

2019 Half Year Results

Release Date: 2 September 2019

Bass Oil (ASX:BAS) is an Australian-listed Indonesian oil producer with a 55% Operator interest in the Tangai-Sukananti licence in the prolific South Sumatra Basin. Bass has a three-tiered value creation strategy focussed on acquisitions, high-impact exploration, and optimisation of mature oilfields. Bass is committed to creating and maximizing value, leveraging its competitive strengths; its team, operating capability, reputation, and relationships in Indonesia. Bass is set to drill its first development well in 2019 aiming to double production from current levels.

HIGHLIGHTS

(All amounts are in United States dollars)

- **31.2% increase in production to 69,370 barrels (1H CY18 53,000 barrels) from production optimisation and scale remediation activities**
- **26% increase in 1H CY19 sales revenue to \$2.09 million (1H CY18 \$1.66 million) on higher production and prices**
- **\$0.62 million improvement in EBITDA to \$0.36 million (1H CY18 -\$0.26 million), demonstrating cash generation potential of the business**
- **Cash position \$0.77 million as at 30 June 2019**
- **\$515,000 improvement in NPAT to -\$38,844 (1H CY18 -\$554,050)**
- **As of 31 July 2019 Bass debt free after making final deferred payment for Tangai-Sukananti KSO**
- **2019 drilling program to commence shortly with the drilling of the Bunian 5 development well**
- **High impact business development opportunities under advanced evaluation**

Bass Oil Managing Director, Mr Tino Guglielmo:

"Bass is pleased to provide the 2019 half year report to shareholders which clearly demonstrate an improvement in the business across almost every metric. This confirms Bass' view that Indonesia is indeed a rewarding region in which to do business."

"We are focussed on growing the business in Indonesia as we prepare for our upcoming drilling program and delivering on our business development strategy. It is an exciting and busy time for the company. The team has identified and is targeting the acquisition of some exciting growth opportunities in the prolific oil and gas basins of Indonesia and is looking to double production by drilling the Bunian 5 development well in October this year" Mr Guglielmo added.

Comparative Performance:

Key Performance Metrics	1H CY19	1H CY18	Change
Net Production (,000 bbls)	69.37	52.87	31.2%
Net Oil Sales (,000 bbls)	68.75	53.61	28.2%
Net Entitlement Oil (,000 bbls)	34.45	25.26	36.4%
Sales Revenue (\$ million)	2.09	1.66	26.0%
Cash (\$ million)	0.77	0.85	-10.1%
EBITDA (\$,000)	364	-257	241.6%
NPAT (\$,000)	-39	-554	93.0%

Total field production for the June half year remains strong, with recorded average production in July in excess of 750 bopd JV share. Half year production averaged 691 bopd up from 527 bopd JV share for the previous half year. This is a result of the production optimisation and scale remediation works undertaken throughout the past year.

Bass produced 69,370 barrels of oil (55% basis) this half year, up 31.2% from the previous half year. Half yearly oil sales were 68,750 barrels of oil net to Bass up 28.2%. The net entitlement oil to Bass was 34,450 barrels for the June quarter after DMO, again up 36.4%.

The Company realised a 26% increase in sales revenue, primarily on the back of increased production. The improved production performance was a key driver to the uplift in EBITDA and NPAT performance.

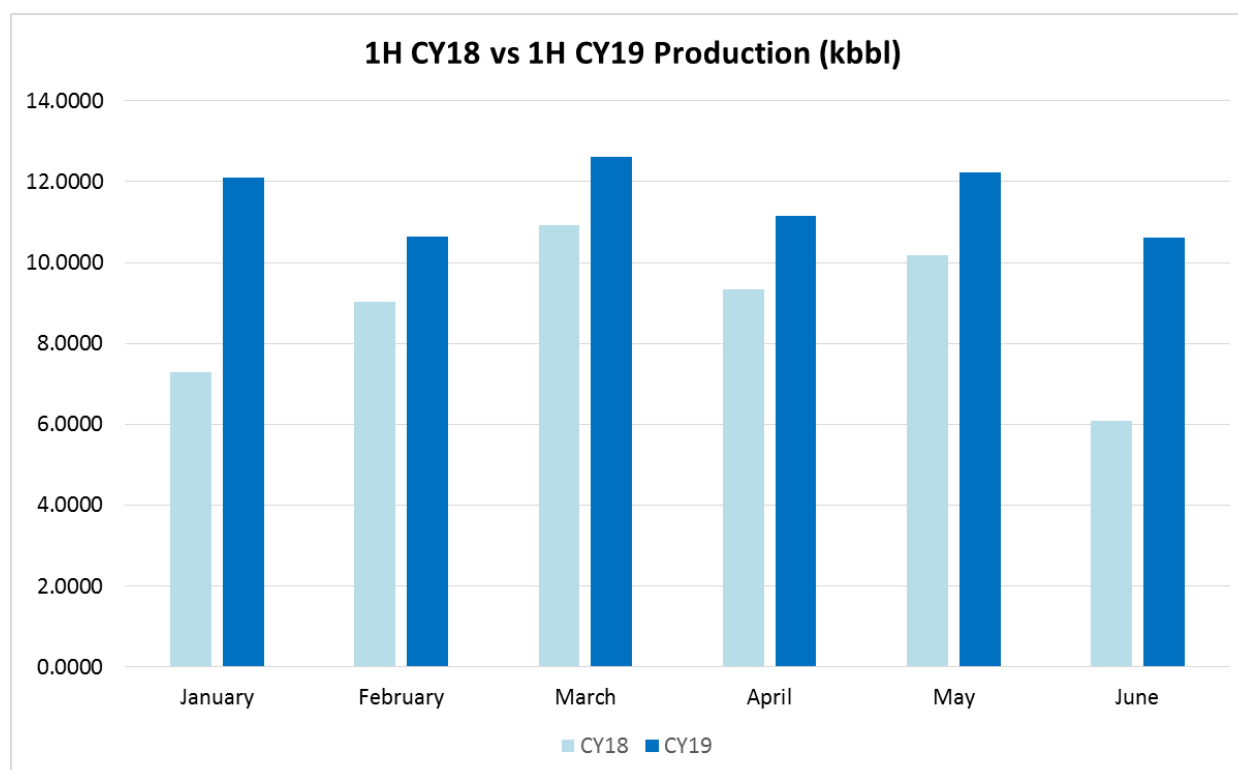


Figure 1: Tangai-Sukananti Historical Production (55% basis)

