

Bass Oil drilling Bunian-5 for major production boost

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Highlights

- **PDSI Rig 20/Emsco D2 moving to Bunian-5 with the well planned to spud late September - taking approximately 30 days to drill, complete and bring into production**
- **Bunian-5 is a development well, attracting a high probability of success**
- **Bunian-5 is expected to double field production up to 1400 bopd, increase developed recoverable reserves in the primary reservoir and accelerate drainage of the Bunian Field**
- **Bunian-5 also to test the potential of two secondary reservoir levels that have tested oil at other Bunian wells**
- **Potential increased production at low operating costs to further enhance positive cashflows, underpinning the Company going forward**
- **The well is further de-risked as the drilling expenditure will be fully cost recoverable against existing production under the terms of the KSO**

Australia's Bass Oil Limited (ASX: BAS) is pleased to announce that the PDSI Rig 20/Emsco D2 is mobilizing to the Bunian-5 site and will commence drilling activities shortly. Given Bunian-5 is a development well, the Company is confident in its success. This well is expected to double the production at the Company's producing Tangai-Sukananti KSO, located in onshore Sumatra, Indonesia.

Optimal drilling locations, including Bunian-5, have been identified as part of the outcome of the integrated field studies in the KSO. Bass commissioned the studies following the acquisition of its 55% stake in the license, which includes the current producing Bunian and Tangai Oil Fields.

Background

The Tangai-Sukananti KSO is located in the mature oil and gas producing South Sumatra Basin and includes the Bunian and Tangai Oil Fields which lie along an extensive trend of large oil fields north-west and south-east of the KSO.

Bass engaged UNPAD in Indonesia, an independent petroleum geoscience and engineering consultancy associated with the Padjadjaran University, to conduct a Plan Of Field Development (POFD) being a major, multi-disciplinary, integrated study over the entire Tangai-Sukananti KSO. This project was complemented by internal geological and geophysical resources. The outcome of the study informed a full re-assessment of the Oil in Place, Reserve and Resource Potential of the asset, to optimize drilling locations and field development.

Summary of Results

The Bunian Field was discovered in 1998. Bunian-1 and Bunian-3ST2 are currently in production (figure 1). The entire KSO area is fully defined by the 2011 Sukananti 3D seismic survey data, which was comprehensively reprocessed in 2014 to a very high quality.

The Bunian Field is a SW-NE trending anticline bounded by faults to the south, west and east. The elongated structure has two structural crests mapped at the primary objective TRM3SS reservoir level (figure 1). Bunian-5 will test one of these crests and confirm the oil potential of the northern half of the Bunian Field. The Bunian Field contains oil at 3 reservoir levels (figure 2). Bunian-5 will target the primary TRM3SS and secondary GRM and K reservoir levels, which have produced or tested oil at Bunian-1 (TRM3SS), Bunian-3ST2 (TRM3SS and K) and Bunian-4 (TRM3SS and GRM) wells (figure 1, 2).

For the combined reservoirs, the Bunian field has total best-estimate remaining recoverable reserves of 2.09 million barrels of oil JV share (0.602 million barrels oil net entitlement reserves to Bass). Bunian-5 is modelled to access 0.546 million barrels of undeveloped recoverable oil JV share at the primary TRM3SS reservoir level.

Bunian-5 will be drilled from the surface location of the Bunian-4 deviated well. Initial production from the primary objective TRM3SS is estimated to be 750 barrels oil per day. A successful Bunian-5 will accelerate drainage of the oil field within the KSO contract term of July, 2025.

Bunian-5 has been approved by the Indonesian regulator and is shortly to spud. It is estimated to take 30 days to reach total depth of approximately 1700 metres and in the success case, will be completed and brought into production immediately. The drilling expenditure will be fully cost recoverable against existing production under the terms of the KSO. Joint Venture participants in the KSO are Bass Oil Ltd, Operator 55% and Mega Adhyaksa Pratama Sukananto Ltd (MAPS) 45%.

Further targets of future drilling shown on Figure 1. In addition to the existing fields, Bass has successfully defined two exploration prospects being Sukananti Updip and Bunian West. Both prospects target oil potential at multiple reservoir levels which contain the oil in the existing Bunian and Tangai Fields.

