

Quarterly report for the period ending 31 March 2016

Release date 27 April 2016

HIGHLIGHTS

- **Technical review confirms – Bass permits contain significant oil and gas potential**
- **Data room open with potential farmin parties reviewing Gippsland portfolio**
- **Bass reviewing a number of acquisition opportunities**

EXPLORATION ACTIVITIES

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

In late 2015 Bass Strait Oil Company Limited (ASX: BAS) completed a technical review of the potential of the Company's 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 nearby Longtom Gas Field. The review also identified significant upside in BAS' 100% owned Leatherjacket Oil Discovery as well as a number of possible oil targets on trend with Leatherjacket and In summary the key findings of the review were:

- Gross prospective gas resources of over 1.75 TCF identified in Emperor Formation (unrisked Best Estimate)
- Bass 100% owned Leatherjacket Oil Discovery estimates net unrisked 2C Contingent Resources of 8 million barrels of recoverable oil

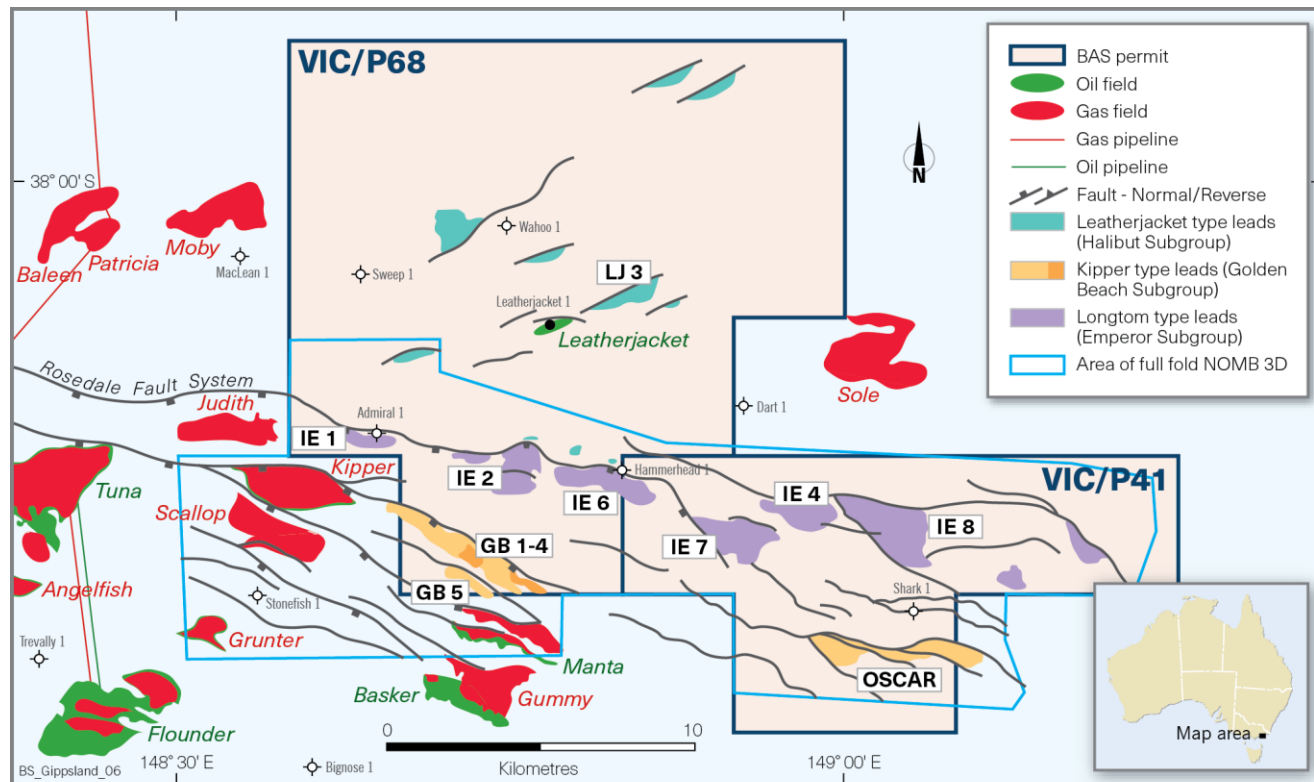
Data room open for potential farmin partners

During the quarter Bass has maintained a data room for parties interested in farming into Bass' Gippsland basin portfolio. The current depressed state of the farmout market has subdued interest in the Company's permits. The Company continues to market the opportunities will advise on progress as appropriate.

Permit Management

- Vic/P41(Bass 64.565%) : The permit is currently in year 4 of the 5 year term. Year 4 commenced 28 November 2015 and comprises geological studies. Year 5 requires the drilling of one well.
- Vic/P68 (Bass 100%): The permit is currently in year 3 of a 5 year term. Year 3 expires in 3 November 2016. Year 3 requires the acquisition of 225 square km of 3D seismic. Bass is considering options for entry into a seismic acquisition consortium in the event that farmout efforts are successful.

