Option holder is not entitled to participate in new issues of securities without exercising the New Options and Piggy Back Option.

6.8.4. Participation in a Reorganisation of Capital

- (a) In the event of any reconstruction or reorganisation (including consolidation, subdivision, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the New Options and

Piggy Back Option do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.

- (b) In any reorganisation as referred to in paragraph 6.8.4, New Options and Piggy Back Options will be treated in the following manner:
- (i) in the event of a consolidation of the share capital of the Company, the number of New Options and Piggy Back Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (ii) in the event of a subdivision of the share capital of the Company, the number of New Options and Piggy Back Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (iii) in the event of a return of the share capital of the Company, the number of New Options and Piggy Back Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (iv) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of New Options and Piggy Back Options and the exercise price of each New Option Piggy Back Option will remain unaltered;
 - (v) in the event of a pro-rata cancellation of shares in the Company, the number of New Options and Piggy Back Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each New Option and Piggy Back Option will be amended in inverse proportion to that ratio; and
 - (vi) in the event of any other reorganisation of the issued capital of the Company, the number of New Options and Piggy Back Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

6.8.5. Adjustments to New Options and Piggy Back Options and Exercise Price

- (a) Adjustments to the number of Shares over which New Options and Piggy Back Options exist and/or the exercise price may be made as described in paragraph 6.8.4(a) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (b) The method of adjustment for the purpose of paragraph (a) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(c) **Pro Rata Cash Issues**

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of a New Option and Piggy Back Option may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the New Option or Piggy Back Option (as applicable).

O = the old exercise price of the New Option or Piggy Back Option (as applicable).

E = the number of underlying securities into which one New Option or Piggy Back Option (as applicable) is Exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(d) **Pro-Rata Bonus Issues**

If there is a bonus issue to the holders of the underlying securities, on the exercise of any New Options or Piggy Back Options, the number of Shares received will include the number of bonus Shares that would have been issued if the New Options or Piggy Back Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

(e) **Takeovers and Schemes of Arrangement**

If during the currency of any New Options or Piggy Back Options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of Shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Option holder of the offer and from the date of such notification, the Option holder has 60 days within which to exercise the New Options or Piggy Back Options notwithstanding any other terms and conditions applicable to the New Options or Piggy Back Options. If the New Options or Piggy Back Options are not exercised within 60 days after notification of the offer, the New Options or Piggy Back Options may be exercised at any other time according to their terms of issue.

If an offer for shares in the Company is made to Shareholders pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Option holder will be entitled to exercise New Options or Piggy Back Options within the period notified by the Company.

6.8.6. Transfers

The New Options and Piggy Back Options are freely transferable.

6.8.7. Notices

Notices may be given by the Company to the Option holder in the manner prescribed by the Constitution of the Company for the giving of notices to Shareholders and the relevant provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the Option holder.

6.8.8. Rights to Accounts

The Option holder will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meeting of Shareholders, however, if the Option holder is not a Shareholder, the Option holder will not have any right to attend or vote at these meetings.

7.1. The Company is a Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The ASX maintains records of company announcements for all companies listed on the ASX. The Company's announcements may be viewed on the ASX's website at www.asx.com.au.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an office of ASIC.

7.2. Section 713 Prospectus

This Prospectus has been issued under the provisions of section 713 of the Corporations Act. Section 713 enables disclosing entities to issue prospectuses in relation to securities in a class of securities that has been quoted on the ASX at all times in the 12 month period preceding the date of the prospectus, or options to acquire such securities. Copies of documents lodged at ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC.

The New Shares to be issued under this Prospectus are in a class of securities that has been continuously quoted on the ASX in the 12 month period preceding the date of this Prospectus. Further, the New Options constitute options to acquire continuously quoted securities of a body.

As the New Shares form part of the same class as the Company's existing Shares and the New Options are options to acquire Shares that form part of the same class as the Company's existing Shares, ASIC Corporations (Exposure Period) Instrument 2016/74 allow the Company to accept Entitlement and Acceptance Forms and Application Forms upon the lodgement of this Prospectus with ASIC.

The level of disclosure that applies to this Prospectus requires that it must contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the effect of the offer on the Company; and
- (b) the rights and liabilities attaching to the securities being offered.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospectus of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that the Company has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company. Information that is already in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make the Prospectus complete.

