BASS OIL
LIMITED

HALF-YEAR FINANCIAL REPORT

30 June 2020

CORPORATE DIRECTORY

ABN: 13 008 694 817

Directors

Peter F Mullins, Chairman
Giustino Guglielmo
Hector M Gordon
Mark L Lindh

Managing Director

Giustino Guglielmo

Company Secretary

Robyn M Hamilton

Registered Office and Principal Administration Office

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Auditors

Grant Thornton Australia Ltd
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Tower 5/727 Collins Street
Melbourne, Victoria, 3008, Australia

Share Registry

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Stock Exchange Listing

Australian Stock Exchange Ltd
525 Collins Street
Melbourne, Victoria, 3000, Australia

ASX Codes: BAS – Ordinary Shares

Web Site: www.bassoil.com.au

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Forward Looking Statements

This Half Year Financial Report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Group or not currently considered material by the Group.

MANAGING DIRECTOR'S REPORT

During the first half of 2020, the global economy entered a period of significant turmoil and uncertainty driven by the impact of the spread of COVID-19 global pandemic. Oil prices dropped to below US$20 per barrel.

In response the Company implemented and number of measures to protect the health and safety of its Indonesian and Australian employees, its operations and safeguard its financial position.

- Corporate overheads and personnel costs were significantly reduced including a 50% cut in Directors fees and salaries
- All discretionary expenditures were deferred
- All other overheads have been reviewed and reduced to the fullest practical extent
- The Company qualified for and received Government assistance through the Cashflow Boost and Job Keeper program

I am pleased to report that oil production from the fields in the Company's Tangai-Sukananti property continued largely unaffected.

Fortunately, Bass is in a stable position, given it is operating a low-cost oilfield. The Company has reduced direct operating costs to US$20/barrel at current production rates.

Furthermore Bass is in the fortunate position of having no debt, no material permit obligations and has deferred all discretionary expenditure including non-essential expenditure on the Tangai-Sukananti KSO.

HALF YEAR SUMMARY

(All amounts are in United States dollars)

- **2.5% increase in production to 71,000 barrels (1H CY19 69,000 barrels) from the successful drilling and connection of the Bunian 5 well**
- **15% decrease in 1H CY20 sales revenue to $1.77 million (1H CY19 $2.09 million) due to lower crude oil prices only partially offset by higher production**
- **Cash position $0.27 million as at 30 June 2020**
- **A NPAT of -$273,520 (1H CY19 -$38,884)**

Comparative Performance:

Key Performance Metrics	1H CY20	1H CY19	Change
Net Production (,000 bbls)	71.08	69.37	2.5%
Net Oil Sales (,000 bbls)	71.37	68.75	3.8%
Net Entitlement Oil (,000 bbls)	50.05	34.45	45.3%
Sales Revenue ($ million)	1.77	2.09	-15.3%
Cash ($ million)	0.27	0.77	-64.9%
EBITDA ($,000)	86	364	-76.4%
NPAT ($,000)	-274	-39	n/m

MANAGING DIRECTOR'S REPORT (cont'd)

Total field production for the June half year remains strong, with recorded average production in June in excess of 725 barrels of oil per day JV share.   Half year production averaged 711 bopd up from 694 bopd JV share for previous half year (June 2019). This is a result of the successful drilling, completion and connection of the Bunian 5 development well in late 2019.

The success of the Bunian 5 well, coupled with the sustained production performance of the other wells in the Bunian field has given the Company confidence to commence planning a drilling campaign in the field to commence in 2021.

Bass produced 71,080 barrels of oil (55% basis) this half year, up 2% from the previous half year. Half yearly oil sales were 71,376 barrels of oil net to Bass up 4%. The net entitlement oil to Bass was 50,447 barrels for the half year after DMO, again up 46%.

The Company realised a 15% decrease in sales revenue, primarily on the back of the collapse in the global oil markets only partially offset by increased production.

The cost of oil sold has increased by $500,000 on the same period last year. This increase was due in part to renting a temporary early production facility to bring the Bunian 5 well online whilst awaiting a permanent connection to the Bunian Central Processing Facility "Bunian CPF". Additional rental equipment was required to cope with the increased fluid production from Bunian 5. The water production has increased 45% on pre-Bunian 5 production levels.

