



Dear Fellow Shareholder,

On behalf of the Board of Directors of Bass Oil Limited ("Company"), I am pleased to invite you to attend the 2017 Annual General Meeting.

The meeting will be held on Tuesday, 28 November 2017 commencing at 11.00am Australian Central Daylight Saving Time ("ACDST") in the Adelaide Equity Partners Boardroom, Level 3, 100 Pirie Street, Adelaide.

Enclosed are the Notice of Annual General Meeting and Proxy Form which set out the items of business.

I encourage you to:

- 1. Read the enclosed Notice of Annual General Meeting and Explanatory Statement; and**
- 2. Vote in person at the meeting, or by proxy.**

If you are attending the meeting, please bring the enclosed documents with you to facilitate registration.

If you are unable to attend the meeting, I encourage you to complete the enclosed voting form. The Shareholder voting form should be lodged with the Company's share registry in accordance with the instructions set out in the voting form so that it is received not less than 48 hours before the scheduled start of the meeting.

Corporate shareholders will be required to complete a "Certificate of Appointment of Corporate Representative" to enable a person to attend on their behalf. A form of this certificate may be obtained from the Company's share registry.

I look forward to seeing you at the meeting.

Yours faithfully

Peter F Mullins

Chairman

26 October 2017

BASS OIL LTD

ABN 13 008 694 817

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the Members of Bass Oil Limited ("**Company**" or "**BAS**") will be held in the Adelaide Equity Partners Boardroom, Level 3, 100 Pirie Street, Adelaide on Tuesday, 28 November 2017 commencing at 11.00am ACDST.

The Explanatory Statement that accompanies this Notice forms part of it and provides additional information regarding the business of the meeting.

AGENDA

ORDINARY BUSINESS

Financial Accounts and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017 (as set out in the Annual Report 2017).

Resolution 1: Adoption of Remuneration Report

To consider and if thought fit, pass the following resolution as an ordinary resolution:

"To adopt the Remuneration Report for the financial year ended 30 June 2017, as set out in the Directors' Report section of the Annual Report."

Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion

In accordance with the *Corporations Act 2001* (Cth) ("**Corporations Act**"), a vote must not be cast on this resolution in any capacity (and will be taken not to have been cast if contrary to this restriction) by or on behalf of a member of the Key Management Personnel (KMP), details of whose remuneration are included in the Remuneration Report, and any closely related party of such a member. However, the member or closely related party of such a member may vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution, or by a person who is the chair of the meeting at which the resolution is voted on and the appointment does not specify the way the proxy is to vote on the resolution and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP; and
- it is not cast on behalf of the member of any closely related party of such a member.

Resolution 2: Approval of Additional 10% Placement Capacity – Shares

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital, calculated in accordance

with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Note - The Directors of the Company RECOMMEND that Shareholders vote in favour of this Resolution.

Resolution 3: Approval of issue of Piggy Back Options

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 386,103,275 Piggy Back Options on the exercise of the Options carrying an expiry date of 15 December 2017 on the terms and conditions described in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Note - The Directors of the Company RECOMMEND that Shareholders vote in favour of this Resolution.

Resolution 4: Re-election of Peter Francis Mullins as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Peter Francis Mullins, being a Director of the Company, who retires by rotation at the close of the Annual General Meeting in accordance with Clause 35(c) of the Company’s Constitution and being eligible, is hereby re-elected as a Director of the Company.”

Note – Mr Mullins is a current Director and Chair of the Board of the Company. The Directors of the Company (excluding Mr Peter Mullins) RECOMMEND that Shareholders vote in favour of this Resolution.

Resolution 5: Re-election of Mark Llewellyn Lindh as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mark Llewellyn Lindh, being a Director of the Company, who retires by rotation at the close of the Annual General Meeting in accordance with Clause 35(c) of the Company’s Constitution and being eligible, is hereby re-elected as a Director of the Company.”

Note – Mr Lindh is a current Director and member of the Board of the Company. The Directors of the Company (excluding Mr Mark Lindh) RECOMMEND that Shareholders vote in favour of this Resolution.

By order of the Board

A handwritten signature in black ink, appearing to read 'R M Hamilton', written in a cursive style.

R M Hamilton
Company Secretary
26 October 2017

VOTING INFORMATION AND NOTES

1. Voting entitlement on a poll

On a poll, each shareholder present has one vote for each fully paid share they hold.

2. Proxies

A shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on the shareholder's behalf. If the shareholder is entitled to cast two or more votes at the meeting, the shareholder may appoint up to two proxies to attend and vote on the shareholder's behalf.

