BASS STRAIT Oil
Oil for Australians

ASX Announcement

Quarterly report for the period ending 30 September 2016

Release date 28 October 2016

HIGHLIGHTS

- **Landmark acquisition of Cooper Energy's producing Indonesian property**
- **Bass now in transition from explorer to profitable producer**
- **Vic/P41 - non-core and to be surrendered prior to end of permit year**
- **Vic/P68 - application to vary work program unsuccessful, currently reviewing future options**

CORPORATE

Subsequent to the end of the quarter, Bass (ASX:BAS) announced the signing of an agreement with Cooper Energy Limited (ASX:COE) for the acquisition of its 55% interest in the Tangai-Sukananti KSO. The KSO is located in the prolific South Sumatra basin, Indonesia. This acquisition, effective 30 September 2016, marks the transition for Bass from an explorer to a profitable production company. The completion for the transaction is expected to be in mid-January 2017 following approval of shareholders at a General Meeting.

The asset is currently producing 500 barrels of oil per day (100% JV share) from a total of 4 wells in the Bunian and Tangai fields. The KSO contains 2P reserves (net to Bass) of 1.73 million barrels of oil as at 30 June 2016 (reported by Cooper Energy in their 2016 annual report). At current oil prices the asset is earning accretive, delivering between A$100,000 to A$150,000 of free cash flow per month during calendar year 2017.

Under the terms of the agreement, Bass will pay Cooper upfront consideration of A$500,000 and a scrip consideration of 180 million shares. Cooper will receive a further A$2.27 million in cash 12 months from completion and additional payments made up existing receivables as they fall due.

Bass has evaluated numerous opportunities targeting those that are value accretive at today's oil pricing, are significantly leveraged to improved oil prices, and have substantial growth potential. Bass believes that this asset acquisition meets these investment objectives.

EXPLORATION ACTIVITIES

Gippsland basin offshore - VIC/P68 (Bass 100%) and VIC/P41 (Bass 64.565% and operator)

In late 2015 Bass completed a technical review of the potential of its Gippsland basin permits. The review identified a significant and material gas play in the Emperor Formation which is similar in characteristic and on trend with the Longtom gas field. The most prospective area for this play was identified in Bass' 100% owned Vic/P68. The review also identified significant upside in Bass' 100% owned Leatherjacket Oil Discovery and a

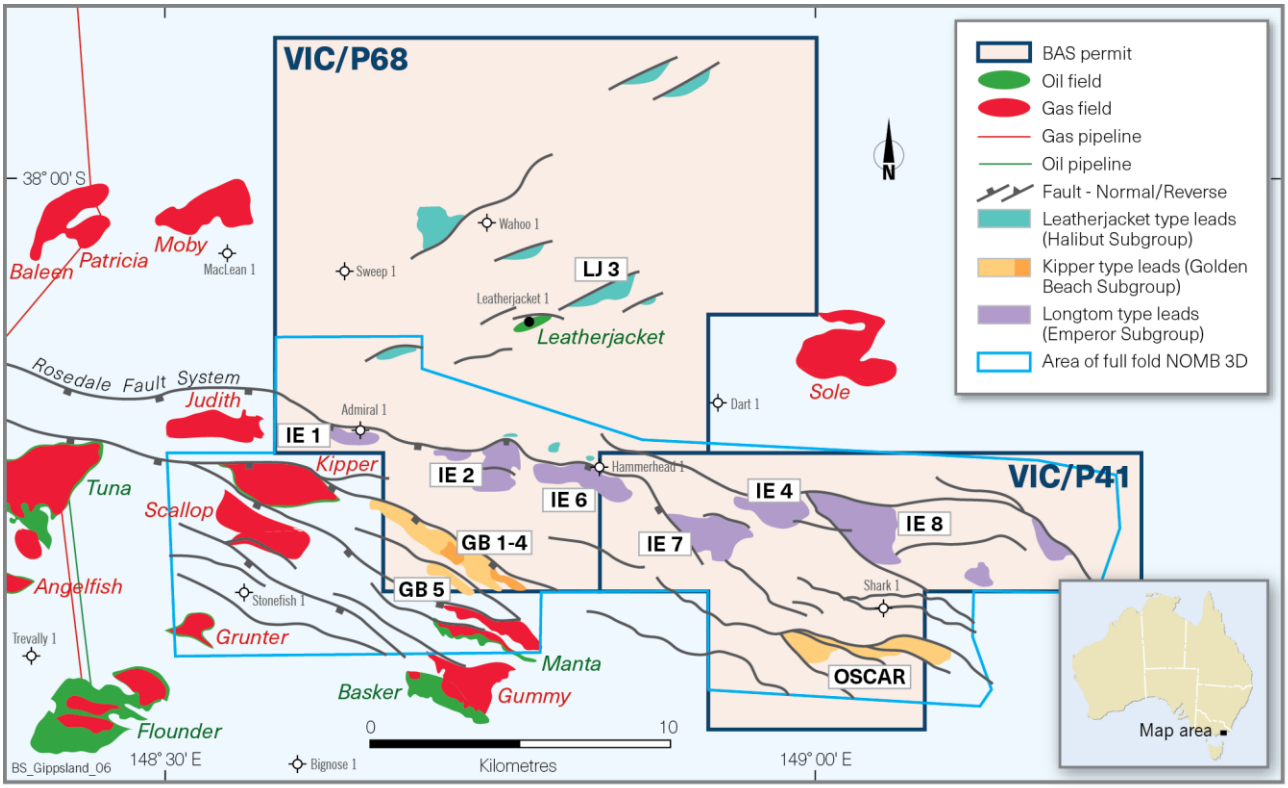
number of possible oil targets on trend with Leatherjacket wholly contained in Vic/P68.