Following connection of the Bunian 5 well to the facility, operating costs have reduced. The field team have also implemented the cost production measure highlighted earlier, further reducing operating costs.

Additionally, in the 2019 half year an adjustment of ($204,000) was made to revalue the Rehabilitation provision under the calculation guidelines introduced by Pertamina EP. This non-cash adjustment had the one time effect of reducing operating costs in 2019.

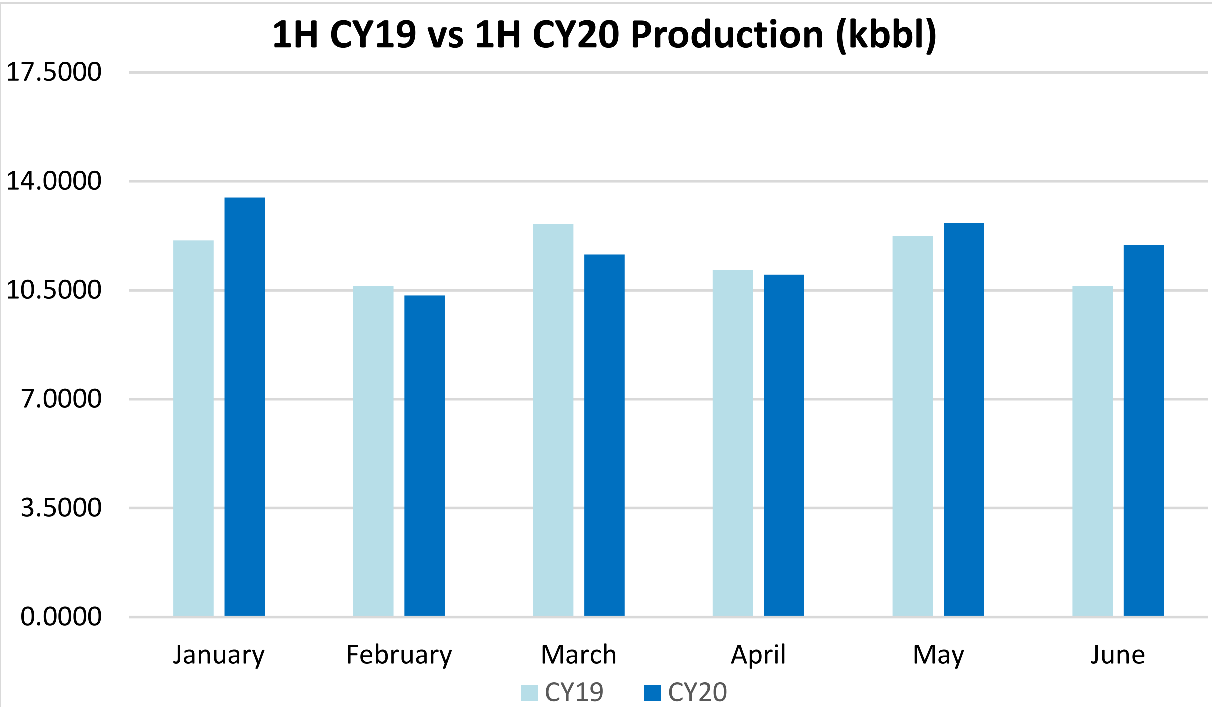

Figure 1: Tangai-Sukananti Historical Production (55% basis)

MANAGING DIRECTOR’S REPORT (cont’d)

Corporate:

Cash Position

As at 30 June 2020, Bass cash reserves were US$0.26m. Overall the cash position decreased 51% in the June quarter due to the Company only receiving five monthly payments for crude oil sales instead of six as expected. The Company did not receive the payment for April sales from Pertamina due in June. The funds were received on July 1 increasing the cash position to US$0.47m. Additionally the balance of 2019 tax owing was paid during the half year after lodging the tax returns with the Indonesian tax office.

The Company has reacted quickly to the reduction in oil prices putting in place a number of cost reduction measures and delaying any expenditures not critical to maintain a safe and efficient operation. As such the business continues to generate positive cash contributions with total operating costs including overheads reduced to ~US$20 per barrel.

The Company is not carrying any debt burden and is well placed to emerge strongly from the current industry downturn.

Impairment Indicators

The Directors have undertaken a review of the key indicators of impairment which could negatively impact the carrying value of its investments in associates to determine whether any impairment has arisen and are satisfied that no such indicators of impairment existed at reporting date.

