

Indonesian oil field Productions – February Operations Update

Release Date: 9 March 2018

HIGHLIGHTS

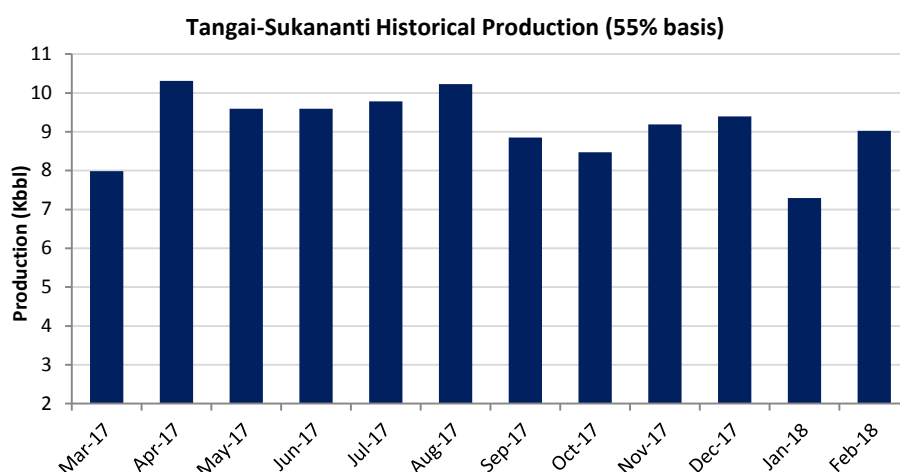
- Indonesian oil field production uplift of ~24% on January levels as output returns to normal
- February production of 16,403 barrels of oil (JV share) or 9,021 barrels (net to Bass)
- February oil sales totaled 14,616 barrels of oil (JV Share) or 8,038 barrels (net to Bass)
- Results from major integrated field study reveal material upgrades to prospectivity of Bass' 55% stake in South Sumatran Tangai-Sukananti KSO

Monthly Production:

Australian oil producer, Bass Oil Limited (ASX:BAS) is pleased to provide shareholders with a February operations update on the Company's Indonesian oil production assets.

During February, Bass reported total field production of 16,403 barrels of oil (JV Share) or 9,021 barrels of oil (net to Bass). This represents a strong ~24% uplift on the previous month's output following the successful completion of scale removal at the Tangai-1 well, the water separation tank and the associated pipework at the Bunian Central Processing Facility. The occurrence of this scale was previously restricting flow capacity from the overall Tangai-Sukananti field.

February oil sales equaled 14,616 barrels of oil (100% JV Share) or 8,038 barrels (net to Bass) at an average realised oil price of US\$59.82 per barrel.



Field Optimisation:

Bass has completed installation of the 4-1/2 inch flowline connecting Bunian-3 to its production facility. The upgrade will remove a bottleneck which was caused by the original 2-7/8 inch flowline, subsequently constraining production. The new pipeline is now subject to hydro-testing prior to its commissioning later this month, following which Bass expect oil production from Bunian-3 to increase by in excess of 75 barrels per day.

Field Development Study

First results from the multi-disciplinary field development study being performed by UNPAD have been announced. (Refer to ASX Announcement on 5 March 2018 - Bass Oil Flags Major Indonesian Prospectivity Boost)

Bass has highlighted the significant appraisal and near field exploration potential of the Tangai-Sukananti KSO. Success at either of the drilling prospects recently identified will result in a material uplift in future production potential and subsequent extension to field life.

The prospective resource estimates detailed in Table 1 assess the probabilistic resource evaluation carried out by UNPAD in accordance with industry standard SPE-PRMS definitions.

