

Onshore Indonesian Oil Operations Update – August 2018

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Highlights

- Continuing high monthly average oil price of US\$67.64 realised from sales from the Company's 55%-owned Tangai-Sukananti oil field in onshore Sumatra, Indonesia
- August production volumes totalled 11,156 barrels of oil (JV share) or 6,136 barrels (net to Bass)
- August oil sales volumes totalled 11,093 barrels of oil (JV Share) or 6,101 barrels (net to Bass)
- Production and sales impacted by scale problems at production wells – remediation program was completed early in September 2018. Daily production levels are now expected to return to those achieved in May with a strong full year (31 Dec 2018) of oil production still projected
- Planning advanced for a two well drilling program at Tangai-Sukananti with drilling expected to commence in the December quarter 2018
- Approval received from PT Pertamina during August for Bunian 5 development well budget, allowing the procurement of drilling services and equipment to commence.

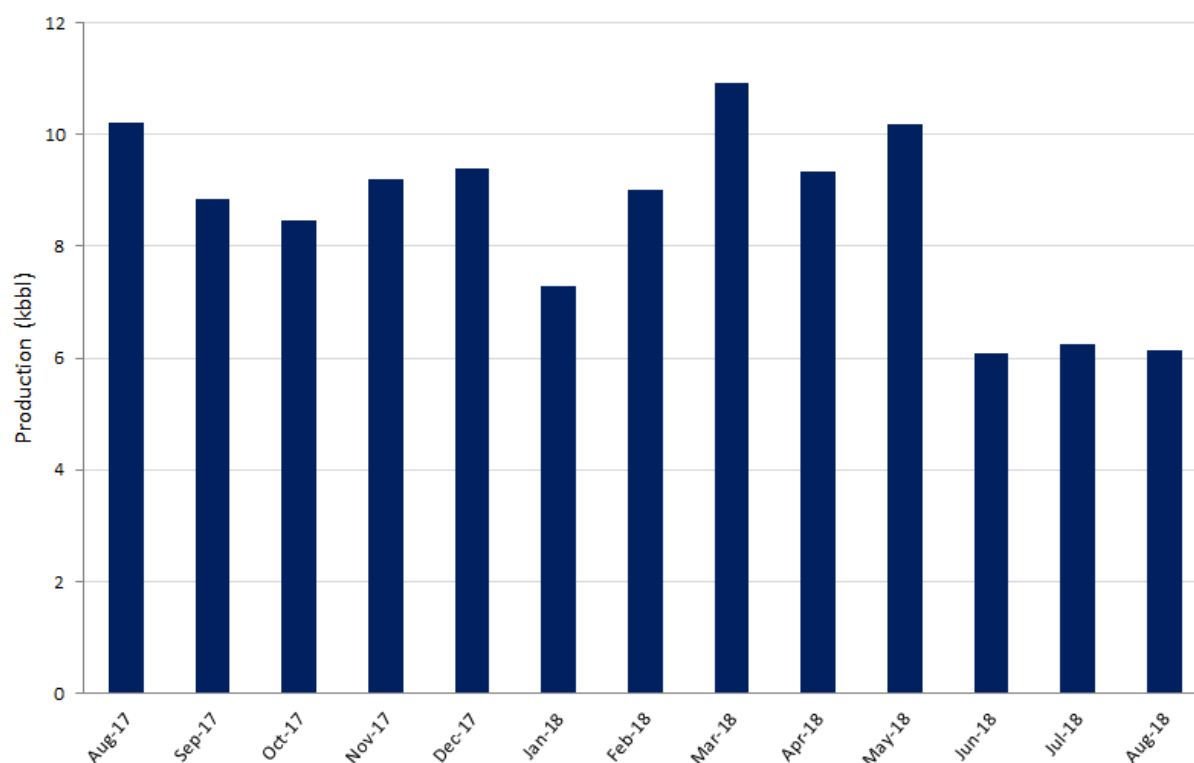
Monthly Production and Sales:

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

Total field production at Tangai-Sukananti for August was 11,156 barrels of oil (JV Share) or 6,136 barrels of oil (net to Bass), a 2% decline on production for July. As previously foreshadowed, production in this month was impacted by the implementation of a scale remediation program that commenced in August and was completed early in September.

August oil sales equalled 11,093 barrels of oil (100% JV Share) or 6,101 barrels (net to Bass). Oil was stable from June at an average realised oil price of US\$67.64 per barrel.

Tangai-Sukananti Historical Production (55% basis)



Production Operations

Total production in August was impacted by the repairs and remediation program of the Bunian 1 and 3 wells and the installation of artificial lift in Tangai 1.

The Bunian 1 sucker rod pump which was showing signs of pump wear, failed in July. A workover rig was mobilised to location in August and completed the replacement of the pump, restoring 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, increase pump reliability and run life.

Once the workover rig completed the pump repair at the Bunian 1 well, the rig relocated to the Tangai 1 well to install a sucker rod pump. The work is now completed and production recommenced.

As previously advised, Bunian 3 production was 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) was mobilised to site in mid August to perform a scale clean out, targeting the more persistent scale blockage in the wellbore. The well was returned to production early in September.

Field production is expected to gradually return to normal levels during September.

Development Planning:

Bass continued the detailed planning, procurement and approvals processes for the 2018 drilling program scheduled to commence 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.

Pertamina has approved the detailed budget for Bunian 5, the first of the two planned development wells, which has allowed procurement of drilling services and equipment to commence.

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 and the first half of 2019.

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About Bass Oil Limited:

Bass Oil Limited (ASX:BAS) (www.bassoil.com.au) 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.