Development Planning:

In recent months the oil markets have recovered and stabilised at a level which allows the Company to recommence development planning efforts. The company is in the process of integrating the results from the successful Bunian 5 development well and updating its geological and reservoir engineering models. This work will inform the planned 2021 development drilling effort as well as the year end 2020 reserves update.

Initial indications are that the 2021 drilling campaign will consist of up to three wells, two wells in Bunian and one well in the Tangai fields.

Additionally during the second half of 2020 artificially lift will be installed into the Bunian 5 well, which has been producing on natural flow until now, to increase the well and field oil offtake.

MANAGING DIRECTOR'S REPORT (cont'd)

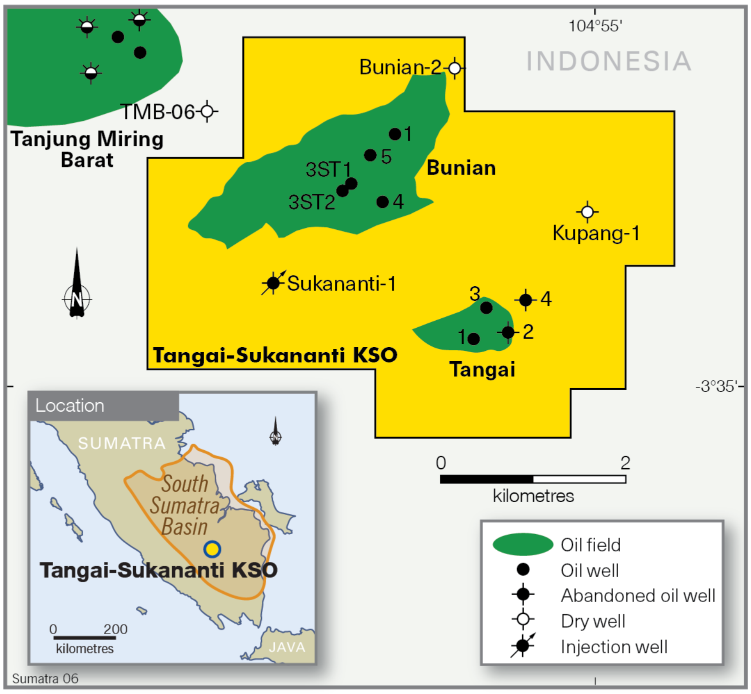

Figure 2: Tangai-Sukananti KSO Producing Oil Fields and Prospects

Business Development:

Bass curtailed its business development activities during the half year in response to the collapse in the global oil price and the uncertain outlook for a recovery in our industry sector. Recently Bass has started reviewing a number of onshore Indonesian opportunities as the fiscal outlook for the energy industry appears to be improving. The Company has not entered into any material contracts or commitments that impact it at this time.

There is significant uncertainty about the pace of any improvement in the economic climate however the Company will vigilantly monitor the changes in outlook and move on any opportunities that meet Bass stringent investment criteria to add value to the Company's portfolio.

DIRECTORS' REPORT

The Directors present their report on the results of Bass Oil Limited consolidated entity ("BAS" or "Bass" or "the Company" or "the Group") for the half-year ended 30 June 2020.

DIRECTORS

The names and details of the Company's directors in office during the half-year and until the date of this report are set out below: Directors were in office for the entire period unless otherwise stated.

Peter F Mullins (Chairman)
Hector M Gordon
Giustino (Tino) Guglielmo (Managing Director)
Mark L Lindh

PRINCIPAL ACTIVITY

The principal activity of the Group during the year was oil production from low cost oil production assets in Indonesia. The Company realigned its corporate strategy following the acquisition of a 55% interest in the Tangai-Sukananti KSO, which contains producing assets located in the prolific oil and gas region of South Sumatra, Indonesia.

REVIEW AND RESULTS OF OPERATIONS

A review of operations of the Company can be found in the Review of Operations on page 3.

The Group's operating loss for the half-year ended 30 June 2020 after income tax was $273,520 (30 June 2019: $38,844).

SIGNIFICANT EVENTS AFTER BALANCE DATE

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

We have obtained an independence declaration from our auditor, Grant Thornton, a copy of which is attached to this report.

