

Quarterly report for the period ending 30 September 2015

Release date 22 October 2015

HIGHLIGHTS

- **Mapping identifies significant oil/gas targets on trend with Longtom, Kipper and BMG fields**
- **NOPTA approves 12 month work program suspension and extension for Vic/P68**
- **Application for a work program variation for Vic/P41 also submitted to NOPTA**
- **Bass reviewing a number of growth opportunities**
- **Office move completed reducing ongoing costs**

EXPLORATION ACTIVITIES

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

During the quarter the Company applied to the National Offshore Titles Authority (NOPTA) for a 12 month suspension and extension of the Vic/P68 work program. The permit is currently in Year 3 of the 6 year term. The year 3 work program entails the acquisition of 225 square kilometres of 3D seismic. The variation of the work program was to allow the aggregation of the seismic work with other operators to reduce the cost of the survey and for the survey to occur during the normal summer acquisition window of 2016/2017. Subsequent to the end of the quarter NOPTA granted approval for the work program variation.

During the quarter the Company also applied to NOPTA for a work program variation for Vic/P41. The permit is currently in year 3 of the 5 year term. The application sought was to delay the drilling of an exploration well from permit year 4 to year 5. The variation was requested to allow the aggregation of the drilling commitment with the work of other operators to reduce the overall cost of drilling the well. As at the date of this report NOPTA had not yet responded with their determination.

The Bass technical team continued with the detailed prospectivity review of these permits. The review, which is nearing completion, has identified a significant gas exploration play within the Emperor Formation in both permits. This play is similar to, and on trend with, the Longtom gas field.

The team has also identified a number of follow up oil targets on trend with Bass' wholly owned Leatherjacket oil discovery, contained in Vic/P68 permit. Leatherjacket was drilled by Esso in 1986 and discovered a net oil column of over 20 metres in the highly productive upper LaTrobe group. The next

step is to quantify the undiscovered gas and oil resource potential in the two permits.

In the coming quarter the company will be in a position to approach key players in the Gippsland basin or with an interest in entering the basin with a view to attracting a farmin partner to progress the identified opportunities.

Onshore Otway basin - PEP 150 (Bass 15%)

Minimal activity and expenditure has been undertaken in the permit given that exploration activities in the permit are subject to a Victorian government moratorium on exploration activities.

As a result of the moratorium the joint venture has applied to the authorities 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.

On 26 May the Victorian Legislative Council resolved that the Environment and Planning Standing Committee inquire into Unconventional Gas in Victoria. Submissions to the Committee by all interested parties closed 10 July 2015. The Committee is required to report no later than 1 December 2015.

CORPORATE ACTIVITIES

The current subdued state of the energy markets is presenting a number of investment opportunities. The Company is reviewing a number of opportunities to establish a new phase of future growth.

The company completed a move to smaller more cost effective office accommodation. The new registered office for Bass Strait Oil Company is:

Level 2, 15 Queen Street
Melbourne, VIC 3000

For further information please contact:

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About Bass Strait Oil Company

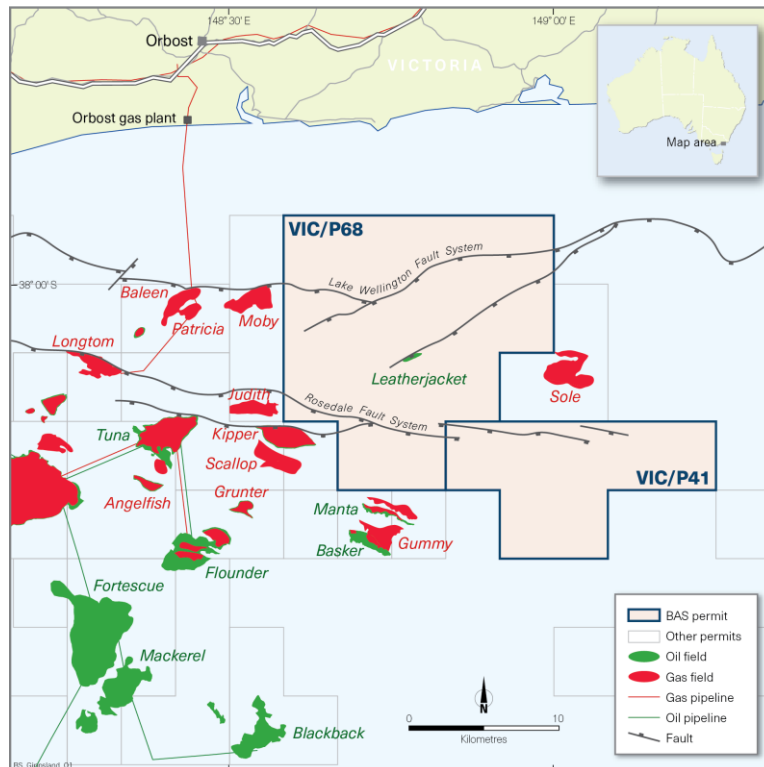
Bass Strait Oil Company Ltd (ASX code: BAS) is a petroleum explorer with an exploration portfolio currently focused on southeast Australia, in particular the world class Gippsland basin.

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

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")

30 September 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	22	22
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(242)	(242)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(217)	(217)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) exploration & evaluation (b) equity investments (c) other fixed assets	(111) (16)	(111) (16)
1.9 Proceeds from sale of: (a) exploration & evaluation (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other		
Net investing cash flows	(127)	(127)
1.13 Total operating and investing cash flows (carried forward)	(344)	(344)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(344)	(344)
	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	(344)	(344)
1.20	Cash at beginning of quarter/year to date	807	807
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	463	463

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	87
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	80
4.2 Development	
4.3 Production	
4.4 Administration	150
Total	230

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	408	752
5.2 Deposits at call	55	55
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	463	807

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: 22 October 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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