

ASX RELEASE

COMPLETION OF THE SALE OF OTWAY BASIN PERMITS PEP167 AND PEP175 AND CEO APPOINTMENT

Bass Strait Oil Company Ltd (**ASX: BAS**) ("**BAS or the Company**") today announces the completion of the sale of Otway Basin permits PEP167 and PEP175 and the re-engagement of the Company's Chief Executive Officer.

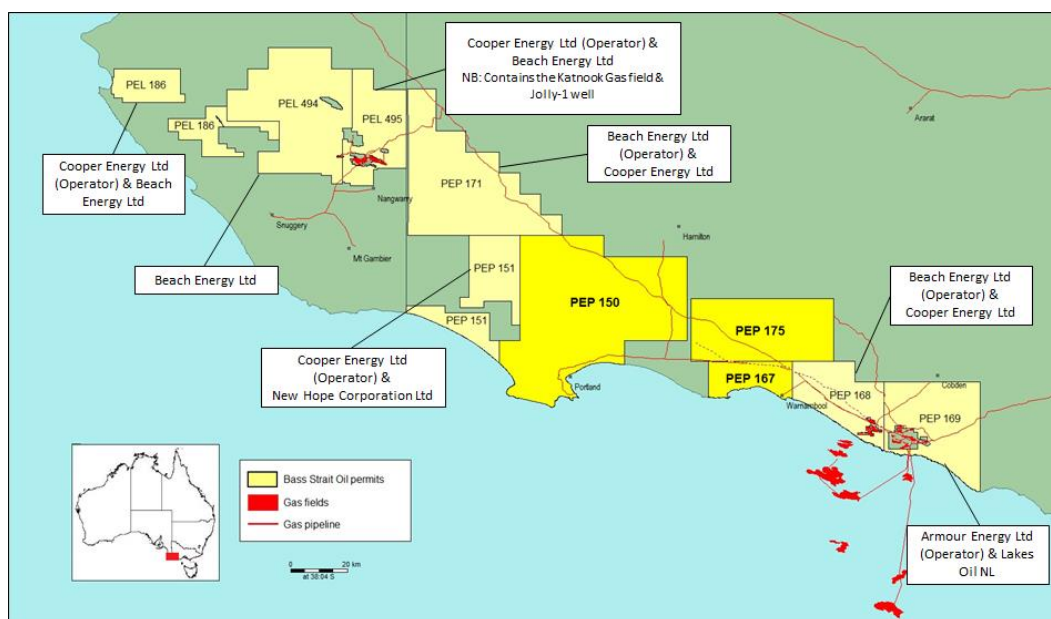
Highlights:

- **Regulatory approval for the transfer of PEP167 and PEP175 to Mirboo Ridge Pty Ltd (100% subsidiary of Lakes Oil NL)**
- **Balance of funds has been received by the Company**
- **Board formally re-engages CEO to drive the Company's business strategy.**

PEP167 and 175 Sale Completion

On the 11th July 2014, the Company announced the sale of its equity in onshore exploration permits PEP167 and PEP175 subject to regulatory approval. Regulatory approval has now been received and Lakes Oil NL has paid the remaining funds to Bass Strait Oil.

During the year the Company has conducted a review of its business with the objective to identify its core assets and position itself to progress activities in these assets. An outcome of the review was a decision that these permits, which are located in the onshore Otway Basin in Victoria, were non-core to the Company's future. The Company remains committed to onshore exploration in the western portion of the Otway basin via its equity in PEP 150 (BAS 15%).



Otway Basin exploration

Chief Executive Officer re-engagement.

The Company is pleased to announce the re-engagement of Mr. Steven Noske as its permanent Chief Executive Officer.

In March 2014 the Company sought to alter the employment arrangements of the CEO whilst the Company progressed a review of its future strategic direction and continued with its technical evaluation activities in its core Gippsland basin permits VicP41 and VicP68. These activities have largely been completed and it is appropriate that the Company move into a delivery and growth phase.

Mr. Noske has continued to work closely with the Board during this period to ensure that:

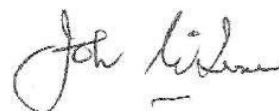
- the core assets are agreed
- the forward business strategy is recognised
- focus is placed on the immediate imperatives and,
- plans are in place to return the Company to growth.

Over the year, the Board has appreciated the commitment and input of Mr. Noske and is confident that a return to growth can be achieved.

The Company expects to provide a further update on business activities in the short term.



Steve Noske
Chief Executive Officer
29th September 2014



John L C McInnes
Chairman
29th September 2014