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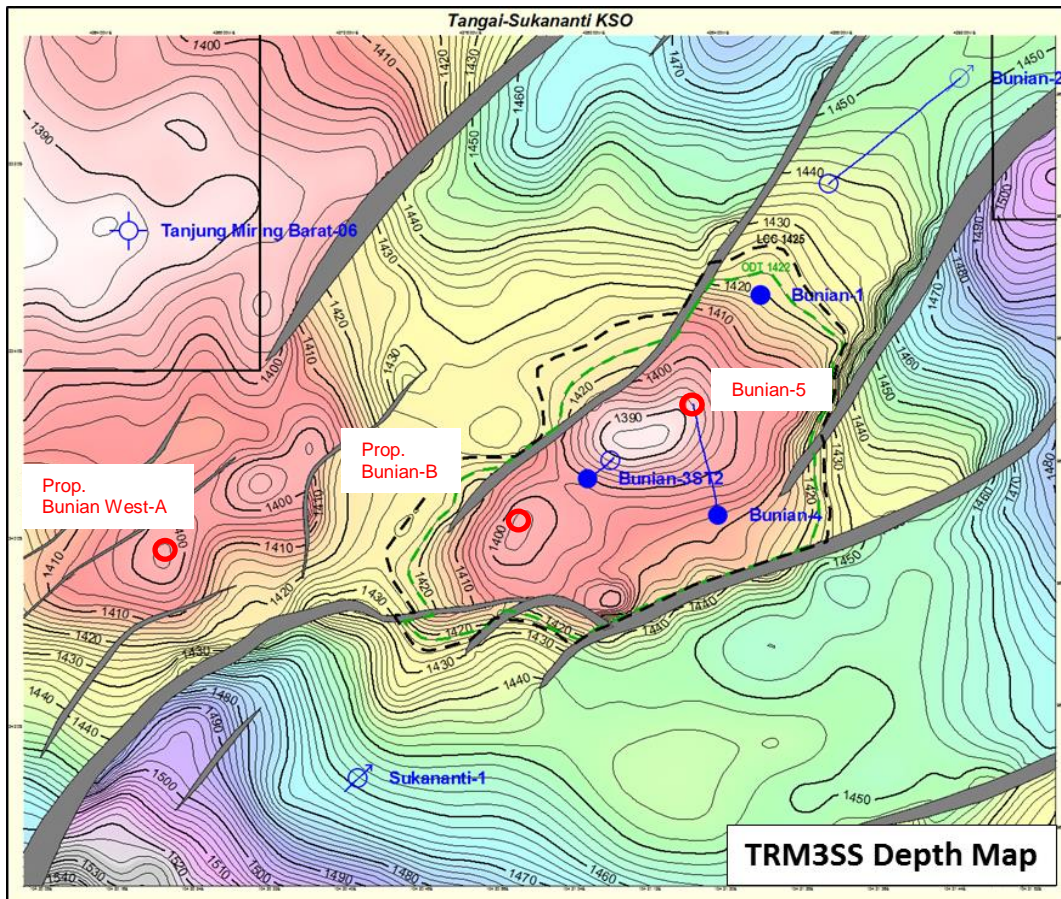


Figure 1: Depth Map at primary objective TRM3SS level showing proposed and current wells.

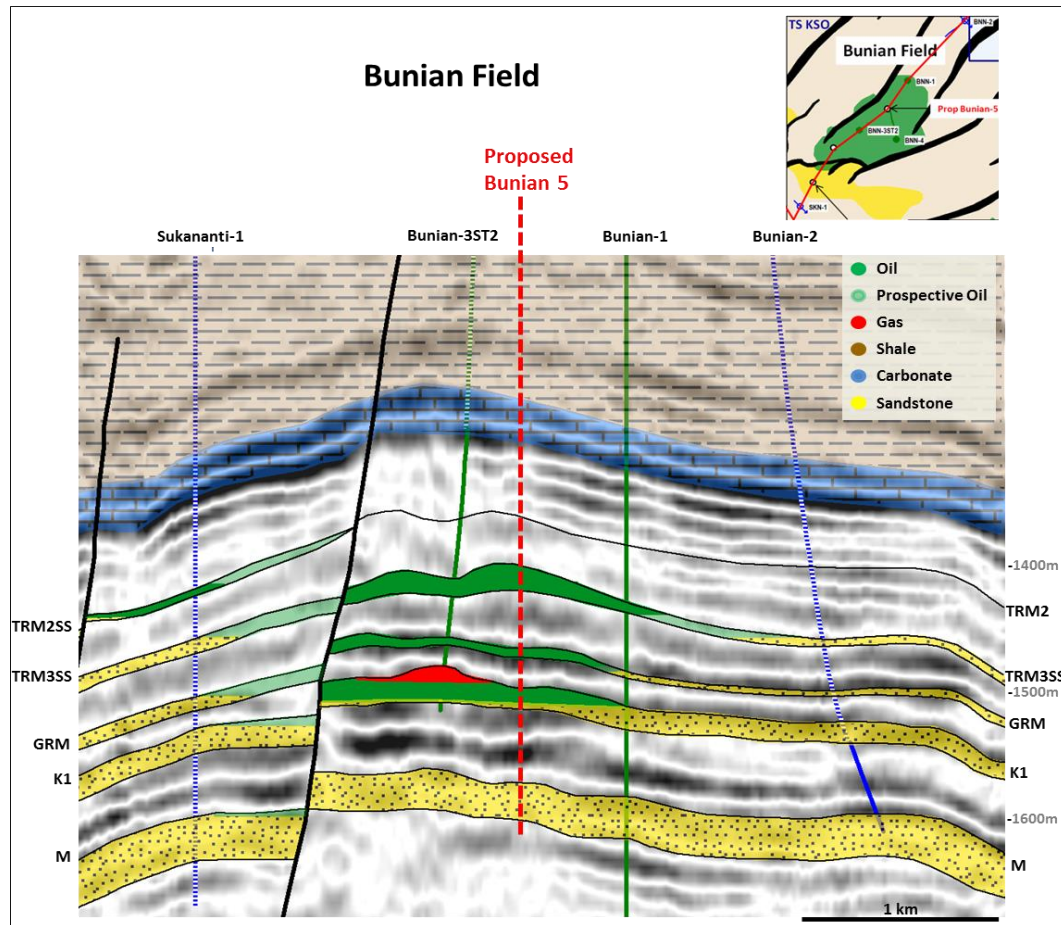


Figure 2: Schematic geological cross section showing the proposed Bunian-5 well location

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.