7.3. Right to Obtain Copies of Documents

The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy of the document before the Closing Date:

- (a) the annual financial report of the Company for the year ended 30 June 2016, being the annual financial report most recently lodged by the Company with the ASIC; and
- (b) any continuous disclosure notices (that is, documents in which the ASX was notified of information relating to the Company) given by the Company after 1 September 2016, being the date of lodgement of the 30 June 2016 annual financial report and before lodgement of a copy of this Prospectus with the ASIC. These documents are:

1/9/2016	Appendix 4G
9/9/2016	Change of Melbourne Registry Address Notification
3/10/2016	Planned Surrender of Title - VIC/P41
3/10/2016	Notice of Annual General Meeting & Proxy Form
19/11/2016	Landmark Acquisition of Indonesian Production Assets
19/10/2016	COE: Contract for transfer/sale Indonesian production assets
25/10/2016	Indonesian Acquisition Investor Presentation
28/10/2016	September Quarterly Activities Report & Appendix 5B
3/11/2016	Annual General Meeting Presentation
3/11/2016	Results of Annual General Meeting
16/11/2016	Transaction Update – Indonesian Assets
17/11/2016	Trading Halt

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website (www.asx.com.au), and will also be made available on the Company website (www.bassoil.com.au). Copies of announcements can also be obtained from the Company on request. Prospective investors are advised to refer to ASX's

website or the Company website for updated releases about events or matters affecting the Company.

The annual financial report and the continuous disclosure notices referred to above have been identified for the purposes of section 713(4) of the Corporations Act and are not taken to form part of the content of this Prospectus.

The Company's Constitution and the consents referred to in Section 7.10 are also available for inspection for a period of 12 months after the date of this Prospectus during normal business hours at the Company's office at:

Bass Strait Oil Company Limited
Level 2, 15 Queen Street
Melbourne Victoria 3000

7.4. Corporate Adviser

The Company and the Corporate Adviser entered into a Mandate on 7 September 2016 under which the Corporate Adviser agreed to advise acquisition of the TS Project (including in relation to the raising of capital to fund the TS Project transaction).

The Corporate Adviser will be paid a commission of 1.00% of the amount raised pursuant to the Offer together with a flat fee of \$25,000. The Corporate Adviser is also entitled to a monthly retainer of \$7,500. The commission, fee and retainer are subject to the Company successfully completing a capital raising in relation to the TS Project transaction.

7.5. The Board of Directors, Interests of Directors and Management

Details of the interests of each Director in securities of the Company immediately before lodgement of the Prospectus with ASIC are set out in the table below. The table does not take into account any securities the Directors may acquire under the Offer. Each of the Directors has confirmed to the Company that he intends to subscribe for his rights under the Offer. The Director profiles are set out on page 2 of this Prospectus and contain details of the Board's experience and expertise.

Relevant Interests of Directors (including indirect interest)

Director	Number of Shares	Number of Options held
P F Mullins	24,000,000	Nil
G Guglielmo	139,805,515	Nil
H M Gordon	10,666,668 ¹	Nil
M L Lindh	131,207,311	Nil

¹This figure does not include shares held by Cooper Energy Limited. Mr Gordon is an Executive Director of Cooper Energy Limited, a substantial shareholder in the Company.

7.6. Payments and Benefits to Directors

Except as set out in this Prospectus, no person has paid or agreed to pay any amount, or provided or agreed to provide any benefit to:

- (a) any Director in order to induce them to become, or to qualify as, a Director; or

- (b) any Director for services provided by him in connection with:
- (i) the formation or promotion of the Company, or
 - (ii) the Offer.

The remuneration paid or payable to each Director for the last two years (including cash and non-cash benefits) is set out in Section 7.7 below.

