Bass Oil Limited
Level 5, 11-19 Bank Place
Melbourne, Victoria 3000
Australia

Telephone: (61) (3) 9927 3000
Fax: (61) (3) 9614 6533

Email: admin@bassoil.com.au

10 November 2017
ASX Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

LETTER AND APPLICATION/EXPIRY NOTICE TO OPTION HOLDERS

Bass Oil Limited ("**Bass**") has mailed the attached notice on 10 November, 2017 to holders of Bass Options (ASX: BASO) exercisable at 0.3 cents and expiring at 5:00pm (AEDST) on Friday 15 December 2017.

Yours Sincerely,

Robyn Hamilton
Company Secretary

Bass Oil Limited
Level 5, 11-19 Bank Place
Melbourne, Victoria 3000
Australia

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Dear Option Holder,

Expiry Notice to Options Holders – Options Expiring 15 December 2017

At the date of this notice, you are a registered holder of options (the "**Options**", ASX code: BASO) in Bass Oil Limited ("**Bass**" or the "**Company**"). These options were issued to shareholders that participated in the non-renounceable rights issue announced on 18 November 2016 to fund upfront acquisition costs associated with the Tangai-Sukananti Indonesian production assets.

This letter notifies you of the impending expiry of the Options at 5:00pm (AEDST) on Friday 15 December 2017, sets out your alternative courses of action prior to expiry and provides information on recent prices of Bass Shares and Options.

As at 7 November 2017, the last traded price of Bass Shares were 0.4 cents. However, the market price should be monitored for any significant changes and we recommend you seek independent financial advice in relation to the exercise of your options.

Your choices as an Option holder are:

1. **Do nothing and allow your Options to lapse:**
   If you do not take action to exercise your Options prior to 5:00pm (AEDST) on Friday 15 December 2017, the Options will expire and your right to purchase Shares at 0.3 cents will lapse.

2. **Exercise all or some of your Options:**
   To Exercise your Options, the enclosed personalised Options Exercise Notice and cleared funds must be received by the Company's share registry no later than 5:00pm (AEDST) on Friday 15 December 2017. Payment can also be made via BPAY with further instructions on the enclosed form.

3. **Sell all or some of your Options on market:**
   If you elect not to exercise your Options, you may wish to consider selling your Options on the ASX. Your Options are currently trading under the ASX code **BASO**. The last trade for BASO was on Tuesday 7 November 2017 at 0.1 cents. When considering whether to sell your Options on market, you should bear in mind brokerage charges you may incur. The Options cease trading on Monday 11 December 2017.

In accordance with the ASX Listing Rules, Bass advises the following:

a. The number of Options you hold at the date of this letter is set out in your Options Exercise Notice

b. Each Option entitles the holder to receive, on exercise, one fully paid ordinary Share in the Company plus one free attaching option with an exercise price of 0.6 cents and an expiry date of 15 December 2018 ("**Piggy Back Options**"). If all Options are exercised by all Option holders, then 386,103,275 Shares will be issued and 386,103,275 Piggy Back Options will also be issued.

c. Exercise price of the Options is 0.3 cents.

d. The due date for payment of the exercise price is on or before 5:00pm (AEDST) on 15 December 2017.

e. If cleared funds are not received by 5:00pm AEDST time on Friday 15 December 2017, then your Options will expire with no value and no further entitlement will exist.

f. Official quotation of BASO Options will cease at the close of trading on Monday 11 December 2017

g. There is currently no underwriting agreement in place for the exercise of the Options

h. The latest available market price of Bass Shares prior to the date of this notice was 0.4 cents at the close of trading on 7 November 2017

i. The highest and lowest market price of Bass Shares traded during the 3 months immediately before the date of this notice were:

Highest: 0.6cents during 4-5 October and 23 October, 2017.

Lowest: 0.1cents on 8 August, 16 August and 21-29 August, 2017

Piggy Back Option Prospectus

Following the expiration of existing Options the Company intends to lodge with ASIC a prospectus for the offer of Piggy Back Options. The offer of Piggy Back Options under that prospectus will only be made to persons who exercised their Options.

The Company will not issue Piggy Back Options to any person except in response to an application they submit under or in accordance with the prospectus. The Company intends to make offers of Piggy Back Options in this way for technical legal compliance reasons and so as to ensure that persons who validly exercised their Options are able to freely trade any Piggy Back Options issued to them, together with any Bass Shares issued to them on the exercise of those Piggy Back Options on ASX.

The Company will send persons who validly exercise their existing Options a copy of the Piggy Back Option prospectus together with a personalised application form for Piggy Back Options, after the Option expiry date on 15 December 2017. That prospectus will contain instructions on how to accept the offer and the person's entitlement to Piggy Back Options.

Further Information:

If you require help or more information on how to exercise your Options, please contact the office on (03) 9927 3000.

Yours Sincerely,



Tino Guglielmo
Managing Director