If a shareholder appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the shareholder's votes. Absent this specification, on a poll, each proxy will need to exercise half the votes.

A proxy can be either an individual or a body corporate and need not be a shareholder of the Company. If a shareholder appoints a body corporate as proxy, the body corporate will need to appoint an individual as its corporate representative and provide satisfactory evidence of this appointment.

If a shareholder's instruction is to abstain from voting for a particular item of business, the shareholders' votes will not be counted in computing the required majority on a poll.

To appoint a proxy, a proxy form must be signed by the shareholder or the shareholder's attorney duly authorised in writing. If the shareholder is a corporation, the proxy form must be signed in accordance with section 127 of the Corporations Act. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the commencement of the meeting. Proxy form and authorities may be lodged:

Online: www.linkmarketservices.com.au Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

by mail:

Bass Oil Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

by fax:

+61 2 9287 0309

by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000

Chairman acting as proxy

Shareholders may appoint the Chairman of the meeting as their proxy.

Where the Chairman is appointed as a proxy by a shareholder entitled to cast a vote on a particular resolution and the proxy form specifies how the Chairman is to vote on the resolution (that is, a directed proxy), the Chairman must vote in accordance with that direction.

In respect of proxies where no voting direction has been given (undirected proxies), the Chairman intends to vote all available proxies in favour of each resolution.

In relation to resolution 1, if the shareholder has appointed the Chairman as their proxy and no voting direction has been given, the shareholder will be expressly authorising the Chairman to exercise the undirected proxy in respect of resolution 1 even though the resolution is connected with the remuneration of members of the KMP of the Company. Please read the directions on the proxy form carefully, especially if you intend to appoint the Chairman of the meeting as your proxy.

3. Entitlement to vote at the meeting

For the purpose of the meeting, shares in the Company will be taken to be held by those persons who are registered holders at 11.30am Melbourne time on Sunday 26th November 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

4. Quorum

The Constitution of the Company provides that five or more members present at the meeting and entitled to vote on a resolution at the meeting.

5. Appointment of a corporate representative

Corporate representatives are requested to bring appropriate evidence of appointments as a representative. Proof of identity will be required for corporate representatives.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions which are the subject of the business of the Meeting.

The Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017 (contained in the Annual Report 2017).

Shareholders have been notified that the Company's Annual Report for the year ended 30 June 2017 ("**Annual Report 2017**") can be found on the Company's website (www.bassoil.com.au) under 'Investors – Annual Reports' and have been given the option of having a printed copy of the Report sent to them. The Annual Report 2017 has been sent to those Shareholders who requested it. During the discussion there will be an opportunity for Shareholders to ask questions about, or comment on, the Annual Report 2017 and management of the Company.

Resolution 1 - To adopt the Remuneration Report for the year ended 30 June 2017

The Company is required under the Corporations Act to include, in the business of its AGM, a resolution that the Remuneration Report for the financial year ended 30 June 2017 be adopted. The resolution is advisory only and does not bind the Directors. However, the Directors will take into account the outcome of the vote when reviewing the Company's remuneration policies and practices. During discussion of this Resolution there will be an opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report.

The Remuneration Report which forms part of the Directors Report is set out on pages 11 to 16 of the Annual Report 2017.

Directors' Recommendation

Acknowledging that each Director has a personal interest in his or her own remuneration from the Company, as described in the Remuneration Report, the Directors unanimously **RECOMMEND** the adoption of the Remuneration Report.

Resolution 2 – Approval of Additional 10% Placement Capacity – Shares

ASX Listing Rule 7.1A provides that an 'Eligible Entity' may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 2, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 2, if passed, will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 2 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation as at 13 October 2017 of \$8,956,870

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. As at the date of this Notice, the Company has two classes of Equity Securities on issue, being Shares (ASX Code: BAS) and Options (ASX Code: BASO). The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$(A \times D) - E$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 2:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (a)(i) above, the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking)

or such longer period if allowed by ASX (**10% Placement Capacity Period**).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Shares on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per share)	\$0.002 50% decrease in Issue Price	\$0.004 Issue Price	\$0.008 100% increase in Issue Price
2,239,217,584 (Current)	Shares issued	223,921,758 Shares	223,921,758 Shares	223,921,758 Shares
	Funds raised	\$447,843	\$895,687	\$1,791,374
3,358,826,376 (50% increase)	Shares issued	335,882,637 Shares	335,882,637 Shares	335,882,637 Shares
	Funds raised	\$671,765	\$1,343,530	\$2,687,061
4,478,435,168 (100% increase)	Shares issued	447,843,516 Shares	447,843,516 Shares	447,843,516 Shares
	Funds raised	\$895,687	\$1,791,374	\$3,582,748

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 13 October 2017.
2. The issue price set out above is the closing price of the Shares on the ASX on 13 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.