7.7. 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 contracts of Executive Director

The employment conditions of the Executive Director, Giustino (Tino) Guglielmo, is formalised in a consultancy agreement. The consultancy agreement stipulates a 1 month resignation notice period. The Group may terminate the consultancy agreement without cause by providing 1 months' written notice. Termination payments are not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Group 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 company secretary for the last two financial years ended 30 June 2015 and 30 June 2016:

	Short-term employee benefits (Salary and fees) (\$)		Post-employment benefits (Super) (\$)		Termination payments	Total Compensation 2015 and 2016(\$)
	2015	2016	2015	2016		
P F Mullins	20,312	37,500	1,930	3,563	-	63,305
G Guglielmo	65,922	150,000	-	-	-	215,922
H M Gordon	18,321	27,500	1,740	2,612	-	50,173
M L Lindh	13,542	25,000	1,286	2,375	-	42,203

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 2015/2016 of the Company.

7.8. Interests of, and Issue of Payments and Benefits to, Advisors and Experts

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory, expert or any other capacity in connection with the preparation and distribution of this Prospectus, promoters of the Company (together, "Prescribed Persons") holds, or at any time in the past two years held, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer.

Except as set out in this Prospectus, no amounts have been paid or agreed to be paid to any Prescribed Person and no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

GrilloHiggins Lawyers will receive the sum of approximately \$20,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Rights Issue. In the 2 years prior to the date of this Prospectus, GrilloHiggins Lawyers has received legal fees in respect of services provided to the Company of approximately \$29,580 (exclusive of GST and disbursements).

Adelaide Equity Partners Limited have acted as Corporate Adviser for the Offer for which it will receive fees pursuant to its mandate as summarised at part 7.4. In the 2 years prior to the date of this Prospectus, Adelaide Equity Partners Limited has received fees in respect of services provided to the Company of approximately \$141,438 (exclusive of GST).

7.9. Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against us.

7.10. Consents

GrilloHiggins Lawyers has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's solicitors in relation to the Rights Issue. GrilloHiggins Lawyers has not authorised or caused the issue of any part of this Prospectus.

Adelaide Equity Partners Limited has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's corporate advisers in relation to the Rights Issue. Adelaide Equity Partners Limited has not authorised or caused the issue of any part of this Prospectus.

SECTION 8 ACTION REQUIRED BY SHAREHOLDERS AND APPLICATIONS BY MEMBERS OF THE PUBLIC

8.1. What Existing Shareholders may do

The number of New Shares and New Options to which Eligible Shareholders are entitled under the Rights Issue ('your Entitlement') is shown on the accompanying Entitlement and Acceptance Form.

As an Existing Shareholder, you may:

- take up your Entitlement in full;
- take up your Entitlement in full and apply for Shortfall Securities;
- take up part of your Entitlement; or
- do nothing and allow your Entitlement to lapse.

8.2. Taking up all of your Entitlement

If you wish to take up all of your Entitlement complete the accompanying Entitlement and Acceptance Form for New Shares and New Options in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form together with your cheque, money order or bank draft in Australian currency drawn on and payable at an Australian bank for the amount shown on the form to reach the Company's Share Registry, Link Market Services Limited, no later than 5.00pm (AEST) on 7 December 2016 at the address set out below:

Bass Strait Oil Company Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Cheques should be made payable to "Bass Strait Oil Limited" and crossed "Not Negotiable". Alternatively, a BPAY® option is also available. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form.

If you are accepting all or part of your Entitlement and payment is being made by BPAY®, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm Melbourne time on 7 December 2016.

8.3. Taking up Shortfall by Shareholder

If there is a Shortfall and you are an Eligible Shareholder and you wish to take up additional New Shares complete the additional New Shares section of the Entitlement and Acceptance Form in accordance with the instructions set out in the Entitlement and Acceptance Form. In order to apply for New Shares under the Shortfall Offer you must be an Eligible Shareholder and must have first taken up your Entitlement in full.

Forward your completed Entitlement and Acceptance Form together with your cheque, money order or bank draft in Australian currency drawn on and payable at an Australian bank for the

amount shown on the form to reach the Company's Share Registry, Link Market Services Limited, no later than 5.00pm (AEDT) on 7 December 2016 at the address set out below:

Bass Strait Oil Company Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Cheques should be made payable to "Bass Strait Oil Limited" and crossed "Not Negotiable".

Alternatively, a BPAY® option is also available. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you are accepting all or part of your Entitlement and payment is being made by BPAY®, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm (AEDT) on 7 December 2016.

