

Tangai-Sukananti KSO

Reserves and Contingent Resources - Year ending 31 December 2019

Bass Oil Limited (ASX:BAS) announces its reserves and resources assessment as at 31 December 2019.

Bass Oil is the Operator and holds a 55% share of the Tangai-Sukananti KSO that contains the Bunian and Tangai producing oil Fields.

- **1P (Proved) Net Entitlement Reserves of 0.483 mmbbls compared with 0.505 mmbbls at 31 December 2018 – a 4% decrease**
- **2P (Proved plus Probable) Net Entitlement Reserves of 0.567 mmbbls compared with 0.602 mmbbls at 31 December 2018 – a 6 % decrease**
- **Strong performance from existing wells and the Bunian 5 drilling result has added additional oil reserves that partially offset 2019 production**
- **Bunian-5 proves up reserves from the K reservoir, which has been included in the reserves base for the first time and is expected to become a significant contributor to production**

Comments from the Managing Director, Tino Guglielmo

“This year saw the successful drilling and completion in November of Bunian-5 as a producer. The results from Bunian-5 have also encouraged Bass to include additional reserves in the K reservoir for the first time. Additionally, we have seen record production in 2019 from a strong performance of the existing wells, particularly Bunian-3 and the production from the new Bunian 5 well. These factors have contributed to partially offset the reserves reduction due to 2019 production. The drilling of Bunian 5 as well as the performance of existing wells has given Bass increased confidence in the reserves and the value assigned to the asset moving into the next period of development drilling in 2020/21 and beyond”.

<i>Resources & Reserves as at 31 December, 2019</i>		
100% Field Reserves (MMbbl)		
Category	Proved - 1P	Proved & Probable - 2P
Developed & Undeveloped	1.725	2.191
BAS Net Entitlement Reserves (MMbbl)		
Category	Proved - 1P	Proved & Probable - 2P
Developed & Undeveloped	0.483	0.567
100% Field Contingent Resources (MMbbl)		
Category	1C	2C
Total	0.189	0.426

Reserves

The total 100% Field 2P Reserves in Bass Oil's Tangai-Sukananti KSO at 31 December 2019 are assessed to be 2.191 million barrels of oil. This reflects the proved and probable reserves for the Bunian and Tangai oil Fields (figure 1). In accordance with ASX reporting requirements for fiscal environments that use production sharing contracts or similar, Bass reports Net Entitlement 2P Reserves of 0.567 million barrels. Net Entitlement Reserves are the share of cost oil and profit oil that Bass is entitled to receive under the KSO signed with the Indonesian government body, PT Pertamina. The Net Entitlement Reserves formula varies with the fiscal environment, cost recovery status and oil price.

Contingent Resources

The total 100% Field 2C Contingent Resources for the Tangai-Sukananti KSO at 31 December, 2019 are assessed to be 0.426 million barrels of oil. The Field Contingent Resources comprise volumes attributed to currently producing or future planned wells in the Bunian and Tangai oil fields post licence expiry in July, 2025. This presents a future development opportunity to increase reserves.

Year-On-Year Movements in Reserves and Contingent Resources (net of Production)

Resources & Reserves as at 31 December, 2019		
100% Field Reserves (MMbbl)		
Category	Proved 1P	Proved & Probable 2P
100% Field Reserves at 31 Dec 2018	1.777	2.019
CY 2019 Production	(0.275)	(0.275)
Revisions	0.223	0.447
100% Field Reserves at 31 Dec 2019	1.725	2.191
BAS Net Entitlement Reserves (MMbbl)		
Category	Proved 1P	Proved & Probable 2P
Net Entitlement Reserves at 31 Dec 2018	0.505	0.602
CY 2019 Production	(0.083)	(0.083)
Revisions	0.061	0.048
Net Entitlement Reserves at 31 Dec 2019	0.483	0.567
100% Field Contingent Resources (MMbbl)		
Category	1C	2C
100% Field Contingent Resources - 31 Dec 2018	0.552	0.882
Revisions	(0.363)	(0.456)
100% Field Contingent Resources - 31 Dec 2019	0.189	0.426

Whilst the gross field reserves remained relatively constant or went up slightly, the year-on-year movements in the Net Entitlement Reserves reflect a slight decrease in both the 1P and 2P reserves for the Bunian and Tangai fields under the fiscal terms of the KSO. Overall the field reserves were revised upwards offsetting oil produced from these fields during 2019. These upward revisions are primarily due to Bunian-5 being successfully drilled and coming on-line in November, 2019. The outcomes at Bunian-5 endorsed the inclusion of reserves for the K reservoir at the Bunian Field. Additionally, there was an improved performance of all existing wells, particularly Bunian-3. This led to a year of record production. The geological results from Bunian-5 are currently being incorporated into the 2018 field models to yield updated oil volumetrics, field reserves, well production forecasts and future drilling locations.

As the contingent resources comprise the volumes of oil left behind in currently producing or future planned wells in the Bunian and Tangai oil fields post licence expiry in July, 2025, the movements in contingent resources will echo movements in reserves. The reduction in the 1C contingent resources is due to the inclusion of additional development wells in the 1P reserves development scenario with respect to last year. This means less oil is forecast to be left behind.

Notes on Calculation of Reserves and Resources:

Bunian-5 was successfully drilled and came on line in November, 2019. Pending the revision of the Static and Dynamic Field Models with the geological results of Bunian-5, the reserves and contingent resources have been updated by accounting for the year's production and using revised forecasts for the existing and planned development wells utilising the decline curve analysis method.