Corporate:

Cash Position

As at 30 June 2019, Bass cash reserves were \$0.77m. Overall the cash position decreased 10.1% in the June half year due mainly to the Company making the third deferred settlement payment of \$370,000 to Cooper Energy in April 2019.

After 30 June Bass made the final Cooper Energy deferred settlement payment of \$539,000 on 31 July 2019. Bass is now debt free and owns the Tangai-Sukananti asset unencumbered.

Capital Raising

On 5 July 2019, the Company announced that it has successfully arranged a A\$0.15m private placement to sophisticated and professional investors through the issue of New Shares at \$0.002 (0.2 cents) per share. The Placement includes a 1 for 2 free attaching option exercisable at \$0.004 on or before 30 July 2021.

In parallel, the Company also announced a A\$2.7 million pro rata non-renounceable entitlement offer of new shares on a 1 for 2 basis, at an issue price of \$0.002 (0.2 cents) per share. The Rights Issue also includes a 1 for 2 free attaching option exercisable at \$0.004 on or before 30 July 2021. The offer closed on 25 July 2019 raising A\$480,000.

The Company is now in the process of placing some, or all, of the shortfall.

Development Planning:

Bass has received tenders for the provision of 750 horsepower capacity drilling rig for the drilling of the Bunian 5 well. The team in Jakarta is negotiating and finalising contract terms and conditions with the preferred tenderer. The aim is to drill the Bunian 5 as soon as the rig is available which is now likely to be October.

Bunian 5 is expected to double production from the field from around 700 bopd to 1,400 bopd, taking up the remaining available production capacity of the field facilities as well as increasing developed reserves.

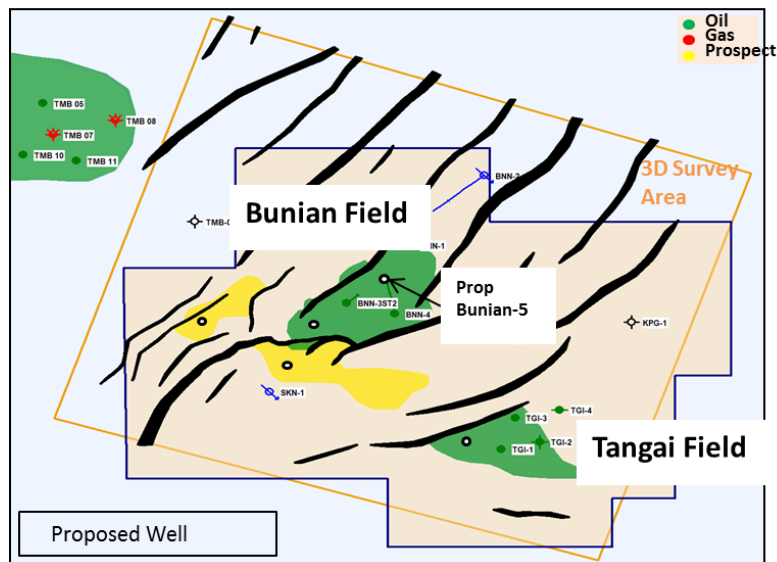


Figure 3: Tangai-Sukananti KSO Producing Oil Fields and Prospects

Business Development:

Bass continues to evaluate and negotiate on a number of onshore and offshore Indonesian opportunities, as the Company looks to add additional prospective oil properties to its portfolio during 2019.

The very active business development program has a three-tiered strategy designed to create and maximise value through:

1. company transforming acquisitions,
2. material growth exploration opportunities, and
3. optimisation of existing mature fields through the application of proven technologies.

Within Indonesia, there are a number of very high impact oil and gas projects that fall into each of these categories that Bass is in an excellent position to be able to acquire. Bass expects that a combination of these business development opportunities would firmly place the Company in the mid-tier/junior ASX listed oil and gas producer sector, i.e. 2,000-5,000 boepd.

After several years of successful proven Indonesian operatorship, Bass is highly regarded in-country and has formed deep and strong relationships with local operators and is well known by the Indonesian upstream oil and gas regulator. All of these factors place Bass in an ideal position to successfully execute on this strategy and the Company looks forward to updating the market on these developments at the appropriate time in the future.

For further information please contact:

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Glossary	
BOPD	Barrels of oil per day
BOEPD	Barrels of oil equivalent per day
,000 bbls	Thousands of barrels of oil
mmbbl	Millions of barrels of oil
JV	Joint Venture
TS	Tangai-Sukananti KSO
KSO	'kerja sama operasi' (Indonesian) – meaning an operation cooperation contract
Yr	Year
Yr on Yr	Year on Year
US\$ million	Millions of United States of America dollars

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 July 2019, the Tangai-Sukananti KSO was producing on average 750 bopd from 4 wells (JV share).

Bass reports Net Entitlement 2P Oil Reserves of 0.602 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 16% of issued capital.

