

## **Onshore Indonesian Oil Operations Update – July 2018**

---

Release Date: 17 August 2018

### **Highlights**

- Continuing high monthly average oil price of US\$68.52 realised on sales from the Company's 55%-owned Tangai-Sukananti oil field in onshore Sumatra, Indonesia
- July production volumes totalled 11,350 barrels of oil (JV share) or 6,243 barrels (net to Bass)
- July oil sales volumes totalled 11,628 barrels of oil (JV Share) or 6,395 barrels (net to Bass)
- Production and sales impacted by scale problems at production wells – remediation program underway and expected to restore daily production levels to those achieved in May with a strong full year (31 December 18) of oil production still expected
- Planning advanced for a two development well drilling program at Tangai-Sukananti with expected drilling to commence late in the December quarter 2018

### **Monthly Production and Sales:**

Australian-listed, Indonesian oil producer, Bass Oil Limited (ASX:BAS) is pleased to provide its monthly operations update for July 2018.

Total field production at Tangai-Sukananti for June was 11,350 barrels of oil (JV Share) or 6,243 barrels of oil (net to Bass), a 3% increase on production for June. Production in this month was impacted by some scale accumulation at the production wells.

July oil sales equalled 11,628 barrels of oil (100% JV Share) or 6,395 barrels (net to Bass). Oil was stable from June at an average realised oil price of US\$68.52 per barrel.

### **Production Operations**

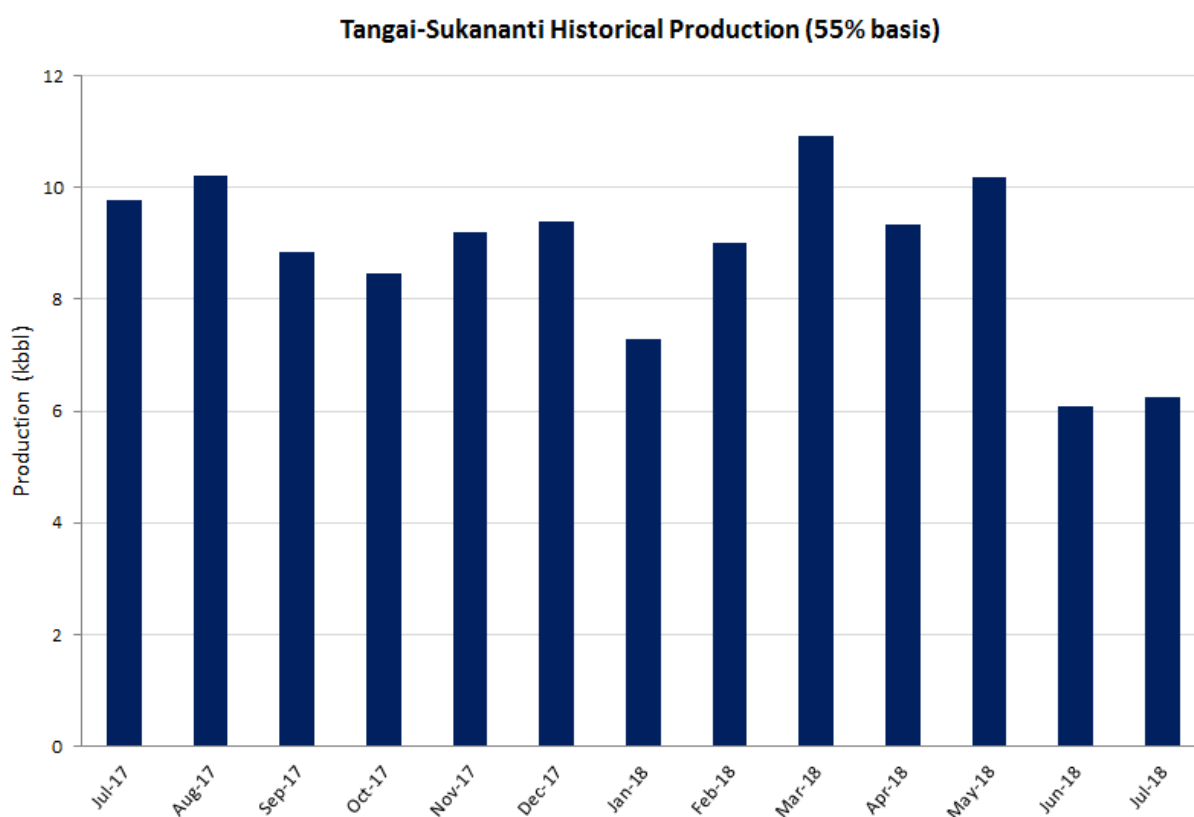
Total production in July was impacted by the underperformance of the Bunian 1 and 3 wells.

The Bunian 1 sucker rod pump which was showing signs of pump wear in June, failed in July. A workover rig was mobilised to location in August to replace the pump and restore production from the well. Bass is still planning to replace the Bunian 1 sucker rod pump with an Electric Submersible Pump (ESP) which is in procurement. The ESP is expected to significantly increase the offtake from this well and increase pump reliability and run life.

Bunian 3 production continues to be impacted by scale formation in the upper section of the wellbore. A wireline unit was mobilised to perform a scale clean out with the well returned to production early in July. The clean out was only partially successful. A Coiled Tubing Unit (CTU) is being mobilised to site in mid August to perform a scale clean out targeting the more persistent scale blockage in the wellbore.

Once the workover rig has completed the pump repair at the Bunian 1 well, the rig will move to the Tangai 1 well to install a sucker rod pump which will increase offtake from this well.

Production in the month of August is likely to be impacted as a result of the remedial work being undertaken at these wells, However, this work is expected to restore production to levels achieved in May 2018.



### **Development Planning:**

Bass continued the detailed planning, procurement and approvals processes for the 2018 drilling program scheduled to commence late in the December quarter 2018. The scope of the program includes the drilling of up to two development wells, at Bunian 5 and Tangai 5.

Bass has submitted formal budget documentation to Indonesia's State-owned oil and natural gas corporation, PT Pertamina, requesting its required approval for the two well drilling program.

It is expected that the drilling of these two proposed development wells will significantly increase the production capacity of the Tangai-Sukananti field as well as increase developed reserves.

Planning work for the upgrade of the Bunian and Tangai production facilities continues. A facility upgrade is required to process the additional oil and fluid production anticipated following the completion of the drilling phase of the work program.

**Business Development:**

Bass continues to evaluate a number of potential onshore Indonesian acquisition targets, particularly those closest to its existing oil production infrastructure, as the Company looks to add additional prospective oil properties to its portfolio during 2018.

**For further information please contact:**

Tino Guglielmo

Managing Director

Bass Oil Limited

Ph: +61 3 9927 3000

Email: [tino.guglielmo@bassoil.com.au](mailto:tino.guglielmo@bassoil.com.au)

### About Bass Oil Limited:

Bass Oil Limited (ASX:BAS) is an ASX-listed exploration and production company featuring low cost onshore 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 31 December, 2017 are assessed to be 1.28 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 0.67 million.

Bass is building towards a substantial onshore Indonesian oil & gas business with a clear focus on executing opportunities in South Sumatra as they present. Bass has a strong and committed shareholder base with Board and management holding in excess of 20% of issued capital.