4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised to continue development of the Company's Indonesian production assets or to fund the investigation or acquisition of additional assets, or otherwise to supplement working capital, depending on the prevailing circumstances of the Company at the time of the issue; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation under the 10% Placement Capacity**

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at the Annual General Meeting held on 3 November 2016. The following information is provided in accordance with Listing Rule 7.3A.6:

During the 12 months preceding the date of this meeting, the Company issued 952,206,594 Equity Securities that are Shares, which represents approximately 74% of the total number of Equity Securities on issue at 3 November 2016 (12 months before this meeting). During that period, the

Company also issued 386,103,275 Equity Securities that are options, which represents approximately 30% of the total number of Equity Securities on issue at 3 November 2016.

All of these Equity Securities were issued under an exception to Listing Rule 7.2:

Details of the issues of Equity Securities are as follows:

- On 14 December 2016 the Company issued 772,206,594 fully paid ordinary shares under the non-renounceable rights issue of three new shares for every five shares held. The shares rank equally with the Company's existing fully paid ordinary shares. The issue price was \$0.001 cents per share, which represented a discount of 0% on the date of issue. The issue raised \$772,207 which was to directly fund the upfront costs associated with Bass' acquisition of Cooper Energy Limited's ("**Cooper Energy**") Indonesian petroleum production assets.
- On 28 February 2017 the Company issued 180,000,000 fully paid ordinary shares to Cooper Energy in part consideration for the acquisition of Cooper Energy's Indonesian petroleum production assets. The shares rank equally with the Company's existing fully paid ordinary shares. The issue price was deemed to be \$0.0015 cents per share (\$270,000 in total), which represented a discount of 25% on the date of issue. The shares were issued as the non-cash consideration for the acquisition of Cooper Energy's Indonesian petroleum production assets. The cash consideration for those assets totalled \$2.77 million (with total cash and non-cash consideration equalling \$3.04 million) while the value of the production assets acquired, as set out in Grant Thornton's Independent Expert's Report annexed to the Company's notice of general meeting dated 12 January 2017, was assessed at \$3 to \$3.5 million. The shares are being held subject to a voluntarily agreed escrow agreement for a period of twelve months.
- On 14 December 2016 the Company issued 386,103,275 options under the non-renounceable rights issue described above. The options were issued as free attaching options ("Options") for every two shares acquired under the rights issue. The Options, upon exercise, entitle the holder to one fully paid ordinary share in the Company. The Options have an exercise price of \$0.003 cents and expiry date of 15 December 2017. The Options are quoted on ASX. Upon exercise, the Options also entitle the holder to one new option ("Piggy Back Option") carrying the same terms as the Options except they have an exercise price of \$0.006 cents and an expiry date of 15 December 2018.

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 2.

Directors' Recommendation

The Directors **RECOMMEND** that Shareholders vote in favour of Resolution 2.

Resolution 3 – Approval of issue of Piggy Back Options

Listing Rule 7.1 Approval

In December 2016, the Company issued 772,206,594 fully paid ordinary shares under a non-renounceable rights issue described in relation to Resolution 2 above. On that date, the Company also issued 386,103,275 Options as free attaching options for every two shares acquired under the rights issue. The terms of the Options entitle the holder to, among other things, one new Piggy Back Option for every Option exercised before 15 December 2017.

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of the shareholders of a listed entity is required for an issue of Equity Securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The issue of Piggy Back Options to holders of Options that exercise those Options does not fall within any exception to Listing Rule 7.1 and, as such, would reduce the Company's capacity to issue further Equity Securities without first obtaining Shareholder approval.

An issue is not taken into account in the calculation of the 15% threshold where the issue has the prior approval of shareholders in a general meeting. For this reason, approval is sought by Resolution 3 for the purposes of Listing Rule 7.1 for the proposed issue of the Piggy Back Options to those option holders that exercise their Options before their expiry date.

If Resolution 3 is not passed, the Company will issue the Piggy Back Options to those Option holders who exercise their Options before the expiry date, within its capacity under Listing Rule 7.1. In these circumstances, the Piggy Back Options will be counted towards the 15% limit on the issue of Equity Securities permitted by Listing Rule 7.1 for the next 12 months. This would reduce the Company's capacity to issue further Equity Securities during that period without first obtaining shareholder approval.

