

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

BASS STRAIT OIL COMPANY LTD

ABN

13 008 694 817

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued | Options 30/11/2009 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 600,000 Options 30/11/2009 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Options exercisable at 15 cents and expiring 30/11/2009 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No, new class of Option</p>						
<p>5 Issue price or consideration</p>	<p>Nil</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Staff employment incentive</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>20 December 2006</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1422 989 1467">Number</th> <th data-bbox="989 1422 1276 1467">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1467 989 1512">129,242,468</td> <td data-bbox="989 1467 1276 1512">Ordinary</td> </tr> <tr> <td data-bbox="686 1512 989 1556">9,092,056</td> <td data-bbox="989 1512 1276 1556">Options 30/6/2007</td> </tr> </tbody> </table>	Number	+Class	129,242,468	Ordinary	9,092,056	Options 30/6/2007
Number	+Class						
129,242,468	Ordinary						
9,092,056	Options 30/6/2007						

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	Number	+Class	
9	Number and +class of all	2,500,000	Options 30/9/2008
	+securities not quoted on ASX	1,050,000	Options 30/6/2010
	(including the securities in clause	1,050,000	Options 30/6/2010
	2 if applicable)	250,000	Options 30/6/2007
		250,000	Options 30/6/2007
		700,000	Options 30/6/2008
		250,000	Options 30/6/2008
		250,000	Options 30/6/2008
	600,000	Options 30/11/2009	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividends will be paid in the foreseeable future	

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the + securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 

..... Date: 20/12/2006.....
(Director/Company secretary)

Print name: David B Hill
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