8.4. Taking up Shortfall under Public Offer

Members of the public in Australia who wish to apply for Shortfall Offer may do so by completing the Public Offer Application Form which accompanies this Prospectus by inserting the number of Shortfall Securities they wish to apply for and forwarding the completed Public Offer Application Form together with their cheque or bank draft, for the total amount payable to the following address by no later than 5:00pm (AEDT) on 7 December 2016:

Bass Strait Oil Company Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Cheques should be made payable to "Bass Strait Oil Limited" and crossed "Not Negotiable".

8.5. Consequences of doing nothing – Entitlement not taken up

You will receive no benefit if you do not take up your Entitlement or sell your Rights. It is therefore important that you consider taking action either to take up your Entitlement in accordance with the above instructions and the instructions on the back of the Entitlement and Acceptance Form.

8.6. Applications and Payment

If your Entitlement and Acceptance Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted by the Company. The Company's decision as to whether to accept the application or how to construe, amend or complete it, shall be final, but no Applicant will be treated as having offered to purchase more New Shares than indicated by the amount of the cheque for application monies.

You are urged to lodge your Application as soon as possible. Entitlement and Acceptance Forms must not be circulated to prospective investors unless attached to a copy of this Prospectus.

Cheques must be drawn in Australian currency on an Australian bank and made payable to 'Bass Strait Oil Limited' and crossed 'Not Negotiable'. Please do not forward cash or postal notes by mail. Receipts for payment will not be issued.

Eligible Shareholders may submit payments for New Shares applied for using BPAY®. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form.

8.7. Enquiries

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

Ph: 1800 303 491

Email: admin@bassoil.com.au

Alternatively, contact your stockbroker or other professional adviser.

8.8. Personal Information and Privacy Act

Eligible Shareholders have already provided certain personal information to the Company and its share registry. If Eligible Shareholders apply for New Shares and New Options, the Company and its share registry may update that personal information or collect new information. Such information will be used to assess the Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Your personal information may be used and disclosed to persons inspecting the registers, regulatory bodies, print service providers, mail houses retained for Company purposes and Company's share registry.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company may not be able to process the Application or administer your holding of Shares appropriately.

Under the *Privacy Act 1998 (Cth)*, you may access, correct and update personal information held by, or on behalf of the Company or its share registry by contacting the Company as follows:

Bass Strait Oil Company Limited
Attention: Company Secretary
Level 2, 15 Queen Street
MELBOURNE VIC 3000
Ph: (03) 9927 3000
Fax: (03) 9614 6533
Email: admin@bassoil.com.au

SECTION 9 DIRECTORS AUTHORISATION

The Directors of the Company have authorised the issue of this Prospectus on behalf of the Company.

This Prospectus has been signed by a Director for and on behalf of the Directors, in accordance with section 351 of the Corporations Act.



Mr Giustino (Tino) Guglielmo

Executive Director

SECTION 10 GLOSSARY

In this Prospectus the following terms have the meanings ascribed to them below, unless the context otherwise requires.

TERM	DEFINITION
1C, 2C and 3C	The gas volumes and parameters associated with the low, best, and high estimate scenarios of Contingent Resources are referred to as 1C, 2C and 3C respectively
Applicant(s)	Person(s) who submit an Application
Application	A valid application made to subscribe for a specified number of New Shares (including Shortfall Securities where applicable) pursuant to this Prospectus
Application Form	The form which is attached to this Prospectus which is not personalised and which is to be used by persons other than Eligible Shareholders to apply for Shortfall Offer
ASIC	Australian Securities and Investments Commission
ASTC	ASX Settlement and Transfer Corporations Pty Ltd
ASX	Australian Securities Exchange Limited
Board	The board of Directors at Bass Strait Oil Limited
Business Day	A day that is not a Saturday, Sunday or public holiday or bank holiday in Melbourne.
CHESS	Clearing House Electronic Subregister System
Closing Date	The date the Offer closes, being 5.00pm (AEDT) on 7 December 2016, unless extended by the Company
Company	Bass Strait Oil Limited (ACN 120 973 775)
Constitution	The constitution of the Company
Contingent Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from known accumulations, but for which the applied project or projects are not yet considered mature enough for commercial development because of one or more contingencies
Corporate Adviser	Adelaide Equity Partners Limited (ABN 59 119 059 559)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Despatch Date	28 November 2016
Directors	The directors of Bass Strait Oil Limited
Eligible Shareholder	A Shareholder entitled to participate in the Offer as described in Section 1.5
Entitlement	The entitlement of a Shareholder to participate in the Offer
Entitlement Offer	The offer for the Entitlement made in accordance with this Prospectus