Prospect	Low Estimate P90 '000 barrels of oil Recoverable		Best Estimate P50 '000 barrels of oil Recoverable		High Estimate P10 '000 barrels of oil Recoverable		Probability Of Success %
	100%	Net to Bass	100%	Net to Bass	100%	Net to Bass	
Sukananti Updip	357	196	1,278	703	3,156	1,736	30
Bunian West	88	48	345	190	814	448	32

Table 1: Bunian West and Sukananti Updip Prospective Resources

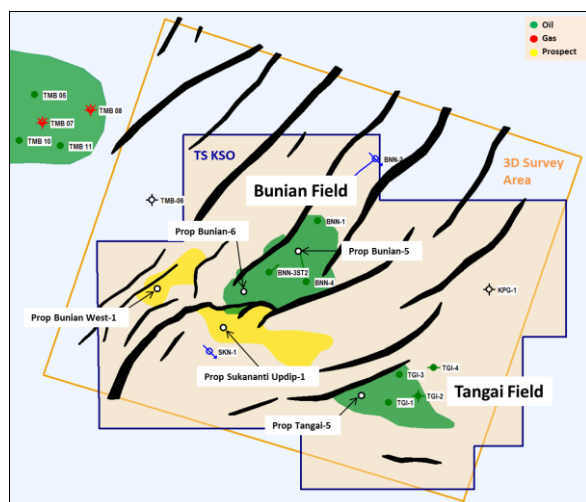


Figure 1: Tangai-Sukananti KSO Map with current and proposed wells, discovered field outlines, prospect outlines and location of the Sukananti 3D seismic survey

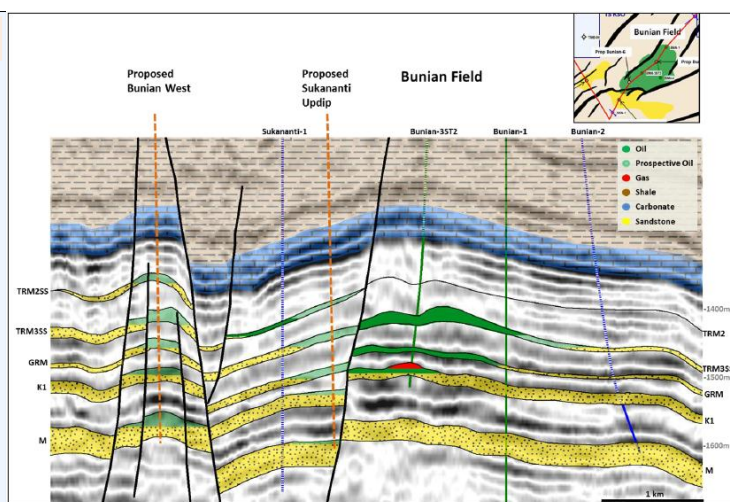


Figure 2: Tangai-Sukananti KSO Schematic geological cross section over a seismic section showing the Bunian West and Sukananti Updip prospects and the Bunian Oil Field.

Development Planning

Bass is nearing completion of the full study that will inform the Oil in Place (OIP) Reserves and subsequent development drilling targets. Drilling is anticipated to commence in the third quarter of this calendar year.

Concurrent planning work for the upgrade of the Bunian and Tangai production facilities is also underway. A facility upgrade is required to process the additional oil and fluid production rates anticipated following the completion of the drilling phase of the work program.

Business Development

Bass continues to evaluate a number of acquisition targets, as the Company looks to add additional prospective oil properties to its portfolio during 2018.

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About Bass Oil Limited:

Bass Oil Limited (ASX:BAS) is an ASX-listed exploration and production company featuring low cost oil production in Indonesia and a management and Board team with a proven track record in delivering shareholder value. Bass has realigned its corporate strategy following the landmark acquisition of a 55% interest in the Tangai-Sukananti KSO producing assets located in the prolific oil & gas region of South Sumatra, Indonesia. As at 31 December 2017, the Tangai-Sukananti KSO was producing on average 600BOPD from 4 wells (100% JV share). Bass Oil's Gross (55% share) 2P Reserves at 30 June, 2017 are assessed to be 1.35 million barrels of oil. In accordance with ASX reporting requirements for fiscal environments that use production sharing contracts or similar, Bass reports Net 2P Oil Reserves of 0.7 million.

Bass intends to build a substantial oil & gas business with a clear focus on executing opportunities in the South-East Asia region. Bass has a strong and committed shareholder base with Board and management holding in excess of 20% of issued capital.

