

28 October 2019

Quarterly report for the period ending 30 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

- Net oil production for September quarter totalled 36,183 barrels and ~715 bopd gross daily production.
 - Bunian-5 development well commenced drilling during the quarter and subsequently reached a Total Depth of 1662 metres KB, having intersected 5 metres of oil pay at the two primary targets (the TRM3 and K1 sandstones), with hydrocarbon indications in two secondary targets.
 - Bunian-5 well to be brought online as soon as possible after the rig has moved off site, with the potential to double field production.
 - Cash position at 30 September 2019 was US\$0.27 million – and having just completed the placing of the Rights Issue Shortfall (a further US\$0.57 million or A\$0.84m), the current cash position of BAS is US\$0.65m (A\$0.96m). The company welcomes new institutional and professional investors to its register.
 - With current cash position of US\$0.65m, BAS is well capitalised to continue its operations and business development, especially in light of the recently successful Bunian-5 well.
 - Net oil sales for September quarter totalled 36,730 barrels.¹
 - Oil price received averaged US\$59.33 for the quarter.
 - High impact business development opportunities under advanced evaluation.
-

Bass Oil Managing Director, Mr Tino Guglielmo:

“Bass is focussed on growing the business in Indonesia. We have now drilled the Bunian 5 development well which is shortly to commence production. The results of the well gives us confidence that we can double production from this property. The team has also been focussed on delivering on our business development strategy. It is an exciting and busy time for the company. Bass is targeting the acquisition of some exciting growth opportunities in the prolific oil and gas basins of Indonesia.”

Comparative Performance:

Key Performance Metrics	Sep Qtr Q3 FY19	Jun Qtr Q2 FY19	Qtr on Qtr Change	Sep Qtr Q3 FY18	Yr on yr Change
Net Production (mbbl)	36.18	34.02	6.3%	21.77	66.2%
Net Oil Sales ¹ (mbbl)	36.73	33.58	9.4%	21.03	74.7%
Net Entitlement to Bass (mbbl)	22.26	14.83	50.1%	10.79	106.3%
Cash (US\$M)	0.27	0.77	-64.9%	0.73	-63.0%
Average Realised Oil Price	59.33	65.39	-9.3%	70.28	-15.6%

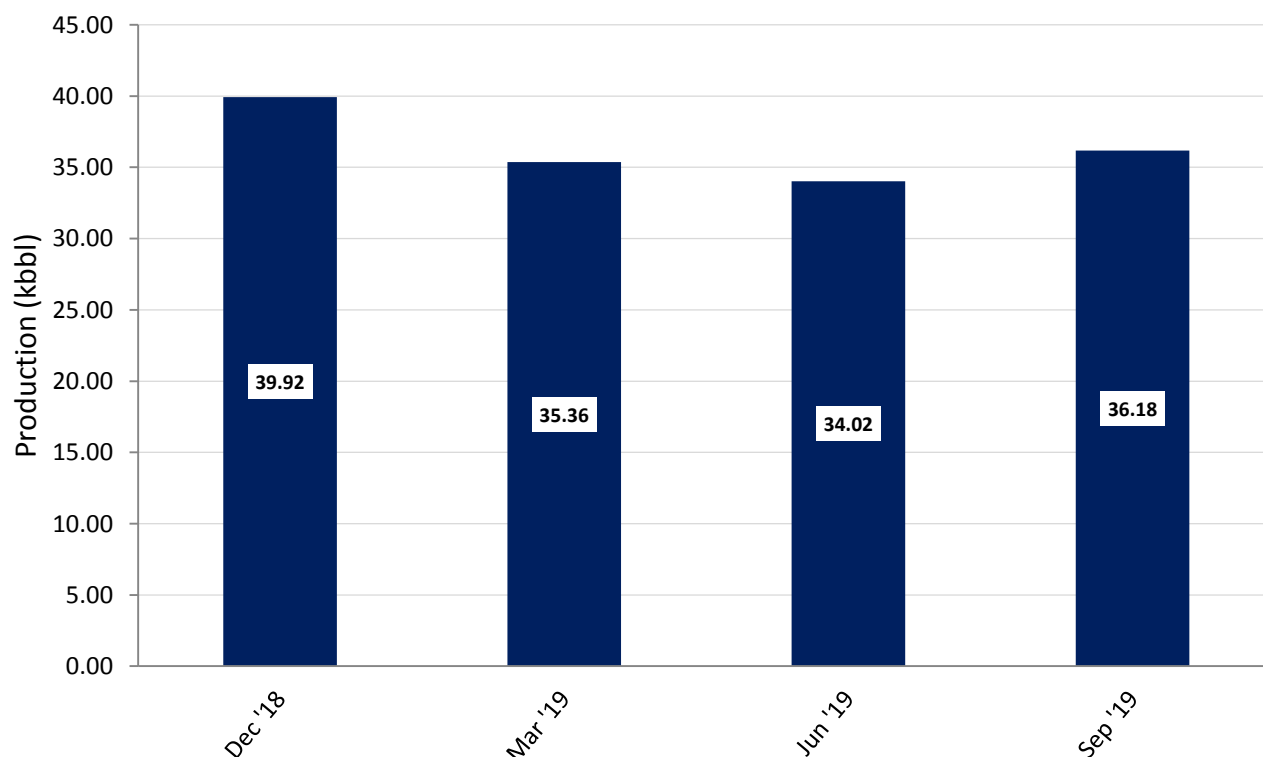
Note 1: Net Sales are reported at 55% of Gross Oil Sales for consistency and excludes the deduction of Domestic Market Obligation (DMO)