The Bunian Field currently has one producing reservoir (TRM3 sandstone) but following the encouraging results at Bunian-5, the K reservoir is expected to become a significant contributor to production. The Tangai Field has one producing reservoir (the M sandstone).

All reserves and resources are estimated by deterministic estimation methodologies consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS).

Under the SPE PRMS guidelines, "Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions". Net Entitlement Reserves are the reserves that Bass has a net economic entitlement to. That is, a share of cost oil and profit oil that Bass is entitled to receive under the KSO signed with the Indonesian government body, PT Pertamina

Contingent Resources are "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies".

Qualified Petroleum Reserves and Resources Evaluator Statement:

The information contained in this report regarding the Bass Oil Limited reserves and contingent resources is based on and fairly represents information and supporting documentation reviewed by Mr Giustino Guglielmo who is an employee of Bass Oil Limited and holds a Bachelor of Engineering (Mech). He is a member of the Society of Petroleum Engineers (SPE) and a Fellow of the Institution of Engineers Australia (FIEAust) and as such is qualified in accordance with ASX listing rule 5.4.1 and has consented to the inclusion of this information in the form and context in which it appears.

For further information please contact:
Giustino Guglielmo
Managing Director, Bass Oil Ltd
Ph: +61 3 9927 3000
Email: тино.guglielmo@bassoil.com.au

About Bass Oil Limited:

Bass Oil Limited (ASX:BAS) is an ASX-listed exploration and production company featuring low cost 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. Bass intends to build a substantial oil & gas business with a clear focus on executing opportunities in the South-East Asia region. Bass has a strong and committed shareholder base with Board and management holding in excess of 20% of issued capital.

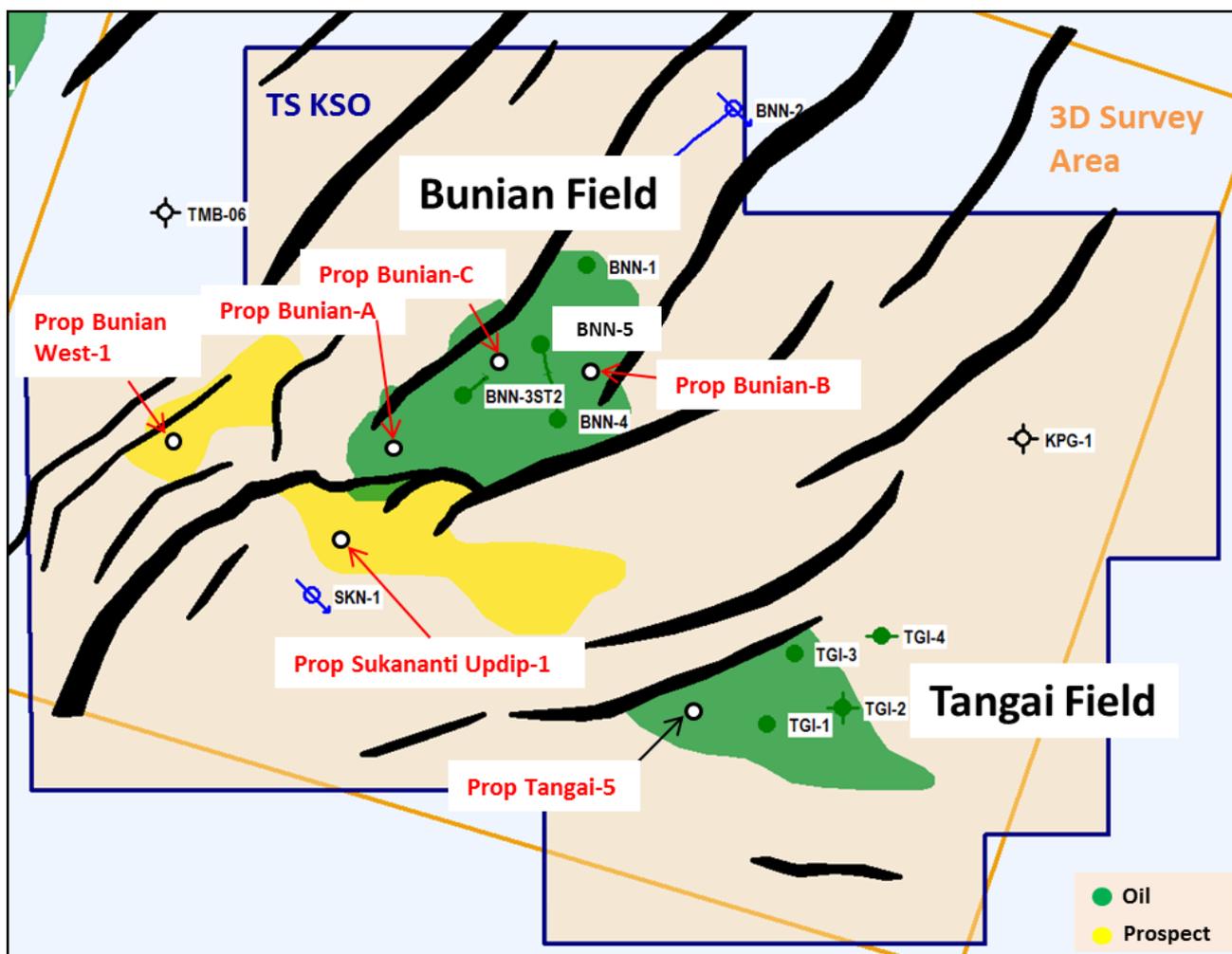


Figure 1 Tangai Sukananti KSO Location Map