Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity:

BASS OIL LIMITED

ABN / ARBN:

13 008 694 817

Financial year ended:

31 DECEMBER 2018

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ These pages of our annual report:

☒ This URL on our website:http:www.bassoil.com.au

The Corporate Governance Statement is accurate and up to date as at 29 March 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 29 March 2019

Name of Director or Secretary authorising lodgement: Robyn Hamilton



[1] Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

[2] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

[3] Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement … and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **AND** ☒ at this location: in our Notices of AGM (the 2019 Notice of AGM will be available in April 2019)	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

[4] If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	… the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement … and a copy of our diversity policy or a summary of it: ☐ at [*insert location*] … and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] … the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of the charter of the committee: ☐ at [*insert location*] … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively: ☒ in our Corporate Governance Statement	☒ an explanation why that is so in our Corporate Governance Statement
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	… our board skills matrix: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	… the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement … and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement … and the length of service of each director: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	… the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	… our code of conduct or a summary of it: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] … the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement … and a copy of the charter of the committee: ☒ at www.bassoil.com.au … and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement [If the entity complies with paragraph (b):] … the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	… our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	… information about us and our governance on our website: ☒ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	… our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] … the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of the charter of the committee: ☒ at www.bassoil.com.au … and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	… the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement … and that such a review has taken place in the reporting period covered by this Appendix 4G: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] … how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	… whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	[If the entity complies with paragraph (a):] … the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of the charter of the committee: ☐ at [*insert location*] … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	… separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	… our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☒ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	*Alternative to Recommendation 1.1 for externally managed listed entities:* The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	… the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
-	*Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:* An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	… the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT

Bass Oil Limited (the Company) and the Company's Board of Directors (the Board) are committed to achieving and demonstrating the highest standards of corporate governance. It does this by ensuring that the Company complies with not only the letter of the many regulations and laws governing the Company's operations but also complies with the spirit and intention of those regulations and laws. It is also committed to ensuring that the shareholders and the market are kept fully informed regarding the Company's operations and strategic direction.

Corporate Governance of the Company is guided by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations). The Council released the 3rd edition Recommendations in March 2014 and the Board is reporting against these recommendations.

This Corporate Governance Statement was approved by the Board on 29 March 2019 and is available in the Corporate Governance section of the Company's Investor website along with the Company's Board and Committee Charters and its main corporate governance policies: www.bassoil.com.au.

The Company's corporate governance statement provides specific information and disclosure of the extent to which the Company follows the Recommendations. Where a Recommendation has not been followed, the fact is disclosed, together with the reasons for the departure. The Company has lodged Appendix 4G with ASX outlining the extent of the Company's compliance with each of the Recommendations.

Principle 1: Laying Solid Foundations for Management and Oversight

The Board of Directors

The relationship between the Board and senior management is critical to the Company's long-term success. The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Role of the Board

The Board has adopted a formal charter that details the functions and responsibilities of the Board.

A copy of the Board Charter is available in the Corporate Governance section of the Company's website at www.bassoil.com.au.

The Board's responsibilities include:

- Providing leadership of the Company;
- Ensuring that the Company has effective processes and systems;
- Setting, overseeing and maintaining the Company's values, corporate governance framework;
- Safeguarding the reputation of the Company;
- Ensuring there is an effective balance of responsibility between the Managing Director and the Board;
- Ensuring necessary financial and human resources are available ensuring that the performance of management, and the Board itself, is regularly assessed and monitored;
- Promoting a culture where transparent and timely information is shared between management and the Board;
- Ensuring effective communication with shareholders; and
- Appointing, reviewing the performance of, and terminating the Managing Director.

Matters Specifically Reserved For The Board

The Board has reserved for itself the following matters, which are in addition to any matters expressly required by law or other regulation to be approved by the Directors:

- Approving annual operating plans (including objectives, goals and strategies) and regularly reviewing achievement against plan.
- Approving capital requirements.
- Delegating certain authorities to management and monitoring the exercise of these authorities.
- Approving remuneration of the Board and Managing Director.
- Approving capital structure and dividend policy.
- Approving half yearly and full year accounts, the annual report, and related reports to ASX and regulatory authorities.
- Considering management proposals, including material capital expenditure and divestments and providing advice and approvals where appropriate.

- Maintaining corporate and Board values to ensure the Company acts with the highest ethical standards and integrity in accordance with all legal and regulatory requirements and otherwise in accordance with those management and government best practices appropriate to its business.
- Approving and monitoring compliance with the Company's policies, charters and codes.

Relationship between Directors and Management

Subject to the Company's Constitution and matters specifically reserved for the Directors, the Directors delegate responsibility for day-to-day management of the Company to the Managing Director. The non-executive Directors do not participate in the day to day affairs or management of the Company.