Signed in accordance with a resolution of the Directors

Chairman
Melbourne, 11 September 2020

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Auditor's Independence Declaration

To the Directors of Bass Oil Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Bass Oil Limited for the half year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 11 September 2020

DIRECTORS' DECLARATION

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s303(5) of the Corporations Act 2001.

On behalf of the Directors

Peter F Mullins
Chairman
Melbourne, 11 September 2020

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2020

	Note	Consolidated 6 months to 30 June 2020 $	 6 months to 30 Jun 2019 $
Revenue			
Oil revenue		1,774,673	2,089,892
Cost of oil sold		(1,453,599)	(958,212)
Gross profit		321,074	1,131,680
Other income			
Interest received		340	186
Operator fees		46,324	39,590
Other income	3	105,138	-
Total revenue and other income		472,876	1,171,456
Administrative expenses	4	(292,933)	(522,324)
Employee benefits expense		(361,013)	(453,286)
Finance costs	6	(8,628)	(44,863)
Profit/(loss) before income tax		(189,698)	150,983
Income tax expense		(83,822)	(189,827)
Loss for the half year		(273,520)	(38,844)
Other comprehensive loss, net of income tax			
Items that may be reclassified to profit or loss		-	-
Other comprehensive loss, net of income tax		-	-
Total comprehensive loss for the half year		(273,520)	(38,844)
Basic and diluted (loss)/earnings per share		(0.000)	(0.000)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	Consolidated 30 June 2020 $	 31 December 2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	265,059	640,871
Trade and other receivables		1,161,242	1,408,644
Other current assets		69,740	32,694
Inventories		239,959	277,357
Other financial assets		3,775	3,853
Total current assets		1,739,775	2,363,419
Non-current assets			
Trade and other receivables		294,926	337,925
Other financial assets		27,469	27,469
Plant and equipment	8	1,733	1,769
Right of use assets	9	115,443	169,779
Oil properties	10	1,911,189	1,945,213
Total non-current assets		2,350,760	2,482,155
TOTAL ASSETS		4,090,535	4,845,574
LIABILITIES			
Current Liabilities			
Trade and other payables		974,346	1,296,255
Provisions		162,137	144,760
Provision for tax		585,413	715,359
Lease liabilities	11	84,439	92,320
Total current liabilities		1,806,335	2,248,694
Non-current liabilities			
Provisions		100,346	100,346
Lease liabilities	11	36,542	83,808
Total non-current liabilities		136,888	184,154
TOTAL LIABILITIES		1,943,223	2,432,848
NET ASSETS		2,147,312	2,412,726
EQUITY			
Contributed equity	12	26,682,374	26,674,268
Reserves		3,129,996	3,129,996
Accumulated losses		(27,665,058)	(27,391,538)
TOTAL EQUITY		2,147,312	2,412,726

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Note	Contributed equity $	Accumulated losses $	Currency translation reserve $	Total $
At 1 January 2019		25,728,503	(27,789,956)	3,129,996	1,068,543
Net profit for the year		-	398,418	-	398,418
Total comprehensive income for the period		-	398,418	-	398,418
Shares issued		1,008,708	-	-	1,008,708
Transaction costs on share issues		(74,043)	-	-	(74,043)
Tax consequences of share issue costs		11,100	-	-	11,100
At 31 December 2019		**26,674,268**	**(27,391,538)**	**3,129,996**	**2,412,726**
At 1 January 2020		26,674,268	(27,391,538)	3,129,996	2,412,726
Net loss for the year		-	(273,520)	-	(273,520)
Total comprehensive income for the period		-	(273,520)	-	(273,520)
Reversal of transaction costs on share issues		2,340	-	-	2,340
Tax consequences of share issue costs		5,766	-	-	5,766
At 30 June 2020		**26,682,374**	**(27,665,058)**	**3,129,996**	**2,147,312**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2020

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Cash flows from operating activities			
Receipts from customers		2,195,089	2,399,391
Payments to suppliers and employees		(2,111,260)	(1,798,166)
Taxation paid		(208,001)	(207,618)
Interest received		340	186
Net cash (used in)/provided by operating activities		(123,832)	393,793
Cash flows from investing activities			
Oil properties expenditure		(193,912)	(61,268)
Net cash (used in)/provided by investing activities		(193,912)	(61,268)
Cash flows from financing activities			
Principal elements of lease payments		(51,332)	(65,297)
Payment of deferred consideration		-	(352,800)
Payment share issue costs		(6,736)	-
Net cash (used in)/provided by financing activities		(58,068)	(418,097)
Net (decrease)/increase in cash and cash equivalents		(375,812)	(85,572)
Net foreign exchange differences		-	(562)
Cash and cash equivalents at the beginning of the year		640,871	854,117
Cash and cash equivalents at the end of the half year		**265,059**	**767,983**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2020

Note 1. Corporate Information

The consolidated financial statements of Bass Oil Limited ("Parent Entity" or "Company") and its controlled entities (collectively as "Consolidated Entity" or "the Group") for the half-year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 10 September 2020.