TERM	DEFINITION
Entitlement and Acceptance Form	The form described as such accompanying this Prospectus (for Eligible Shareholders only)
Ex-rights Date	22 November 2016
International Shareholder	A holder of Shares having a registered address outside Australia or New Zealand
Issue	The issue of New Shares and New Options in accordance with this Prospectus
Issue – Sponsored Statement	Issued sponsored holding statement to be issued by CHES
Listing Rules	The official listing rules of the ASX
Lodgement Date	18 November 2016
New Shares	Shares issued under this Prospectus
Offer	The Offer in accordance with this Prospectus, further details of which are set out in Section 1 of this Prospectus
Official List	Has the meaning given to the term "official list" in the Listing Rules
Official Quotation	Has the meaning given to the term 'quotation' in the Listing Rules
Petroleum Reserves	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.
Prescribed Persons	Prescribed Persons has the meaning given to it in Section 7.8
Projects	Specific oil production and exploration interests within the Company's portfolio
Prospectus	This Prospectus dated 18 November 2016
Public Offer	The offer of Shortfall Offer to members of the general public who are resident in Australia and who are not Eligible Shareholders
Public Offer Application Form	The form described as such accompanying this Prospectus (for members of the general public only)
Rights	The non-renounceable rights issue of three (3) New Shares for every five (5) Shares held at the Record Date and one (1) free attaching option (New Options) having an exercise price of 0.3 cents and expiry date of 15 December 2017 for every two (2) New Shares purchased, ("the Offer" or "the Rights Issue") and one (1) new Piggy Back Option having an exercise price of 0.6 cents and an expiry date of 15 December 2018 for every New Option exercised.
Record Date	23 November 2016
Section	A section under this Prospectus.
Shareholder	A register holder of Shares appearing on the Company's share register
Shares	Ordinary fully paid shares in the capital of the Company
Share Registry	Link Market Services Limited
Shortfall	The New Shares and New Options which are not applied for by an

TERM	DEFINITION
	Eligible Shareholder as part of their Entitlement or applied for by the holder of the Rights.
Shortfall Offer	The offer of the New Shares and New Options forming the Shortfall to Eligible Shareholders, members of the public to be issued under and in accordance with this Prospectus
Shortfall Securities	The New Shares and New Options forming the Shortfall which are to be issued to applicants for pursuant to the Shortfall Offer.
Statement of Financial Position	The statement on the financial position of the Company.
TS Project	The project that the Company is currently proposing to acquire named 'Tangai Sukananti' details of which are specified in the Investment Highlight Section on page 1 of this Prospectus
US Person	The meaning given in Regulation S under the US Securities Act
US Securities Act	The United States Securities Act of 1933, as amended.

CORPORATE DIRECTORY

Registered Office

Bass Strait Oil Company Limited
Level 2, 15 Queen Street
MELBOURNE VIC 3000

Principal Legal Adviser

GrilloHiggins Lawyers
Level 4, 114 William Street
Melbourne VIC 3000

Website

www.bassoil.com.au

Auditor

Deloitte Touche Tomatsu*
11 Waymouth Street
Adelaide SA 5000

Directors

Mr Peter F Mullins - Chairman (Non-Executive)
Mr Giustino (Tino) Guglielmo – Executive
Director
Mr Hector M Gordon - Non-Executive Director
Mr Mark L Lindh - Non-Executive Director

Share Registry

Link Market Services Limited*
Locked Bag A 14
Sydney South NSW 1235

Company Secretary

Robyn Hamilton

Ph: (02) 8280 7454 (within Australia)
Ph: +61 2 8280 7454 (outside Australia)

ASX Code

Shares: BAS

Fax: (02) 9287 0303

Email: registrars@linkmarketservices.com.au

Corporate Adviser

Adelaide Equity Partners Limited
Level 3
100 Pirie Street
Adelaide SA 5000

Website: www.linkmarketservices.com.au

**This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.*



Oil for Australians

ABN 13 008 694 817

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: +61 1300 554 474
ASX Code: BAS
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (AEDT)
on 23 November 2016:

Entitlement to New Shares
(on a 3 New Shares for 5 basis):

Amount payable on full acceptance
at A\$0.001 per Share:

Offer Closes
5:00pm (AEDT): 7 December 2016

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 3 New Shares for every 5 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.001 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 18 November 2016. The Prospectus contains information about investing in the New Shares and New Options. Before applying for New Shares and New Options, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the Company on +61 3 9927 3000.

