

ASX RELEASE

LETTER OF INTENT FOR FARMOUT OF GIPPSLAND BASIN PERMITS

Highlights:

- **Bass Strait Oil Company Executes Non-Binding Agreements with Cooper Energy**
- **Cooper Energy to be assigned a 25.8% interest in Vic/P41 and have option to acquire a 50% interest in Vic/P68**
- **Cooper Energy to reprocess data on Vic/P41 and Vic/P68 and contribute funding for Bass' share of work undertaken**

Bass Strait Oil Company Ltd (ASX: BAS) is pleased to announce that it has today executed non-binding agreements with Cooper Energy Limited (ASX: COE) with regard to Gippsland Basin permits Vic/P41 and Vic/P68. These permits contain a number of sizeable gas prospects and are located on the northern margin of the Gippsland Basin, close to existing infrastructure and a range of development and market opportunities.

Vic/P41 Agreement (*Bass Strait Oil Company (64.565% & Operator), Oil Basins (17.935%) and Strategic Energy (17.5%)*)

Under the terms of the Vic/P41 agreement, Cooper Energy will reprocess and merge multiple 3D seismic datasets and selected QI/AVO analyses, including 430 sq km within the permit. Cooper will contribute funding for Bass' share of the work undertaken, with Bass to assign a 25.8% working interest in the permit to Cooper Energy.

The proposed transaction is subject to a number of conditions including, amongst others, Bass Strait Oil Company receiving government approval for a proposed work program variation in permit Vic/P41 and entering into a similar agreement in relation to Vic/P68.

Vic/P68 Agreement (*Bass Strait Oil Company (100%)*)

Under the terms of the Vic/P68 agreement, Cooper Energy will undertake, at its sole cost, reprocessing and merging of multiple 3D seismic datasets and selected QI/AVO analyses, including 255 sq km within Vic/P68. Subject to the completion of the reprocessing and data interpretation, Cooper Energy will have the option to acquire a 50% interest in Vic/P68 at no further cost. Bass Strait Oil Company will be provided with a copy of all reprocessing work undertaken by Cooper Energy.

The proposed transaction is subject to Cooper and Bass entering a similar agreement in relation to Vic/P41.

Summary and Comments

Commenting on the agreements, Bass Strait Oil Company CEO, Mr Terry White, said “we are very pleased to have taken this first step towards securing a high quality partner to assist with the exploration of our Gippsland Basin gas portfolio. Cooper Energy will bring significant technical and gas commercialisation expertise to our activities”.

Bass Strait Oil Company intends to work with Cooper Energy to finalise legally binding documentation as soon as possible. It is envisaged that a decision in relation to the work variation submission in Vic/P41 will be received by mid July 2013.

Bass Strait Oil Company will keep the market informed of developments when appropriate.



Terry White

Chief Executive Officer

5 July 2013

For further information please contact:

Mr Terry White

Bass Strait Oil Company Limited

Ph: 03 9927 3000

Email: terry.white@bassoil.com.au

Mr Rohin Muller

Adelaide Equity Partners

Ph: 08 8232 8800

Email: rmuller@adelaideequity.com.au

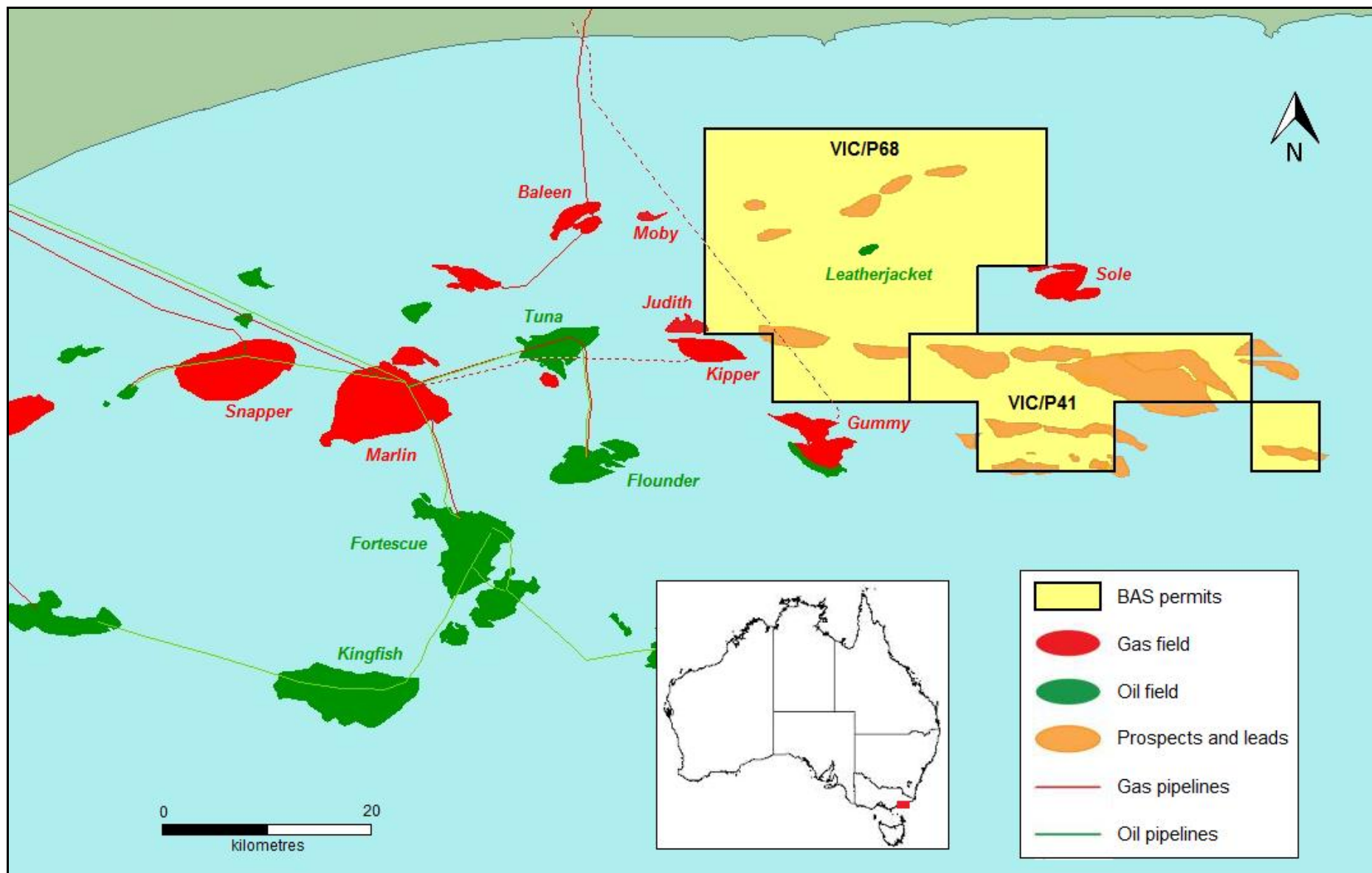


Figure 1: Permit location map