Permit Management

In September the National Offshore Petroleum Administrator (NOPTA) advised Bass that its application for a work program variation for Vic/P68 was unsuccessful. The variation had sought to replace the 225 square km 3D seismic acquisition program targeting the permit's oil potential with advanced geo-scientific studies focusing on the permit's gas potential. Bass is reviewing future options for the permit.

Following a review of the prospectivity of the Vic/P41 permit the Joint Venture agreed to surrender the permit prior to the commencement of the Year 5 work program which requires the drilling of one exploration well. An application for surrender of the permit has been lodged with the authority.

- Vic/P68 (Bass 100%): The permit is currently in year 3 of a 5 year term. Year 3 expires on 3 November 2016. Year 3 requires the acquisition of 225 square km of 3D seismic.
- PEP 150 (Bass 15%): Minimal activity and expenditure has been undertaken in the permit given Victorian government moratorium on exploration activities. On 30 August 2016 the Victorian Government announced an extension of the moratorium on onshore exploration activity until 30 June 2020. There is also likely to be a permanent ban on the use of fracture stimulation. The joint venture evaluating its position in response to these latest developments and Bass is reviewing the future fit of this permit in its portfolio.



Map 1: New targets identified during the BAS Technical Review

For further information please contact:

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About Bass Strait Oil Company

Bass Strait Oil Company (ASX:BAS) is an ASX listed exploration and production company featuring low cost oil production in Indonesia and a management and Board team with a proven track in delivering shareholder value.

BAS has realigned its corporate strategy following the landmark acquisition of Cooper Energy's 55% interest in the Tangai-Sukananti KSO producing assets located in the prolific oil & gas region of South Sumatra, Indonesia.

As at 30 September 2016 the Tangai-Sukananti KSO was producing 500 barrels of oil per day from 4 wells (100% JV share) and contained 2P oil reserves of 1.73 million barrels (net to BAS at 30 June 2016 reported in the Cooper Energy 2016 annual report)

BAS intends building a substantial oil & gas business with a clear focus on executing opportunities in the South-East Asia region. BAS has a strong and committed shareholder base with Board and management holding in excess of 20% of issued capital.



+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

BASS STRAIT OIL COMPANY LIMITED

ABN	**Quarter ended ("current quarter")**
	30 SEPTEMBER 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	4	4
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(207)	(207)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(202)**	**(202)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	457	457
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(202)	(202)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**255**	**255**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	255	457
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**255**	**457**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	85
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	15
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	
8.2	Credit standby arrangements	-	
8.3	Other (please specify)	-	

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	-
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	150
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**150**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.



Sign here: ..... Date: 28 October 2016
(Director)

Print name: PETER MULLINS

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.