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ASX RELEASE

GIPPSLAND BASIN FARMIN AGREEMENTS EXECUTED

Highlights:

- **Farmin agreements for Gippsland Basin permits Vic/P41 and Vic/P68 executed with Cooper Energy**
- **Cooper Energy to fund Bass' share of technical work that will provide an enhanced understanding of the sizeable gas prospects in the permits**
- **Cooper Energy to be assigned a 25.8% interest in Vic/P41 and have the option to acquire a 50% interest in Vic/P68**

Further to the announcement released to the ASX on 5 July 2013, Bass Strait Oil Company Ltd (ASX: BAS) is pleased to announce that it has today executed farmin agreements with Cooper Energy Limited (ASX: COE) with regard to Gippsland Basin permits Vic/P41 and Vic/P68.

These permits are considered to have strong commercial fundamentals as they contain a number of sizeable gas prospects and are located within close proximity to existing infrastructure and a range of development and market opportunities.

Under the terms of the agreements, Cooper Energy will fund Bass Strait Oil Company's share of reprocessing and merging of multiple 3D datasets and selected QI/AVO analyses. In consideration for the work to be undertaken, Bass Strait Oil Company will assign Cooper Energy a 25.8% interest in Vic/P41 and the option to acquire a 50% interest in Vic/P68.

Commenting on the agreements, Bass Strait Oil Company CEO, Mr Terry White, said "the strategic location of these permits and the current commentary on potential increasing domestic gas prices make the farmouts announced today a timely first step for Bass Strait Oil to ascertain a deeper understanding of the sizeable gas prospects that lie within Vic/P41 and Vic/P68. We are very pleased to have finalised the agreements with Cooper Energy who will bring significant technical and gas commercialisation expertise to our activities as well as a strong balance sheet to be able to advance work programs on these permits moving forward."

The key terms of each agreement include:

Vic/P41 Farmin 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 conduct 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.

Subject to receiving Government and Joint Venture approvals, the interests in Vic/P41 will be split as follows:

Bass Strait Oil Company Ltd (ASX:BAS)	38.765%
Cooper Energy Ltd (ASX:COE)	25.8%
Oil Basins Ltd (ASX:OBL)	17.935%
Strategic Energy Ltd (ASX:SER)	17.5%

Vic/P68 Farmin 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 conduct 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 prior to 18 April 2014. Bass Strait Oil Company will be provided with a copy of all reprocessing work undertaken by Cooper Energy.

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

Terry White

Terry White

Chief Executive Officer

31 July 2013

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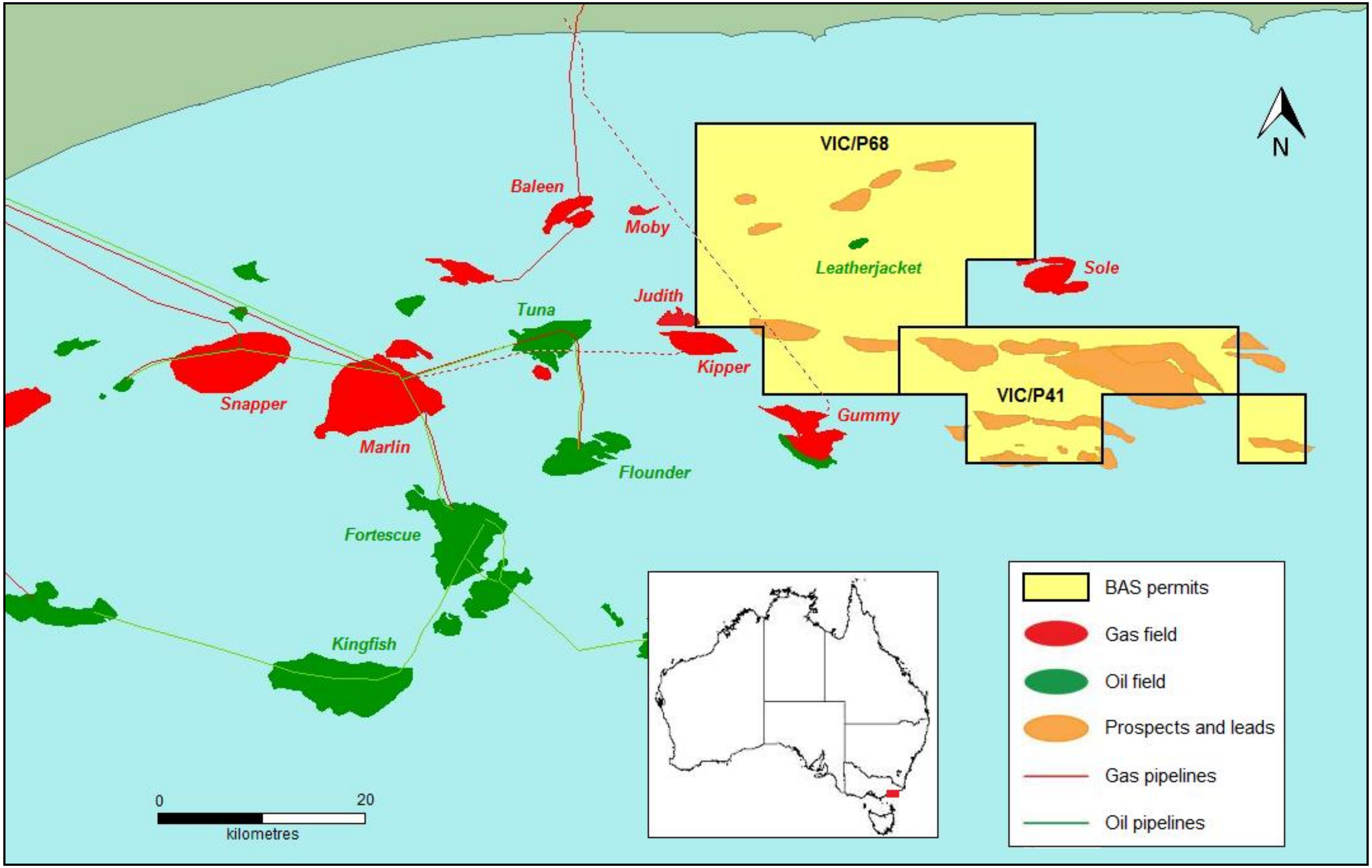

Figure 1: Permit location map