Field Performance:

Total field production for the September Quarter averaged 715 bopd and has remained relatively steady since.

Bass produced 36,183 barrels of oil (55% basis) this quarter, up 6.3% from the previous quarter. Quarterly oil sales were 36,730 barrels of oil net to Bass up 9.4%. The net entitlement oil to Bass was 22,261 barrels of oil for the September quarter after DMO. The Company realised a 9.3% decrease in the average oil price for the September quarter to US\$59.33.

Tangai-Sukananti Quarterly Production (net to Bass)



Development Drilling:

The Bunian 5 development well has reached total depth at 1,662m KB, having intersected the two primary reservoirs, the TRM3 and K sandstones. Both reservoirs were intersected at the same or slightly higher levels than at Bunian 3 ST2, the most prolific well in the field.

Both zones have exhibited 5 metres of net oil pay. Furthermore, oil and gas shows were recorded whilst drilling through secondary targets, the TRM 0 and GRM sandstones. The significance of these will be evaluated further based on the results of the wireline logging and sampling which was successfully run after completion of the drilling operations. The rig has now cased and completed the well for production and is moving off site.

Field Description:

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 has tested one of these crests and has confirmed the oil potential of the northern half of the Bunian Field. The Bunian Field contains oil at 3 reservoir levels (figure 2). Bunian-5 targeted the primary TRM3SS and secondary GRM and K reservoir levels, which 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 modeled to come online at 750 barrels of oil per day, doubling production from the field, and to cumulatively produce 0.546 million barrels of undeveloped recoverable oil JV share at the primary TRM3 reservoir level. The well results are consistent with this pre-drill expectation.

Bunian-5 was a vertical well being drilled from the surface location of the Bunian-4 deviated well. The well has taken 23 days to drill and complete reaching a total depth of approximately 1,662 meters. Given this success case, Bunian-5 will be completed and brought into production as soon as possible after the rig has moved off site. 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, Operator 55% and Mega Adhyaksa Pratama Sukananti Ltd (MAPS) 45%.

Corporate:

Cash Position

As at 30 September 2019, Bass cash reserves were US\$0.27m. Overall the cash position decreased 23.8% in the September quarter due mainly to the Company making the final deferred settlement payment of US\$0.53m to Cooper Energy in July 2019. BAS is now debt free and its assets are unencumbered.

As at the date of this report the cash position is US\$0.65m or A\$0.96m.

Capital Raising

On 5 July 2019, the Company announced that it had 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 included a 1 for 2 free attaching option exercisable at \$0.004 on or before 30 July 2021. In parallel, the Company also announced that it was undertaking a Rights Issue for all eligible shareholders to participate in the capital raising on the same terms as the Placement. The Rights Issue closed on 25 July 2019 and raised A\$0.48m.

In the intervening period the Company has partly filled the shortfall and in October raised a further US\$0.57 million (A\$0.84m). The shortfall shares were issued on the same terms as the Rights Issue and the shortfall has now closed.