Bass Oil Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are oil production.

Note 2. Summary of Significant Accounting Policies

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2019 annual financial report for the financial year ended 31 December 2019, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

In the application of the Group's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Except where indicated otherwise, all amounts are presented in United States dollars.

Going Concern

The consolidated financial statements have been prepared on the going concern basis, which assumes that the Group will be able to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

For the financial half-year ended 30 June 2020 the Group incurred a loss after tax of $273,520 (30 June 2019: $38,844), had a net cash outflow from operating activities of $123,832 (30 June 2019: inflow $393,793), a net cash outflow from investing activities of $193,912 (30 June 2019: $61,268) and had a net cash outflow from financing activities of $58,068 (30 June 2019: $418,097). At 30 June 2020, the Group has a cash balance of $265,059 (31 December 2019: $640,871).

The collapse in spot oil prices earlier this year and the worldwide spread of COVID-19 along with current economic uncertainty has caused significant disruption to businesses and economic activity. The current oil price environment and the subsequent quarantine measures imposed by the Australian and Indonesian governments, along with the ongoing travel and trade restrictions imposed by Australia and other countries in early 2020, are likely to have a negative impact on the operations of the Group in the year ending 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2020

Note 2. Summary of Significant Accounting Policies (cont'd)

The Group's key focus is to remain disciplined, ensuring the health and safety of our staff, whilst delivering and optimising, ongoing production throughout FY2020, whilst not compromising field integrity.

The Group has activated a Business Continuity Plan (BCP) during this period of significant health and economic uncertainty. The BCP includes contingency plans that will allow production operations to continue in the event of any of the field operations team contracting the virus.

As the situation remains fluid as at the date these financial statements are authorised for issue, the directors of the Group considered that the financial effects of COVID-19 and the current oil price environment on the Group's consolidated financial statements cannot be reasonably estimated. Nevertheless, the economic effects arising from the COVID-19 outbreak and the current oil price are expected to affect the consolidated results of the Group for the full year of 2020.

The Group has implemented a number of cost control measures including the following:

- Deferring the drilling of Tangai-5;
- All discretionary capital expenditure not essential to maintaining the operation has been deferred to 2021;
- Focus on accelerating Cost Recovery approvals;
- Minimised the contractor workforce in the field as a result of decreasing non-essential tasks to sustain operations;
- Ensuring all expenditure is minimised, including eliminating any discretionary operational expenditure that is not cost recoverable; and
- All director fees and executive director salary cut by 50% until at least December 2020.

The Directors have prepared a cash flow forecast through to September 2021 which indicates that assuming the Group is successful in achieving the above matters; the Group will have sufficient cash to continue as a going concern.

The cash flow has been prepared using the current oil price, production forecasts and foreign exchange rates. Should the oil price fall below $20 a barrel, or should oil production fall significantly due to unforeseen circumstances, the Group will be required to raise additional funds. At the date of signing this report, the Directors have reasonable grounds to believe that the Group will be able to raise further funds if required and that it is appropriate to prepare the financial report on the going concern basis.

Should the Group be unsuccessful in achieving the initiatives set out above, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2020

Note 2. Summary of Significant Accounting Policies (cont'd)

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated statements of the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards.

(b) New Accounting Standards and Interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020.

(c) Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These accounting policies have been consistently applied by each entity in the consolidated entity, and the estimates and underlying assumptions are reviewed on an ongoing basis. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

(i) Impairment of Oil Property Assets

Oil properties impairment testing requires an estimation of the value in use of the cash generating unit to which deferred costs have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Other assumptions used in the calculations which could have an impact on future years includes available reserves and oil prices.