Information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of the Piggy Back Options:

- The maximum number of securities to be issued pursuant to Resolution 3 is 386,103,275 Piggy Back Options
- The Piggy Back Options will be issued with the Shares that are issued upon exercise of the Options. The Options expire on 15 December 2017. Accordingly, the Piggy Back Options are not expected to be issued later than this date, and in any event, will be issued no later than three months after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules).
- The issue price of the Piggy Back Options is nil. The exercise price of each Piggy Back Option is \$0.006.
- The Piggy Back Options will be issued to holders of Options who exercise those Options before 15 December 2017.
- The terms of the Piggy Back Options are set out in the Annexure.
- No funds will be raised from the issue of Piggy Back Options. Any funds raised from the exercise of Piggy Back Options will be used for working capital.
- A voting exclusion statement is included with the Notice of Meeting.

Directors' Recommendation

The Directors **RECOMMEND** that Shareholders vote in favour of Resolution 3.

Resolution 4 – Re-election of Peter Francis Mullins as a Director

The Constitution of the Company requires that at every Annual General Meeting one-third, or the next highest number nearest one-third, of the Directors shall retire from office and provides that such Director(s) are eligible for re-election at the meeting.

Mr Mullins has been an independent Non-Executive Director of the Company since 16 December 2014.

Mr Mullins has over 40 years banking experience in Australia and New York, USA, specialising in Institutional and Corporate Finance across the Agriculture, Defence, Energy, Infrastructure, Mining, Oil & Gas, Property and Wine industries. He is experienced in Mergers and Acquisitions, Privatisations, Structured Finance, IPO's and Capital Raisings. Mr Mullins retired as Head of Institutional Banking SA&NT with the Commonwealth Bank of Australia in 2009 to take up a part time role as Senior Advisor, Institutional, Corporate and Business Banking for Commonwealth Bank in SA&NT. He retired from this role in 2013.

Mr Mullins was a Director of Somerton Energy Ltd, a listed oil and gas exploration company, from April 2010 until it merged with Cooper Energy Ltd in July 2012.

He is a Fellow of the Financial Services Institute of Australasia and graduated from the Advanced Management Program at the University of Melbourne – Mt Eliza, in 1987.

Mr Mullins served on the audit committee during the year.

Directors' Recommendation

The Directors (excluding Mr Peter Mullins) **RECOMMEND** that Shareholders vote in favour of Resolution 4.

Resolution 5 – Re- election of Mark Llewellyn Lindh as a Director

As set out in relation to Resolution 4, the Constitution of the Company requires that at every Annual General Meeting one-third, or the next highest number nearest one-third, of the Directors shall retire from office and provides that such Director(s) are eligible for re-election at the meeting.

Mr Lindh has been a Non-Executive Director of the Company since 16 December 2014.

Mr Lindh is a corporate advisor with in excess of 15 years experience in advising mining and resources companies with a particular focus on the energy sector.

He is a founding director of Adelaide Equity Partners Limited, an investment and advisory company.

Mr Lindh served on the audit committee during the year.

Directors' Recommendation

The Directors (excluding Mr Mark Lindh) **RECOMMEND** that Shareholders vote in favour of Resolution 5.

ANNEXURE – PIGGY BACK OPTION TERMS

1. Interpretation

- (a) *ASX* means ASX Limited (ACN 008 624 691);
- (b) *Board* means the board of directors of the Company;
- (c) *Business Day* means a day not being a Saturday, Sunday or public holiday, on which banks are generally open for business in Victoria;
- (d) *Company* means Bass Oil Limited (ACN 008 694 817);
- (e) *Corporations Act* means the Corporations Act 2001 (Cth) as amended from time;
- (f) *Listing Rules* means the official listing rules of the ASX;
- (g) *Official List* has the meaning given to that term in the Listing Rules;
- (h) *Optionholder* means the recipient of the Piggy Back Options;
- (i) *Piggy Back Option* and *Piggy Back Options* means the options to be issued to the Optionholder on the terms detailed in these Terms of Piggy Back Options;
- (j) *Quotation* has the meaning given to that term in the Listing Rules;
- (k) *Shareholder* and *Shareholders* means a person who owns shares in the capital of the Company, notwithstanding that those shares may not be fully paid; and
- (l) *Shares* means fully paid ordinary shares in the capital of the Company.