The placing of this additional shortfall capital now means the Company is well capitalised to continue on with its growth and business development plans.

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 pick up. Bass expects that a combination of these business development opportunities will 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:

Tino Guglielmo
Managing Director
Bass Oil Limited
Ph: +61 3 9927 3000
Email: tino.guglielmo@bassoil.com.au

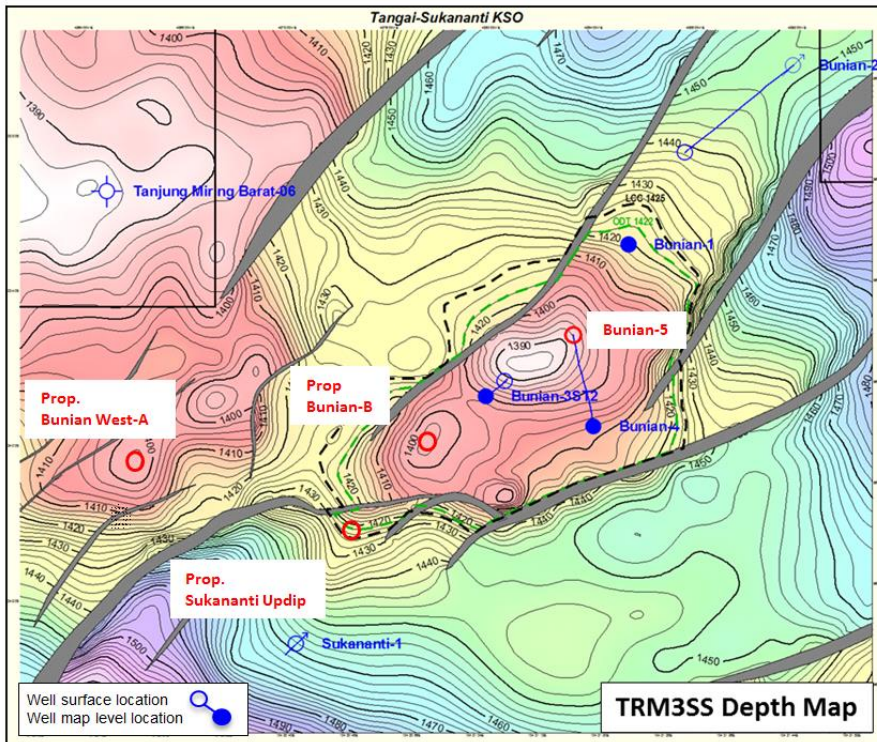


Figure 1: Depth Map at primary objective TRM3SS level showing proposed and current wells. Green dashed line Oil Down To (1,422m SS); black dashed line is Lowest Closing Contour (1,425m SS)