Senior Executive Performance

All direct reports of the Managing Director are evaluated by the Managing Director and the performance evaluation of the Managing Director is facilitated by the Chairman, with ultimate oversight by the Board. The evaluation of the Managing Director involves an assessment of a range of factors including the overall performance of the Company and the achievement of specific pre-determined goals.

The Managing Director was appointed on 1 February 2017. A performance evaluation will be completed within twelve months of the date of appointment and each subsequent February.

Principle 2: Structure the Board to add value

The Board operates in accordance with its charter which is available from the Corporate Governance section of the Company website at www.bassoil.com.au. The charter details the Board's composition and responsibilities.

Board Size

The Company's Constitution includes provisions for the number of Directors and the appointment and retirement of directors.

The Company's Constitution specifically provides that the Company is to have not less than three and the maximum number of directors is to be fixed by the directors, but may not be more than ten directors, unless the Company in general meeting resolves otherwise.

A copy of the Company's Constitution is made publicly available in the corporate governance section of the Company's website at www.bassoil.com.au.

Board Composition

The Company's Board Charter provides that the Board should comprise Directors with an appropriate range of skills, experience and expertise who have a proper understanding of and competence to deal with the current and emerging issues of the business, and who can effectively review and challenge the performance of management and exercise independent judgment.

The current members of the Board and their skills, experience, expertise, qualifications, term of office, relationships affecting independence, their independent status and membership of committees are set out in the Directors' Report under the heading ''Information on directors''.

Given the Company's size and limited activities, the Board has not established a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

At the date of this report, the Board consists of 4 Directors and comprises:

- 3 independent Non-executive Directors; and
- 1 Managing Director.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Board comprises the following directors (as at 29 March 2019):

Name	**Position**	**First Appointed**
Mr P F Mullins	Chairman, Non-executive Director and independent	16 December 2014
Mr G Guglielmo	Managing Director	16 December 2014
Mr H M Gordon	Non-executive Director and independent	27 October 2014
Mr M L Lindh	Non-executive Director and independent	16 December 2014

Independence of Directors

All directors, whether independent or not, are required to act in the best interests of the Company and to exercise unfettered and independent judgment.

The independence of each of the Non-executive Directors is reviewed, at least annually.

In assessing the independence of Directors, the Board has regard to the provisions of the ASX Corporate Governance Council, *'Corporate Governance Principles and Recommendations*' (3rd ed).

The Company defines an independent Director as a non-executive Director (i.e. not a member of management) who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of his or her unfettered and independent judgment and ability to act in the best interests of the Company.

In assessing each Director's independence the Board will consider the effect of a Director's business and other relationships and interests from the perspective of both the Company and the Director.

The Board may determine that a Director is independent notwithstanding the existence of a relationship of the kind referred to above.

Board members

It is considered that all Non-executive Directors are independent.

Appointment & re-election of Board members

The Company's Board Charter provides that in selecting new members for the Board, Directors shall have regard to the appropriate skills and characteristics needed by the Board as a whole and that Directors shall endeavour to appoint individuals who would provide the mix of characteristics and diverse experiences, perspectives and skills appropriate for the Company.

Term of office

The Company's constitution specifies that all Non-executive Directors must retire from office no later than the third annual general meeting (AGM) following their last election. Where eligible, a director may stand for re-election.

Role of the Chairman

The roles of the Chairman and Managing Director are separate and the Chairman is a Non-executive Director.

The role of the Chairman includes being responsible for managing the Board effectively, providing leadership to the Board and being the interface with the Managing Director.

The Chairman has the authority to act and speak for the Board and liaise with the Company's stakeholders between meetings, subject to any agreed consultation processes.

Role of the Managing Director

The Managing Director has responsibility for the day-to-day management of the Company, providing leadership and managing and overseeing the interfaces between the Company and the public and to act as the principal representative for the Company.

The Managing Director must report annually to the Board on succession planning and management development.

Induction

Informal induction provided to new directors and senior managers enables them to actively participate in Board decision-making as soon as possible. It ensures that they have a full understanding of the Company's financial position, strategies, operations, culture, values and risk management policies. It also explains the respective rights, duties, responsibilities, interaction and roles of the Board and senior executives and the Company's meeting arrangements.

Given the Company's size, limited activities and limited financial resources, the Board has not established formal induction procedures.

Board Meetings

Meeting and proceedings of the Board are governed by the relevant provisions of the Company's Constitution.