Terms of Options

2. Entitlement

- 2.1. Each Piggy Back Option entitles the Piggy Back Optionholder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- 2.2. Shares issued on the exercise of Piggy Back Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

3. Exercise of Piggy Back Option

- 3.1. The Piggy Back Options are exercisable at any time from the date of issue.
- 3.2. The final date and time for exercise of the Piggy Back Options is 5pm on 15 December 2018. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- 3.3. The exercise price of each Piggy Back Option is \$0.006 (0.6 cents).
- 3.4. Each Piggy Back Option is exercisable by the Piggy Back Optionholder signing and delivering a notice of exercise of Piggy Back Option together with the exercise price in full for each Share to be issued upon exercise of each Piggy Back Option to the Company's share registry.
- 3.5. Remittances must be made payable to 'Bass Oil Limited' and cheques should be crossed 'Not Negotiable'.
- 3.6. All Piggy Back Options will lapse on the earlier of the:
 - (a) receipt by the Company of notice from the Piggy Back Optionholder that the Piggy Back Optionholder has elected to surrender the Piggy Back Options; or
 - (b) expiry of the final date and time for exercise of the Piggy Back Option as set out in paragraph 7.2.
- 3.7. In the event of liquidation of the Company, all unexercised Piggy Back Options will lapse.

4. Quotation

- 4.1.** The Company will apply to the ASX for official quotation of the Piggy Back Options. The Company gives no assurance that such quotation will be granted.
- 4.2.** If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Piggy Back Options within 10 business days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

5. Participation in Securities Issues

Subject to paragraph 10 below, the holder is not entitled to participate in new issues of securities without exercising the Piggy Back Options.

6. Participation in a Reorganisation of Capital

- 6.1.** In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Piggy Back Optionholder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Piggy Back Options do not result in any benefit being conferred on the Piggy Back Optionholder which is not conferred on shareholders of the Company.
- 6.2.** In any reorganisation as referred to in paragraph 6.1, Piggy Back Options will be treated in the following manner:
- (a) in the event of a consolidation of the share capital of the Company, the number of Piggy back Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (b) in the event of a subdivision of the share capital of the Company, the number of Piggy Back Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (c) in the event of a return of the share capital of the Company, the number of Piggy Back Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (d) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Piggy Back Options and the exercise price of each Piggy Back Option will remain unaltered;
 - (e) in the event of a pro-rata cancellation of shares in the Company, the number of Piggy Back Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Piggy Back Option will be amended in inverse proportion to that ratio; and
 - (f) in the event of any other reorganisation of the issued capital of the Company, the number of Piggy Back Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Piggy Back Optionholder which are not conferred on shareholders.

7. Adjustments to Piggy Back Options and Exercise Price

- 7.1.** Adjustments to the number of Shares over which Piggy Back Options exist and/or the exercise price may be made as described in paragraph 7.2 to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- 7.2.** The method of adjustment for the purpose of paragraph 7.1 shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(a) **Pro Rata Cash Issues**

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Piggy Back Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

O' = the new exercise price of the Piggy Back Option.

O = the old exercise price of the Piggy Back Option.

E = the number of underlying securities into which one Piggy Back Option is Exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(b) **Pro-Rata Bonus Issues**

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Piggy Back Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Piggy Back Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

8. Takeovers and Schemes of Arrangement

8.1. If during the currency of any Piggy Back Options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of Shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Piggy Back Optionholder of the offer and from the date of such notification, the Piggy Back Optionholder has 60 days within which to exercise the Piggy Back Options notwithstanding any other terms and conditions applicable to the Piggy Back Options or arrangement. If the Piggy Back Options are not exercised within 60 days after notification of the offer, the Piggy Back Options may be exercised at any other time according to their terms of issue.

8.2. If an offer for shares in the Company is made to Shareholders pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Piggy Back Optionholder will be entitled to exercise Piggy Back Options held by him/her within the period notified by the Company.

9. Transfers not permitted

The Piggy Back Options are not transferable.

10. Notices

10.1. Notices may be given by the Company to the Piggy Back Optionholder in the manner prescribed by the Constitution of the Company for the giving of notices to Shareholders and the relevant provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the Piggy Back Optionholder.

11. Rights to Accounts


11.1. The Piggy Back Optionholder will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meeting of Shareholders, however, if the Piggy Back Optionholder is not a Shareholder, it will not have any right to attend or vote at these meetings.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Bass Oil Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Bass Oil Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (ACDST) on Tuesday, 28 November 2017 at the offices of Adelaide Equity Partners Boardroom, 100 Pirie Street, Adelaide (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Re-election of Mark Llewellyn Lindh as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Additional 10% Placement Capacity – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval of issue of Piggy Back Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Re-election of Peter Francis Mullins as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (ACDST) on Sunday, 26 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Bass Oil Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**