

QUARTERLY REPORT DECEMBER 2014

Bass Strait Oil Company Ltd (**ASX: BAS**) ("**BAS or the Company**") presents a summary of its activities for the quarter ended 31 December 2014.

Highlights:

- **New Board elected to drive growth**
- **New Board injects \$425,000¹ of new capital**
- **Entitlements Issue for all shareholder - planning underway**
- **Interpretation of reprocessed 3D seismic interpretation in Vic/P68 and Vic/P41 underway.**

CORPORATE ACTIVITIES

Cash at the end of the quarter stood at \$778,000. During the quarter the company received firm commitments from Mr Hector Gordon and the nominated new directors Messrs Tino Guglielmo, Peter Mullins and Mark Lindh to a placement totalling 85 million of new shares at \$0.005 to raise \$425,000 before costs. Funds have been received by the Company.

The investment by the new Board demonstrates the commitment to the success of the Company.

The Company also advised that it intends to conduct a non-renounceable entitlement issue at the same price as the Placement in order to provide participation rights for all shareholders. Further details of the entitlement issue, including key dates of the offer and the ratio in which the securities will be offered, will be notified during the next quarter.

Board Changes.

As foreshadowed in the Company's ASX/Media Release of 31st October 2014 and the 2014 Notice of AGM of 14th November 2014, Board changes occurred at the Company's AGM held on the 16th December. Messrs. Giustino (Tino) Guglielmo and Peter Mullins were appointed as Independent Directors and Mr Mark Lindh was appointed as a Non-independent Director.

Following the re-appointment of Mr Hector Gordon and the appointments of Messrs. Tino Guglielmo, Peter Mullins and Mark Lindh, Mr David Lindh did not stand for re-election to the Board and Messrs John McInnes (Chairman and Non-executive Director) together with Mr Andrew Whittle (Non-executive Director) resigned as Directors on the 16th December 2014.

Peter Mullins was subsequently appointed Chairman and Hector Gordon appointed Chairman of the Audit Committee.

¹ before costs

A biography of the current BAS Board is annexed to this report.

EXPLORATION ACTIVITIES

GIPPSLAND BASIN OFFSHORE

VIC/P41

The revised Vic/P41 Permit minimum work programme (post award of the six month extension to the year 3 work program) is shown in Table 1 below.

Year of Term of permit	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Estimated Expenditure (\$A)
1	29/11/2011	28/11/2012	Geotechnical Studies (completed)	150,000
2	29/11/2012	28/11/2013	430 km2 3D seismic Reprocessing (complete), Quantitative Interpretation (complete), Other	800,000
3	29/11/2013	28/05/2015	Geological and Geophysical Studies	200,000
4	29/05/2015	28/05/2016	1 Exploration Well	30,000,000
5	29/05/2016	28/05/2017	Geotechnical Studies	150,000

Table 1 Vic/P41 Remaining minimum work programme commitments and revised dates

Joint Venture partners in Vic/P41 are:

Bass Strait Oil Company Limited (ASX code BAS)	64.565%
Oil Basins Limited (ASX code OBL)	17.935%
Shelf Oil Pty Ltd (OBL's 100% owned subsidiary)	17.5%

VIC/P41 (BAS 64.565%) and Vic/P68 (BAS 100%) Exploration

During the quarter the Company continued its mapping of prospects and leads in Vic/P41 and Vic/P68.

A significant Quantitative Interpretation (QI) and Amplitude versus Offset (AVO) processing program has been ongoing during the year and was completed and the data received late in the quarter.

Forward work planned for the next quarter includes:

- Integrating the inversion data into the Nomb 3D interpretation.
- Reviewing the Nomb 3D mapping to ensure consistency with the outcomes from the QI
- Assessment of prospective resources in key prospects

Farm-out of VIC/P41 and Vic/P68

The Company held further discussions with potential international partners during the quarter.

The Board is currently reviewing the plans and timetable for an industry wide farm-out campaign noting the outcomes of the forward work plan are an important input into the future business strategy.

OTWAY BASIN ONSHORE

PEP 150: BAS 15% (Operator: Beach Energy)

The Company announced during the previous quarter that the Joint Venture had agreed a budget for the August 14/15 permit year that reflects minimal activity and expenditure in the permit given that exploration activities in the permit are subject to a Victorian government moratorium.

For and on behalf of the Company

A handwritten signature in black ink, appearing to read "S Noske", with a stylized flourish at the end.

Steve Noske
Chief Executive Officer
19 January 2015

ANNEXURE – BASS STRAIT OIL COMPANY BOARD OF DIRECTORS

Peter F Mullins

FFin– 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.

Hector M Gordon

BEng – Non-executive non-independent Director and Chairman of the Audit Committee.

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 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.

Giustino (Tino) Guglielmo

BEng (Mech) – Non-executive independent 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 the Chair of the Resources and Energy Sector Infrastructure Council and member of the Resources Industry Development Board, both South Australian Government advisory bodies.

He is also a Director of Octanex NL.

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

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

BASS STRAIT OIL COMPANY LTD

ABN

13 008 694 817

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
1.1	Receipts from product sales and related debtors	35	54
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(258)	(444)
1.3	Dividends received	5	8
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	Net Operating Cash Flows	(218)	(382)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) exploration & evaluation (b) equity investments (c) other fixed assets	(178)	(248)
1.9	Proceeds from sale of: (a) exploration & evaluation (b) equity investments (c) other fixed assets	0	270
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other		
	Net investing cash flows	(178)	22
1.13	Total operating and investing cash flows (carried forward)	(396)	(360)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(396)	(360)
1.14	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	425	425
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Share Issue Costs)		
	Net financing cash flows	425	425
	Net increase (decrease) in cash held	29	65
1.20	Cash at beginning of quarter/year to date	749	713
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	778	778

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	25
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities	0	0
3.2 Credit standby arrangements	0	0

Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	100
4.2 Development	
4.3 Production	
4.4 Administration	250
Total	350

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	724	449
5.2 Deposits at call	54	300
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	778	749

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	PEP167 Otway Basin	Exploration License – Petroleum	100%	0%
	PEP175 Otway Basin	E Exploration License – Petroleum	100%	0%

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	603,285,747	603,285,747		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	85,000,000	85,000,000	\$0.005 (0.5 cents)	\$0.005 (0.5 cents)
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	-	-	Exercise price	Expiry Date
7.8	Issued during quarter				

+ See chapter 19 for defined terms.

7.9	Exercised during quarter				
7.10	Expired during quarter	(10,000,000)	-	\$0.04 (4 cents)	14/10/14
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 19 January 2015
(Director)

Print name: Peter F 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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