



BASS STRAIT OIL COMPANY LTD

ACN 008 694 817

Level 2
15 Queen Street
Melbourne Victoria 3000 Australia

Tel: (+61 3) 9927 3000

Email: admin@bassoil.com.au
Website: www.bassoil.com.au

21 November 2016

Non-Renounceable Rights Issue – Appendix 3B Notice

Dear Shareholder

Letter to Shareholder - Non-Renounceable Rights Issue Pro Rata Entitlement Offer

On 18 November 2016, Bass Strait Oil Company Limited (ASX:BAS) (“**the Company**”) announced to ASX that it intended to undertake a pro-rata, non-renounceable rights issue of three (3) new shares (“**New Shares**”) for every five (5) shares in the Company held at the Record Date at an issue price of 0.1 cent (\$0.001) and one (1) free attaching option (“**New Options**”) having an exercise price of 0.3 cents and expiry date of 15 December 2017 for every two (2) New Shares purchased (“**the Offer**” or “**Rights Issue**”). Each New Option will upon exercise, entitle the holder to one ordinary share and one (1) new Piggy Back Option having an exercise price of 0.6 cents and an expiry date of 15 December 2018.

The Rights Issue also incorporates a Shortfall Facility under which Eligible Shareholders can apply for New Shares in excess of their pro-rata entitlement. The issue of the New Shares under the Shortfall Facility will be dependent on there being a shortfall in the take up of the pro-rata entitlements under the Offer and subject to discretion of the Board. Eligible Shareholders who wish to apply for New Shares under the Shortfall Facility can do so by specifying the number of additional New Shares they wish to apply for in the space provided on their Entitlement and Acceptance Form.

The Company intends to raise up to approximately \$772,207 before costs, through the issue of up to 772,206,594 New Shares at an issue price of 0.1 cent (\$0.001) per New Share. The main purpose of the Rights Issue is to provide funds to meet budgeted and anticipated expenditure associated with the Company’s proposed acquisition of the Tangai Sukananti Project as announced to ASX on 19 October 2016, together with meeting current working capital requirements and providing for future evaluation and examination of prospective exploration or production assets and projects, identified by the Board from time to time as presenting value and being in line with the Company’s direction.

The Offer is not underwritten. As the Offer is non-renounceable, entitlements under the Offer cannot be sold, traded on the ASX or on any other exchange, nor can they be privately transferred.

The Offer is made to Eligible Shareholders being shareholders of the Company registered on the Company's share register as at 5.00pm AEDT the Record Date (23 November 2016) and residing in Australia and New Zealand. Please note that the Company's shares will be traded on an "ex" entitlement basis from 22 November 2016, and therefore any of the Company's shares acquired on market on and after this date will not be entitled to participate in the Rights Issue.

The Offer is made pursuant to a transaction specific prospectus issued in accordance with section 713 of the Corporations Act ("**the Prospectus**") available at www.asx.com.au and www.bassoil.com.au. The Prospectus contains further details of the Offer and should be read in its entirety. Documents relating to the Offer were lodged with ASX and ASIC on 18 November 2016.

A copy of the Prospectus and personalised Entitlement and Acceptance Form (which will set out your entitlement) will be despatched to Eligible Shareholders in accordance with the timetable below:

EVENT	DATE
Offer announced and Appendix 3B lodged with ASX and Prospectus lodged with ASIC.	18 November 2016
Notice of Offer sent to Shareholders	21 November 2016
Shares quoted ex Rights	22 November 2016
Record Date (5.00pm AEDT)	23 November 2016
Prospectus and Entitlement and Acceptance Form dispatched to Shareholders	28 November 2016
Closing Date	7 December 2016
New Shares quoted on a deferred settlement basis.	8 December 2016
Notification to ASX of Shortfall Offer	12 December 2016
Issue date for New Shares and New Options (including Shortfall Offer) Deferred settlement trading ends	14 December 2016
Commencement of trading of New Shares and New Options* (Normal trading of Shares resumes)	15 December 2016

**Trading of New Options is subject to them being granted official quotation.*

Dates and times in this announcement are indicative only and subject to change. All dates and times are references to Melbourne time. The Company reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations.

Actions required by Eligible Shareholder

As an Eligible Shareholder, you may:

- (a) take up your entitlement in full;
- (b) take up your entitlement in full and apply for shortfall securities;
- (c) take up part of your entitlement; or
- (d) do nothing and allow your entitlement to lapse.

Further details on how to perform any of the above actions are specified in Section 8 of the Prospectus.

Enquiries

If you have any questions regarding this Offer, please telephone the Bass Shareholder Enquiry's Line on 1800 303 491 between 9:00am and 5:00pm (Melbourne time) on business days during the offer period for the Offer.

Thank you for your ongoing support of the Company.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Mullins', written in a cursive style.

Peter Mullins

Chairman