- PEP 150 (Bass 15%): Minimal activity and expenditure has been undertaken in the permit given Victorian government moratorium on exploration activities. The joint venture has applied for a further suspension of the work program and extension of the permit term as a result. If approved, the permit year 1 will be extended to 25 August 2016 and the permit term will be extended to 25 August 2020.



Map 1: New targets identified during the BAS Technical Review

BUSINESS DEVELOPMENT ACTIVITIES

The current subdued state of the energy markets is presenting a number of investment opportunities. Bass has commenced exploring opportunities to re-focus the business to acquiring assets that are no longer core to the portfolio of other operators. This includes the acquisition and management of late life onshore producing assets that have become a burden (or un-economic) to run by larger operators.

The Company is actively screening assets and negotiating with the parties wishing to divest of these assets. The Company will advise on progress with those discussions and negotiations as they mature.

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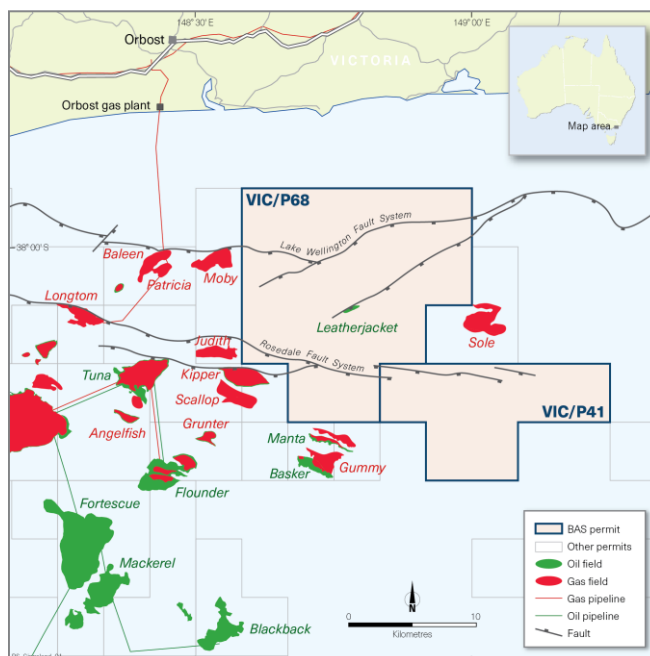
About Bass Strait Oil Company

Bass Strait Oil Company Ltd (ASX code: BAS) is a petroleum explorer with an exploration portfolio currently focused on southeast Australia, in particular the world class Gippsland basin. In the Gippsland basin, our portfolio is focussed on the Rosedale Fault Trend on the northern margin of the basin. Bass has high equity interests and operates two permits, Vic/P41 (64.565%) and Vic/P68 (100%) along the trend and these contain both appraisal and exploration targets. These are generally within subsea completion tie back distances to existing developments. The portfolio is covered by extensive 3D seismic datasets. In the Otway Basin, our portfolio comprises of one eastern onshore permit, PEP 150 (15%).

The Company's consistent technical focus on the region and the proximity of the portfolio to infrastructure and market ensures that Bass is well placed to benefit from the changing dynamics of the Eastern Australian gas market.

The Company has a strong committed shareholder base, with the Board and management holding a 30% interest and Cooper Energy holding a 22% interest. The Board's focus is to extract value from its Gippsland Basin permits for all shareholders.

The BAS exploration permit portfolio targets both conventional oil and gas and unconventional gas plays. It contains a balance of offshore and onshore activity with near term appraisal opportunities and longer term exploration opportunities. The Company believes that this acreage position provides high-impact discovery potential.



BAS Gippsland Basin Permit Map

Contingent and Prospective Resources

Note: Contingent and prospective resources referred to in this document were announced to the ASX 28 October 2015. The data herein should be read in conjunction with the information provided on the calculation of the contingent and prospective resources provided in that ASX release. Bass Strait Oil Company is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply.

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 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	6	34
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(139)	(487)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(132)	(447)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) exploration & evaluation (b) equity investments (c) other fixed assets	2 - -	(189) (16)
1.9 Proceeds from sale of: (a) exploration & evaluation (b) equity investments (c) other fixed assets		
1.10 Loans to other entities	(5)	(5)
1.11 Loans repaid by other entities		
1.12 Other		
Net investing cash flows	(3)	(210)
1.13 Total operating and investing cash flows (carried forward)	(135)	(657)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(135)	(657)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
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	-	-
	Net increase (decrease) in cash held	(135)	(657)
1.20	Cash at beginning of quarter/year to date	285	807
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	150	150

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	62
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

+ See chapter 19 for defined terms.

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	0	0
3.2 Credit standby arrangements	0	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	20
4.2 Development	
4.3 Production	
4.4 Administration	120
Total	140

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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	150	285
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	150	285

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			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	804,381,671	804,381,671		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	-	-	<i>Exercise price</i>	<i>Expiry Date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

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: 27 April 2016
(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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