BASS OIL
LIMITED

Media Release

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Bass evaluates opportunities in Australia to compliment Indonesian Production

Melbourne-based Bass Oil (ASX:BAS) is an ASX-listed oil producer in Indonesia with a 55% Operator interest in the producing Tangai-Sukananti licence in the prolific South Sumatra Basin.

Highlights

- **Firming oil price in opening 1Q 2021 and improved cashflow favors resumption of business development**
- **Focus on expanding existing Indonesian production footprint and evaluating Australian onshore oil and gas market opportunities**
- **Wider focus comes as Indonesian output back on track after in-field updates**
- **15% rise in Bass' monthly average oil price for February to US$58.19 per barrel**

Bass Oil Limited (ASX:BAS) has increased its focus on its expansion plans - with potential Australian acquisition opportunities now on the Company's radar for the first time as well as increased activity in Indonesia. The Company intends to leverage its existing profitable production operations in Indonesia to grow via acquisition and exploration and development.

Primarily an onshore Indonesian oil producer, Melbourne-based Bass has been seeking for some time to expand its exploration, development and production assets around its existing Sumatran production footprint and elsewhere in South East Asia – and says the market is now right to include potential Australian acquisitions in its scope.

"The global oil market hit the doldrums last year due principally to the oil price and consumption collapse resulting from COVID-19's economic, social and workplace disruptions," Bass Oil Managing Director, Mr Tino Guglielmo, said today.

"We found ourselves in a position then of basically putting all business development on hold for 12 months and mounting a cost watch approach," Mr Guglielmo said.

"The oil price rise since last November's lows has injected new confidence into the longer-term oil market outlook, underpinned by emerging optimism that a post-COVID recovery will boost oil demand.

"That has provided the right environment for Bass Oil to reactivate our expansion plans, sidestep some of the higher price, less value adding assets offered to the Company for consideration in recent years, and focus in 2021 on those opportunities where price, existing and future development-production upside satisfy our own parameters for acquisition.

"In that context, the Australian energy market – where onshore oil-gas exploration spend now exceeds domestic offshore exploration spend* - provides a welcome and fresh environment of opportunity."

Mr Guglielmo said the availability of oil assets for acquisition in Australia was rising.

The domestic energy sector he said, had moved to focus on renewables and transition fuels but the more ignored local oil sector offered ongoing upside through price, revised strategic fuel storage policies and as a solution to energy-based sovereign risk issues to our north.

Bass Oil has no debt and has reduced its total operating costs to around US$20 per barrel, helping insulate the Company from the volatility in the crude oil market over the past 12 months.

Mr Guglielmo said the greatest oil uptake in 2021 is expected in the US and Chinese economies as these two powerhouses recover from COVID impacts and lift demand.

Authorised for release by the Board of Directors of Bass Oil Limited.

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(*) Source: EnergyQuest March 21 quarterly: For the first time, in 2020 annual Australian exploration spend onshore exceeded offshore, which is a remarkable reversal of the historic trend. Onshore spend increased by 1% to $602.0 million, while offshore spend collapsed by 55% from $789.0 million to $355.2 million. This is the lowest annual spend in real terms in the ABS series since 1976 (nominal $34.9 million, $224.2 million after adjusting for inflation).