

Appendix 3B

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

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

Fully Paid Ordinary Shares

Unlisted Options to acquire Fully Paid Ordinary Shares

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

97,009,363 Fully Paid Ordinary Shares
(Actual number of shares issued)

12,000,000 Unlisted Options
(Actual number of options granted)

- 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)

Fully Paid Ordinary Shares rank equally with all other Fully Paid Ordinary Shares

The Unlisted Options are exercisable at 4.0 cents each, expire on 14 October 2014 and a holder of an Unlisted Option will be issued one Fully Paid Ordinary Share for each Unlisted Option exercised.

+ See chapter 19 for defined terms.

<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>Yes, in relation to the Fully Paid Ordinary Shares</p> <p>No, in relation to the Unlisted Options granted but a Fully Paid Ordinary Share issued upon the exercise of an Unlisted Option will rank equally in all respects from the date of issue of that Fully Paid Ordinary Share</p>				
<p>5 Issue price or consideration</p>	<p>2.5 cents per Fully Paid Ordinary Share</p> <p>Not applicable in relation to the Unlisted Options</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Fund exploration costs</p> <p>2,000,000 of the Unlisted Options are granted to the Chief Executive Officer, Steven Ian Mackie, pursuant to his terms of employment</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>17 October 2011</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="695 1391 995 1424">Number</th> <th data-bbox="995 1391 1286 1424">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1424 995 1615">388,039,613</td> <td data-bbox="995 1424 1286 1615">Fully Paid Ordinary Shares</td> </tr> </tbody> </table>	Number	⁺ Class	388,039,613	Fully Paid Ordinary Shares
Number	⁺ Class				
388,039,613	Fully Paid Ordinary Shares				
<p>9 Number and ⁺class of all ⁺securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1653 995 1686">Number</th> <th data-bbox="995 1653 1286 1686">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1686 995 1906">12,000,000</td> <td data-bbox="995 1686 1286 1906">14 October 2014 Options to acquire Fully Paid Ordinary Shares @ 4 cents each</td> </tr> </tbody> </table>	Number	⁺ Class	12,000,000	14 October 2014 Options to acquire Fully Paid Ordinary Shares @ 4 cents each
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12,000,000	14 October 2014 Options to acquire Fully Paid Ordinary Shares @ 4 cents each				
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>No dividends are expected to be paid in the foreseeable future</p>				

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required? **No**
- 12 Is the issue renounceable or non-renounceable? **The issue was non-renounceable**
- 13 Ratio in which the +securities will be offered **1:3 (one new share for every three shares held)**
- 14 +Class of +securities to which the offer relates **Fully Paid Ordinary Shares**
- 15 +Record date to determine entitlements **16 September 2011**
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? **Yes**
- 17 Policy for deciding entitlements in relation to fractions **Fraction entitlements of less than one share where rounded down**
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7. **All countries except Australia and New Zealand**
- 19 Closing date for receipt of acceptances or renunciations **7 October 2011**

+ See chapter 19 for defined terms.

20	Names of any underwriters	GMP Securities Australia Pty Limited
21	Amount of any underwriting fee or commission	Management Fee of 1.0% of total amount raised Underwriting Fee of 5.0% of the underwritten amount 10,000,000 Unlisted Options exercisable at 4 cents each and expiring on 30 September 2014
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A.
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	22 September 2011
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	17 October 2011

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

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.

+ See chapter 19 for defined terms.

- 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.

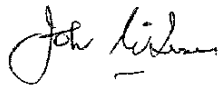
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- 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: 14 November 2011

(Director)

Print name:

John L C McInnes