PAYMENT OPTIONS – If you wish to take up all or part of your entitlement, 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 this acceptance form if you elect to make payment by BPAY®. Payment must be received via BPAY® before 5:00pm (AEDT) on 7 December 2016. 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 this acceptance form with your Application Monies. No signature is required on the acceptance form. The acceptance form with your Application Monies must be received by the Registry before 5:00pm (AEDT) on 7 December 2016.



Billier 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

Form with boxes A, B, and C for calculating New Shares applied for and accepted.

You will be allotted one Free attaching option ("New Option") having an exercise price of 0.3 cents and expiry date of 15 December 2017 for every two (2) New Shares purchased.

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 Strait Oil Company Ltd" and crossed "Not Negotiable".

Form for entering Cheque Number, BSB, and Account Number.

E YOUR CONTACT DETAILS

Form for entering Telephone Number and Contact Name (PRINT).

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

BAS EAC001



BASS STRAIT OIL COMPANY LTD

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 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 Strait Oil Company Ltd.

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\$0.001.

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

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 Strait Oil Company Ltd 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 Strait Oil Company Ltd" 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 Strait Oil Company Ltd may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

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

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

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

Mailing Address

Bass Strait Oil Company Ltd
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

Hand Delivery

Bass Strait Oil Company Ltd
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

(Please do not use this address for mailing purposes)

Make sure you send your Entitlement and Acceptance Form and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEDT) on 7 December 2016. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Bass Strait Oil Company Ltd reserves the right not to process any Entitlement and Acceptance Forms and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Company on +61 3 9927 3000



Oil for Australians
ABN 13 008 694 817

Broker Code

Adviser Code

Public Offer Application Form

This is an Application Form for Shares in Bass Strait Oil Company Ltd under the Public Offer on the terms set out in the Prospectus dated 18 November 2016. This Application Form and your cheque or bank draft must be received by **5:00pm (AEDT) on 7 December 2016**.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for New Shares and New Options.

Shares applied for

Price per Share

Application Monies

A at **A\$0.001** **B A\$**

You will be allotted one Free attaching option ("New Option") having an exercise price of 0.3 cents and expiry date of 15 December 2017 for every two (2) New Shares purchased.

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names) **+**

Applicant #1

Surname/Company Name

C

Title

First Name

Middle Name

Joint Applicant #2

Surname

Title

First Name

Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

D

TFN/ABN type – if NOT an individual, please mark the appropriate box

Company

Partnership

Trust

Super Fund

PLEASE COMPLETE ADDRESS DETAILS

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

E

Unit Number/Level

Street Number

Street Name

Suburb/City or Town

State

Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

F **X**

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

Telephone Number where you can be contacted during Business Hours

Contact Name (PRINT)

G

Cheques or bank drafts should be made payable to "**Bass Strait Oil Company Ltd**" in Australian currency and crossed "Not Negotiable".

Cheque or Bank Draft Number

BSB

Account Number

H

Total Amount **A\$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (AEDT) on 7 December 2016 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

BAS IPO001



Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Bass Strait Oil Company Ltd ("BAS") Shares. Further details about the shares are contained in the Prospectus dated 18 November 2016 issued by Bass Strait Oil Company Ltd. The Prospectus will expire on 18 December 2017. While the Prospectus is current, Bass Strait Oil Company Ltd will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Bass Strait Oil Company Ltd will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Bass Strait Oil Company Ltd and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to Bass Strait Oil Company Ltd's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B. Make your cheque or bank draft payable to "**Bass Strait Oil Company Ltd**" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected. If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEDT) on 7 December 2016 at:

Mailing Address

Bass Strait Oil Company Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

Bass Strait Oil Company Ltd
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.