



BASS STRAIT OIL COMPANY LTD

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ASX RELEASE

Bass Strait Oil to Raise ~\$2m and Welcomes Cooper Energy as a Strategic Shareholder

- **Cooper Energy to invest up to \$1.3M in BAS, potentially increasing its investment to 19.9%**
- **Agreement to enter a Service agreement with Cooper Energy established**
- **Fully underwritten 1 for 6 non-renounceable entitlement issue to be conducted at 1.5c/s to raise \$1.1M**
- **Andrew Whittle appointed as Managing Director pending appointment of Dr Mackie's successor**

Bass Strait Oil Company Ltd (ASX:BAS) is pleased to announce that it has placed 56.2 million shares at 1.5 cents per share to Cooper Energy Ltd (ASX:COE) for total proceeds of \$843,089 (Placement).

BAS will also offer existing shareholders on the register as at 21 August 2012 the opportunity to participate in a fully underwritten 1 for 6 non-renounceable entitlement issue to raise approximately \$1.1 million from the issue of approximately 74 million new shares at the same price as the Placement (Entitlement Issue).

Further, the directors of BAS are pleased to announce that an in principle agreement has been entered with Cooper Energy under which BAS may utilise the technical and commercial resources of Cooper Energy including geological, geophysical and engineering studies, economic analyses and management of seismic and drilling operations.

Chairman's comments

BAS chairman, John McInnes, said, "Bass Strait Oil welcomes the significant cash injection from Cooper Energy which we believe is testament to the value placed on the company's exploration assets. and provides much needed funds in the challenging environment currently existing in capital markets. BAS looks forward to working with Cooper Energy closely under the planned technical services agreement. Cooper Energy enjoys a strong balance sheet, good production earnings and has the technical and commercial expertise to assist BAS with the development of its permits."

"The BAS board is also pleased to offer all shareholders the opportunity to participate in the fully underwritten entitlement issue at a discount to recent trading prices and at the same price as the placement. I would encourage all existing shareholders to take up your rights at this price."

Management change

As previously advised Dr Steve Mackie resigned as Chief Executive Officer with effect from the end of August. As an interim measure pending an appointment of Dr Mackie's successor, the Board of BAS is pleased to announce the appointment of Mr Andrew Whittle as Managing Director. Mr Whittle has been a Non-executive Director of the company since August 2011, and has had a long and successful career in the oil and gas industry.

Placement

The Placement was made to Cooper Energy under the company's 15% placement capacity pursuant to ASX Listing Rule 7.1 at an issue price of \$0.015 per share. This placement increases Cooper Energy's investment in BAS to 16.7%. GMP Securities Australia Pty Limited (GMP) acted as the lead manager for the Placement.

Entitlement issue

BAS will be offering shareholders with registered addresses in Australia and New Zealand the opportunity to participate in a 1 for 6 non-renounceable entitlement issue at a price of \$0.015 per share, which represents a 12% discount to the 5 day VWAP. The Entitlement Issue will raise gross proceeds of approximately \$1.1 million.

The Entitlement Issue is fully underwritten by GMP.

Full details of the terms and conditions of the Entitlement Issue will be contained in the offer document to be lodged with the ASX and dispatched to shareholders with a registered address in Australia and New Zealand.

Subsequent to the Placement and Entitlement Issue, BAS will have approximately 518.3 million ordinary shares on issue.

Use of Proceeds

The proceeds of the placement and entitlement issue, in addition to existing cash will be applied to the continued development of the Company's oil and gas interests and for general working capital purposes. In particular, the proceeds will be applied towards costs associated with the Stanton 3D seismic survey in Vic/P41 and Vic/P66 that is scheduled to commence later this calendar year, subject to vessel availability. The funds raised will ensure that the company is fully funded for its work commitments through 2013.

Agreement with Cooper Energy

The directors of BAS are pleased to today announce that the company has entered into an in principle agreement to enter into a technical service agreement with Cooper Energy under which BAS may utilise the technical and commercial expertise of Cooper Energy. Such technical and commercial support may include, without limitation:

- geological, geophysical and engineering studies;
- economic analyses; and
- management of seismic and drilling operations.

Since listing on the ASX in 2002, Cooper Energy has built a portfolio of near term low risk development and appraisal projects as well as high impact exploration prospects. In the 2011/12 Financial Year Cooper Energy benefited from some 515,000 barrels of net oil production from the Cooper Basin, South Australia and Indonesia. Cooper Energy enjoys a strong balance sheet, good production earnings and has core assets located in the Cooper, Otway and Gippsland basins in Australia and also in Tunisia.

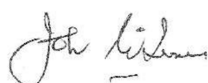
Timetable

The proposed timetable for the capital raising is as follows:

Item	Date
Placement and Entitlement Issue Announced	Monday, 13 August 2012
Announcement of Appendix 3B and Placement Cleansing Notice	Monday, 13 August 2012
Shares Commence Trading ex-Rights	Wednesday, 15 August 2012
Settlement of the Placement	Thursday, 16 August 2012
Record Date for the entitlement issue	Tuesday, 21 August 2012
Opening Date for the entitlement issue	Thursday, 23 August 2012
Dispatch of Entitlement and Acceptance Form, and Offer Document	Thursday, 23 August 2012
Closing Date for the entitlement issue	Friday, 7 September 2012
Shares Quoted on a Deferred Settlement Basis	Monday, 10 September 2012
ASX notified of under-subscriptions	Wednesday, 12 September 2012
Issue and allotment of New Shares	Monday, 17 September 2012
Dispatch of Holding Statements	Monday, 17 September 2012
Last day of deferred settlement trading of new shares under the entitlement issue	Monday, 17 September 2012
Normal Trading of New Shares on ASX expected to commence	Tuesday, 18 September 2012

All of the abovementioned dates are indicative only and may be subject to change. The Company reserves the right to amend this timetable including, subject to the Corporations Act 2001 and the ASX Listing Rules, the extension of the Closing Date.

If you have any questions in relation to the entitlement issue, please contact the company on 03 9927 3000.



John L C McInnes OAM
Chairman