The Company's Board Charter also provides:

- The Directors shall hold at least six meetings in each calendar year.
- The agenda for meetings is drawn up with input from the Chairman, the Managing Director and senior executives. Directors are free to nominate matters for inclusion on the agenda for each meeting.
- Material for Board meetings is circulated to the directors in advance.
- All members of the Board are expected to attend each meeting, in person.
- The Board may invite such persons as it wishes to attend its meetings.
- The Board may conduct meetings by telephone or internet conferencing.
- Circular resolutions which have been approved must be noted at the Board meeting immediately following their approval.

The number of Board and Board Committee meetings held during the year and attendance by Directors is included in the Directors Report in the Annual Report.

Director conduct

When exercising their powers and responsibilities as Directors, and when acting as a representative of the Company, Directors are expected to comply with all relevant laws and regulations and abide by the Company's Code of Conduct.

A copy of the Company's 'Code of Conduct' is made publicly available in the Corporate Governance section of the Company's website at www.bassoil.com.au.

Conflict and declaration of interests

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests.

The Corporations Act 2001 and the Company's Constitution requires Directors to disclose any conflicts of interest and, in certain circumstances, to abstain from participating in any discussion or voting on matters in which they have a material personal interest.

It is expected that Directors will be sensitive to actual and perceived conflicts of interest that may arise and it is something to which they are expected to give ongoing consideration.

Entities connected with the directors that had business dealings with the Company during the year, are described in Note 30 to the financial statements. In accordance with the Board Charter, the directors concerned declared their interests in those dealings to the Company and took no part in decisions relating to them or the preceding discussions. In addition, those directors did not receive any papers from the Company pertaining to those dealings.

Independent professional advice

The Board and individual directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Performance of the Board, its Committees and individual Directors

The Company's Board Charter provides that the 'The Board will conduct a review of its performance relative to this charter annually, and the Chairman will review the performance of each Director annually. The process for evaluation of performance of the Board, Board Committees and individual Directors involves:

Board and Board Committees
The evaluation of the Board performance involves a self assessment by the Board at the end of the year. Because of the size of the Board and the Company all Members of the Board are Members of the Board Committees and this self assessment process incorporates the performance of Board Committees.

Directors
Assessment of individual Directors' performance is a process determined by the Chairman and involves the Chairman having an annual interview with each of the Directors.

The Chairman has held individual interviews with each Director over the period.

Board Committees

The Board has established the following Board Committee to assist it in the discharge of its responsibilities:

- Audit and Risk Committee.

The Audit and Risk Committee operates under a formal charter that is made publicly available in the Corporate Governance section of the Company's website at www.bassoil.com.au. An outline of the responsibilities of the Audit and Risk Committee is also contained within this Statement.

Nomination committee

Given the Company's size, limited activities and limited financial resources, the Board has not established a Nomination Committee.

Issues relating to developing criteria for Board membership, identifying specific individuals for nomination and establishing processes for the review of the performance of individual directors and the Board as a whole is undertaken by the Board.

Principle 3: Promote ethical and responsible decision making

Code of conduct

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors, officers and employees of the Company.

The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders.

In summary, the Code requires that at all times all Company personnel maintain high standards of honesty and responsibility and enhance thee Company's reputation for fair and responsible dealing.

The Code is documented and made publicly available in the Corporate Governance section of the Company's website at www.bassoil.com.au.

Restrictions on dealing in securities

The Company has a Share Trading Policy which outlines the restrictions, closed periods and processes required when directors and key management personnel trade Company securities.

The Share Trading Policy is documented and made publicly available in the Corporate Governance section of the Company's website at www.bassoil.com.au.

Approach to Diversity

The Company has established a Diversity Policy which is publicly available in the Corporate Governance section of the Company's website at www.bassoil.com.au.

The policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

While the Board is committed to the objectives of the Diversity Policy it has determined that because of the size of the company and the small number of Directors and employees, it is not appropriate to set measurable objectives for gender diversity, at this stage of the Company's development.

The proportion of women employees in the Company, women in senior executive positions and women on the Board are:

Management Levels	Percentage held by Women
Company	0%
Senior Executives	50%
Board	0%

Principle 4: Safeguard integrity in financial reporting

The Audit and Risk Committee consists of the following Non-executive Directors:

Mr Gordon (Independent) - Chairman
Mr Mullins (Independent)
Mr Lindh (Independent)

Details of these directors' qualifications, the number of meetings of the Audit and Risk Committee held and Director's attendance at these meetings are detailed in the Directors' report on page 17.

The Audit and Risk Committee operates in accordance with a charter which is publicly available in the Corporate Governance section of the Company's website at www.bassoil.com.au.

Membership

The members of the Committee shall be members of, and appointed by, the Board of directors and shall comprise at least two directors that have diverse, complementary backgrounds, and are independent of management and the Company.

In addition, the Committee chair shall have leadership experience and a strong finance, accounting and/or business background.