(ii) Useful Life of Oil Property Assets

As detailed at Note 2 (l) in the Annual Report, oil properties are amortised on the Units of Production basis using the latest approved estimate of Proven (1P) Reserves. Amortisation is charged only once production has commenced. No amortisation is charged on areas under development where production has not yet commenced. Estimates of reserve quantities are a critical estimate impacting amortisation of oil property assets.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2020

Note 2. Summary of Significant Accounting Policies (cont'd)

(c) Critical accounting estimates and judgements (continued)

(iii) Estimates of Reserve Quantities

The estimated quantities of Proven and Probable hydrocarbon reserves reported by the Company are integral to the calculation of the amortisation expense relating to oil properties, and to the assessment of possible impairment of these assets. Estimated reserve quantities are based upon interpretations of geological and geophysical models and assessments of the technical feasibility and commercial viability of producing the reserves. These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of operations. Reserves estimates are prepared in accordance with the Company's policies and procedures for reserves estimation which conform to guidelines prepared by the Society of Petroleum Engineers.

Note 3. Other income

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Government Grants - Cashflow Boost		66,020	-
Government Assistance – Jobkeeper Receipts		18,263	-
Net foreign exchange gains		20,855	-
		105,138	-

Note 4. Administrative Expenses

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Audit fees		18,195	17,545
Consultants fees other		70,054	152,992
Corporate related costs		19,375	20,206
Directors' remuneration		49,402	69,613
Net foreign exchange losses		-	9,954
Insurance		12,705	8,012
Legal expenses		22,613	20,364
Cost of short term and low value leases		11,411	69,409
Travel		10,379	56,674
Other administrative expenses		78,799	97,555
		292,933	522,324

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2020

Note 5. Depreciation and Amortisation

Depreciation and amortisation included in the profit and loss is as follows:

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Depreciation of plant and equipment	8	-	261
Depreciation of right of use assets	9	43,740	56,347
Amortisation of oil properties	10	223,252	111,789
		266,992	168,397

Note 6. Finance Costs

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Interest on borrowings		-	29,524
Interest on leases		8,628	13,767
Accretion interest		-	1,572
		8,628	44,863

Note 7. Cash and Cash Equivalents

	Note	Consolidated 30 June 2020 $	Consolidated 31 December 2019 $
Cash at bank and in hand		265,059	640,871
		265,059	640,871

Note 8. Plant and Equipment

	Note	Consolidated 30 June 2020 $	Consolidated 31 December 2019 $
Office equipment, furniture and fittings			
Opening balance, net of accumulated depreciation		1,769	3,178
Purchases		-	-
Disposals		-	-
Foreign exchange movement		(36)	(47)
Depreciation charge for the year	5	-	(1,362)
Closing balance, net of accumulated depreciation		1,733	1,769
Cost		31,348	32,002
Accumulated depreciation		(29,615)	(30,233)
Net carrying amount		1,733	1,769

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2020

Note 9. Right of use assets

			Consolidated 30 June 2020	
	Office Premises	Computers	Motor Vehicles	Total
Opening Balance	63,428	11,436	94,915	169,779
Depreciation	(10,608)	(5,635)	(27,497)	(43,740)
Foreign exchange movement	(4,266)	(560)	(5,770)	(10,596)
Closing balance, net of accumulated depreciation	48,554	5,241	61,648	115,443

			Consolidated 31 December 2019	
	Office Premises	Computers	Motor Vehicles	Total
Opening balance	93,750	26,455	142,630	262,835
Depreciation	(34,855)	(16,459)	(55,809)	(107,123)
Foreign exchange movement	4,533	1,440	8,094	14,067
Closing balance, net of accumulated depreciation	63,428	11,436	94,915	169,779

Note 10. Oil Properties

		Consolidated	
	Note	30 June 2020 $	31 December 2019 $
Tangai-Sukananti KSO		1,911,189	1,945,213
		1,911,189	1,945,213
Movement in the carrying value of oil properties			
Balance at the beginning of year		1,945,213	1,345,408
Expenditure during the period		189,228	940,023
Disposals during the period		-	-
Depreciation, depletion and amortisation	5	(223,252)	(340,218)
Balance at the end of period		1,911,189	1,945,213

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2020

Note 11. Leases

The Group leases several assets including buildings, IT equipment and vehicles. The average lease term is 3 years (2018: 3 years).