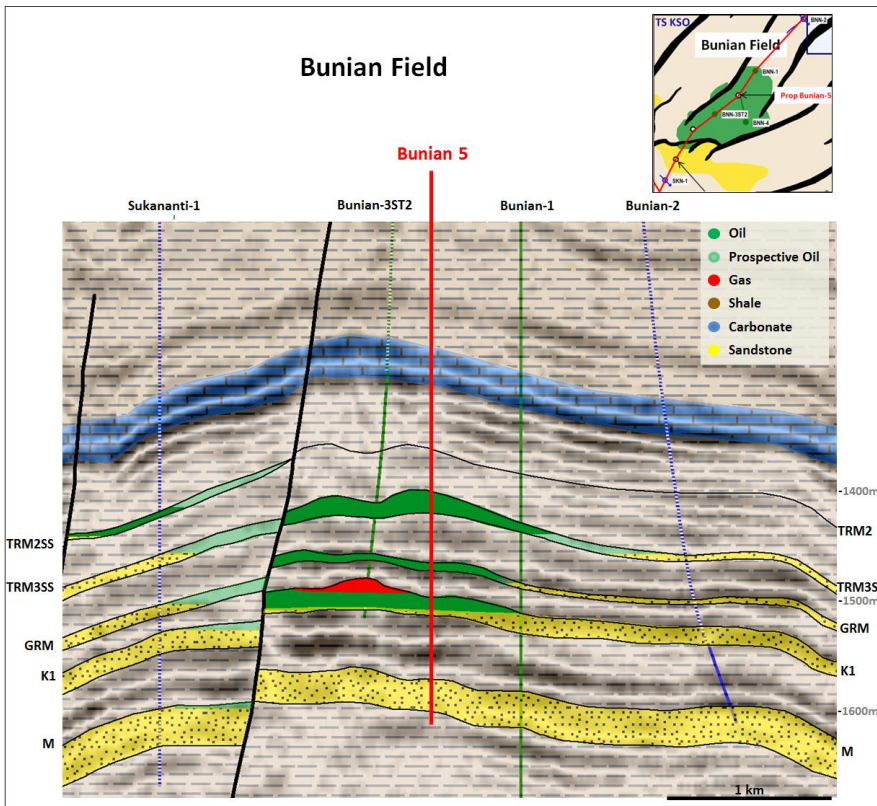


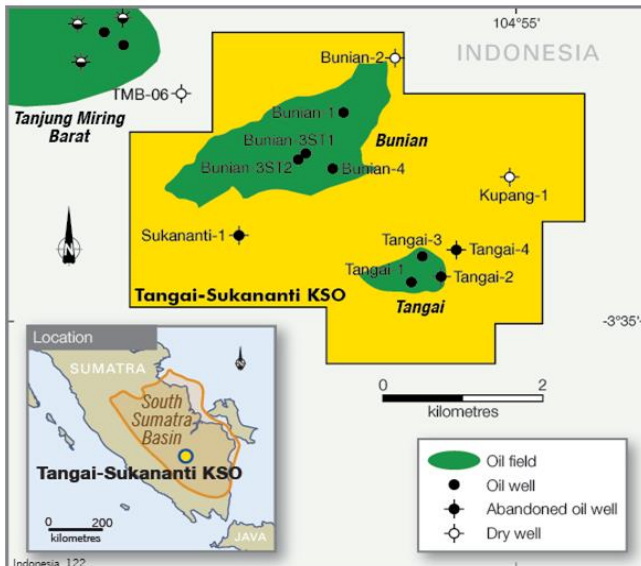
Figure 2: Schematic geological cross section showing the proposed Bunian-5 well location

Glossary	
BOPD	Barrels of oil per day
BOEPD	Barrels of oil equivalent per day
mbbl	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
Qtr	Quarter
Qtr on Qtr	Quarter on Quarter
Yr	Year
Yr on Yr	Year on Year
US\$m	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 September 2019, the Tangai-Sukananti KSO was producing on average 671 bopd from 4 wells (100% 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.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

BASS OIL LIMITED

ABN

13 008 694 817

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Quarter Ending 30 Sep 19 \$USD'000	Year to 30 Sep (9 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,112	3,511
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production	(828)	(1,980)
(d) staff costs		
(e) administration and corporate costs	(270)	(900)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(24)	(40)
1.6 Income taxes paid	(277)	(485)
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(287)	106

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(92)	(153)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Quarter Ending 30 Sep 19 \$USD'000	Year to 30 Sep (9 months) \$USD'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(92)	(153)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	412	412
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(531)	(884)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (principle elements of lease payments)	(-)	(65)
3.10	Net cash from / (used in) financing activities	(119)	(537)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	768	854
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(287)	106
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(92)	(153)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(119)	(537)

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Quarter Ending 30 Sep 19 \$USD'000	Year to 30 Sep (9 months) \$USD'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	270	270

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	270	768
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	270	768

6.	Payments to directors of the entity and their associates	Current quarter \$USD'000
6.1	Aggregate amount of payments to these parties included in item 1.2	77
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

--

7.	Payments to related entities of the entity and their associates	Current quarter \$USD'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

--

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
8.1 Loan facilities	-	
8.2 Credit standby arrangements	-	
8.3 Other (please specify)	-	
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

9. Estimated cash outflows for next quarter	\$USD'000
9.1 Exploration and evaluation	600
9.2 Development	-
9.3 Production	700
9.4 Staff costs	-
9.5 Administration and corporate costs	200
9.6 Other – Income Tax payments of Deferred Tax to Indonesia Tax office	100
9.7 Total estimated cash outflows	1,600

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director)

Date: 28 October 2019

Print name: PETER MULLINS

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.