All Committee members shall be financially literate, or become financially literate within a reasonable period of time after appointment. At least one member shall have accounting and/or related financial management expertise as determined by the Board of directors.

The responsibilities of the Committee include:

- Understanding the business;
- Financial Reporting - review and approve the half-year and annual financial report;
- Financial risk management
- Assessment of accounting, financial and internal controls;
- Appointment of external auditor;
- Review and assess the independence of the external auditor;
- Discuss with the auditors, the overall scope of the audit;
- Monitor corporate governance functions; and
- Review and discuss communications with the market and shareholders.

In fulfilling its responsibilities, the Audit and Risk Committee will:

- Maintain free and open communication between the committee, auditors, and management of the Company.
- Investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company.
- Ensure it understands the Company's structure, controls, and types of transactions in order to adequately assess the significant risks faced by the Company in the current environment'
- Take appropriate actions to set the overall corporate 'tone' for quality financial reporting, sound business risk practices, and ethical behaviour.
- Meet separately and periodically with management and the auditor to discuss issues and concerns warranting committee attention, including but not limited to their assessments of the effectiveness of internal controls and the process for improvement; and
- Receive regular reports from the auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

The Audit and Risk Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

External auditors

The Company and Audit and Risk Committee policy is to appoint external auditors who clearly demonstrate quality and independence.

The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

Deloitte Touche Tohmatsu was appointed as the external auditor in 2015. It is Deloitte's policy to rotate audit engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditor, including a break-down of fees for non-audit services, is disclosed in Note 9 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit and Risk Committee.

The external auditor will attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Written Affirmations

The Board has received from the Managing Director and the Company Secretary written affirmations concerning the Company's financial statements as set out in the Directors' Declaration on page 26.

Principle 5 – Make Timely and Balanced Disclosure

The Board has established procedures designed to ensure compliance with the ASX Listing Rule requirements such that:

- All investors have equal and timely access to material information concerning the Company, including its financial position, performance, ownership and governance; and
- Company announcements are factual and presented in a clear and balanced way.

The Company Secretary and the Managing Director are responsible for communications with the ASX. The Chairman or a member of the Audit Committee authorises all disclosures necessary to ensure compliance with ASX Listing Rules.

Principle 6 - Respect the Rights of Shareholders

The Board has established a process for communicating with shareholders by:

- Using the Company's website to promote and to facilitate shareholder communications;
- Encouraging shareholder participation in meetings including using Corporate Governance Council guidelines for meetings and notices, and placing all shareholder related information and Company ASX announcements promptly onto the website in an accessible manner; and
- Encouraging shareholders to attend the annual general meeting, and providing adequate time, to question the Directors about the Company's governance and business, and the auditor about the conduct of the audit and the content of the audit report.

The Company's website www.bassoil.com.au currently carries the following information for Shareholders:

- All market announcements and related information which is posted immediately after release to the ASX;
- Details relating to the Company's Directors and Senior Management; and
- Board and Board Committee charters and other corporate governance documents.

Principle 7: Recognise and manage risk

The Board is responsible for overseeing the effectiveness of risk management so as to:

- Identify, assess, monitor and manage risk; and
- Inform investors of the nature of and material changes to the Company's risk profile.

The Board has not established a separate Risk Management Committee due to the size and scale of its operations but with the significant change in focus of its operations, the Board of Directors have combined Risk with the Audit Committee.

Currently the Board is accountable for the implementation of the risk management process and is ultimately responsible for the management of risks in the business.

The Board is in the process of adopting an updated Risk Management Policy and associated procedures so as to formalise the process of managing material business risks of the Company.

The Risk Management Policy requires Management to design and implement risk management processes and systems to identify and manage the Company's material business risks and report to the Board on whether those risks are being managed effectively.

The Board is regularly briefed and involved in discussions in relation to many of the material business risks facing the Company.

The risk management framework is being adopted and will be reviewed at least annually by the Board.

The Board has received assurances from the Managing Director and Company Secretary that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control that, in all material respects, mitigates financial reporting risks.

Principle 8: Remunerate fairly and responsibly

Remuneration committee

Given the Company's size, limited activities and limited financial resources, the Board has not established a Remuneration committee. Issues relating to remuneration, recruitment, retention and termination policies and procedures applicable to senior executives and directors and also the selection and appointment practices of the Company are undertaken by the Board.

Remuneration arrangements

Board and Non-Managing Director
The remuneration policy for the Board and the remuneration of each director is set out in both the Remuneration Report which forms part of the Directors' report and in Note 26 in the Financial Report.

Senior Executives
Information on the performance evaluation and structure of remuneration for the Company's senior executives can be found in the Remuneration Report, which forms part of the Directors' report and in Note 26 in the Financial Report.