Amounts recognised in profit and loss

	Note	Consolidated 30 June 2020 $	 31 December 2019 $
Depreciation expense on right-of-use assets		43,740	107,123
Interest expense on lease liabilities		8,628	25,033
Expense relating to short term leases		-	4,517
Expense relating to leases of low value assets		-	-

The total cash outflow for leases amounts to $111,740.

(a) Lease Liabilities

	Note	Consolidated 30 June 2020 $	 31 December 2019 $
Current		84,439	92,320
Non-current		36,542	83,808
		120,981	176,128

Maturity analysis:

	Note	Consolidated 30 June 2020 $	 31 December 2019 $
Year 1		84,439	92,320
Year 2		36,542	69,563
Year 3		-	14,245
Year 4		-	-
Year 5		-	-
Onwards		-	-
		120,981	176,128

Note 12. Contributed Equity

	30 June 2020 Shares	31 December 2019 Shares	30 June 2020 $	31 December 2019 $
Issued and paid up capital				
Ordinary share fully paid	3,342,140,096	2,606,167,481	26,682,374	26,674,268
Movements in ordinary shares on issue				
Ordinary shares on issue at beginning of period	3,342,140,096	2,606,167,481	26,674,268	25,728,503
Issue of ordinary shares	-	735,972,615	-	1,008,708
Transaction costs		-	2,340	(74,043)
Tax consequences of share issues costs	-	-	5,766	11,100
Ordinary shares on issue at end of period	3,342,140,096	3,342,140,096	26,682,374	26,674,268

The transaction costs relate to the non-renounceable entitlement offer which closed on 30 July 2019.

The tax consequences of share issue costs are derived as the Company can claim a tax deduction for share issue costs, spread over 5 years.

Terms and Conditions of Contributed Equity

Ordinary shares entitle the holder to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Share Options on Issue

As at 30 June 2020, the Company has 367,986,328 (31 December 2019: 367,986,328) share options on issue, exercisable on a 1:1 basis for 367,986,328 (31 December 2019: 367,986,328) ordinary shares of the Company at an exercise price of A$0.004 and an expiry date of 31 July 2021.

	Note	Consolidated 30 June 2020 Options	31 December 2020 Options
Movements in options on issue			
Balance at the beginning of year		367,986,328	-
Options issued		-	367,986,328
Options exercised		-	-
Options expired and cancelled		-	-
Closing value		367,986,328	367,986,328

Note 13. Related Party Disclosures

Terms and conditions of transactions with related parties other than Key Management Personnel

During the period the Group paid corporate advisory and investor relations fees to Adelaide Equity Partners Limited (a director related entity of Mr M Lindh) of $18,651 (30 June 2019: $3,477) (under a corporate advisory and investor relations mandate). The fees were provided under normal commercial terms and conditions. Amounts outstanding at balance date were $nil (30 June 2019: $3,477).

During the year the Group paid rent to Adelaide Equity Partners Limited of $3,332 (30 June 2019: $4,366) (under a rental of premises mandate). The fees were provided under normal commercial terms and conditions. Amounts outstanding at balance date were $nil (30 June 2019: $nil).

Note 14. Segment Information

For management purposes there is only one operating segment, which is oil production.

The chief operating decision maker only reviews consolidated financial information. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board.

The Board does not currently receive segment Statement of Financial Position and Statement of Comprehensive Income information. For oil production (from the Tangai–Sukananti KSO located in South Sumatra Basin in Indonesia) the Board manages the activity through review of production details, review and approval of the joint venture cash calls and other operational information.

The result for the six months ended 30 June 2020 and for the comparative period was from oil production.

The consolidated entity operates in the oil and gas industry in Indonesia.

The consolidated assets and liabilities as at 30 June 2020 and 31 December 2019 relate to oil production.

For the current financial period, the Group’s revenue of $1,774,673 (30 June 2019: $2,089,892) was received from the sale of oil in Indonesia to Pertamina EP (the Indonesian State owned oil Company).

Note 15. Subsequent Events

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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Independent Auditor's Report

To the Members of Bass Oil Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Bass Oil Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Bass Oil Limited does not give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110

Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss after tax of $273,520 during the half year ended 30 June 2020 and, had a net cash outflow from operating activities of $123,832, a net cash outflow from investing activities of $193,912 and a net cash outflow from financing activities of $58,068. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bass Oil Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 11 September 2020