

25 January 2022

Quarterly report for the period ending 31 December 2021

Bass Oil Limited (ASX:BAS) ("Bass" or the "Company") is an Australian-listed oil producer with a 55% Operator interest in the Tangai-Sukananti licence in the prolific South Sumatra Basin. As announced 12 July 2021, Bass is also in the process of acquiring a portfolio of tenements in the Cooper Basin, South Australia. The Company is debt free and committed to creating and maximising value, leveraging its competitive strengths; its team, operating capability, reputation, and relationships in both Australia and Indonesia.

Highlights

- Bass progressing to completion of its Cooper Basin portfolio acquisition from Cooper Energy Limited
- The Company successfully completed a A\$2.5m placement and rights issue during the period to fund the Cooper Basin acquisition and Bass' growth strategy
- Bass has made significant progress towards drilling the Tangai-5 well in Indonesia (scheduled start date of March 2022), having received all of the required approvals, procurement ongoing and earthworks commencing shortly.
- Production for the December 2021 quarter averaged 357 barrels of oil per day (bopd) (JV share) and averaged 403 bopd (JV share) for the full year 2021
- Net entitlement oil for the December 2021 quarter totalled 10,096 barrels of oil and the Company generated sales revenue of US\$0.81 million (average oil price of US\$77.87 received)
- Net entitlement oil for the full year 2021 totalled 80,986 barrels of oil and the Company generated sales revenue of US\$2.93 million (average oil price of US\$67.29 received)

Comparative Performance:

Key Performance Metrics	Dec Qtr Q4 FY21	Sep Qtr Q3 FY21	Qtr on Qtr Change	2021	2020	Yr on Yr Change
Net Production ¹ (mmbbl)	18.09	18.78	-3.7%	80.99	131.93	-38.6%
Net Oil Sales ¹ (mmbbl)	19.53	17.76	10.0%	81.80	132.28	-38.2%
Net Entitlement to Bass (mmbbl)	10.10	9.35	8.0%	42.60	86.77	-50.9%
Sales Revenue (US\$M)	0.81	0.67	20.9%	2.93	3.19	-8.2%
Average Realised Oil Price	77.87	69.77	11.6%	67.29	37.77	78.2%
Cash (US\$M)	1.50	0.61	145.9%	1.50	0.10	1400.0%

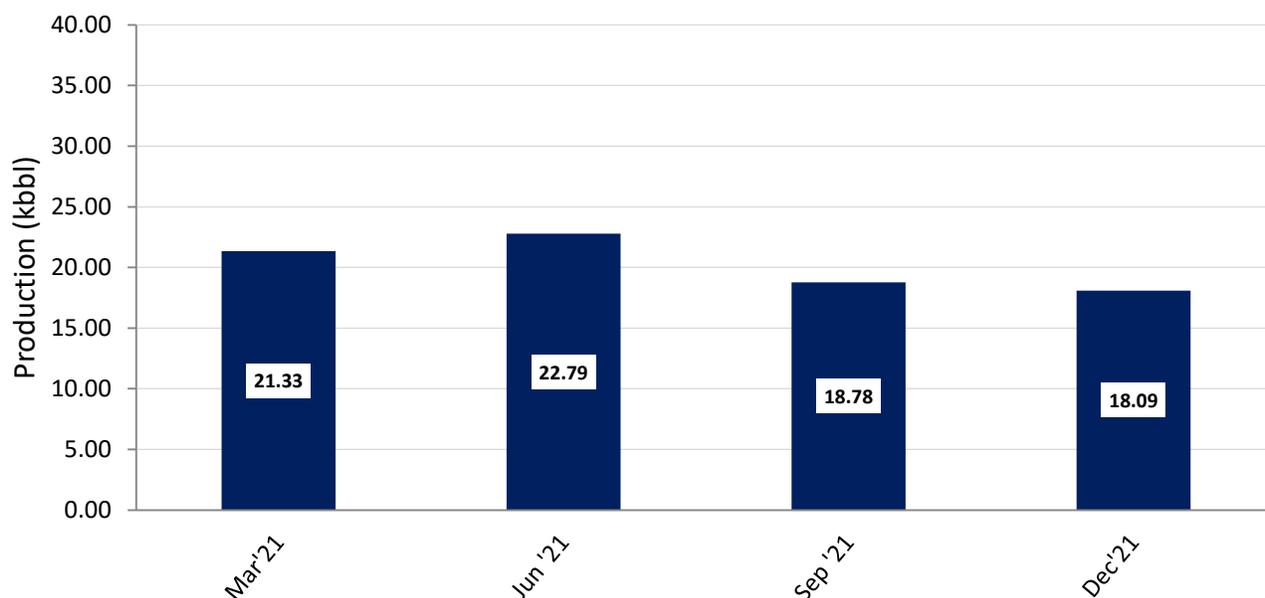
Note 1: Net Production and Oil Sales are reported at 55% of Gross Production and Oil Sales for consistency and excludes the deduction of Domestic Market Obligation (DMO)

Bass Oil Managing Director, Mr Tino Guglielmo, commented:

“Bass has materially progressed the acquisition of a suite of high-quality Cooper Basin assets during the quarter. This transaction represents a first step of the Company’s growth strategy as it aims to achieve an ambitious production target of 1,000 bopd in the coming 24 months from its assets in Indonesia and Australia. We are excited to be expanding our portfolio of production and growth assets in an environment of increased oil prices.

Field Performance:

Tangai-Sukananti Quarterly Production (55% Bass)



Production for the December quarter was 18,086 barrels of oil (55% basis), down 3.7% from the September quarter. Quarterly oil sales were 19,529 barrels of oil net to Bass, up 10.0% from the previous quarter. The net entitlement oil to Bass was 10,096 barrels of oil for the December quarter after Domestic Market Obligation (DMO), up 8.0%.

Production for the full year 2021 was 80,986 barrels of oil (55% basis), down 38.6% from the 2020 calendar year. Annual oil sales were 81,799 barrels of oil net to Bass, down 38.2% from the previous year. The net entitlement oil to Bass was 42,597 barrels of oil for the full year 2021 after Domestic Market Obligation (DMO), down 50.9%.

Field production for the full year 2021 averaged 403 bopd JV share. Production performance was impacted by well downtime and natural field decline.

The Company has successfully mitigated the impact of the COVID-19 pandemic in Indonesia during 2021. Bass expects its COVID protocols to continue to minimize any foreseeable production interruptions.

Field Development:

In November 2021, the regulator granted approval for the drilling of the Indonesian Tangai-5 well and the Company’s procurement plan. Bass has commenced procurement activities related to the drilling of the well and

the Company's engineering team continues well design and planning. Earthworks for the drilling location are commencing in early Q1 2022 and drilling is scheduled to commence during March 2022.

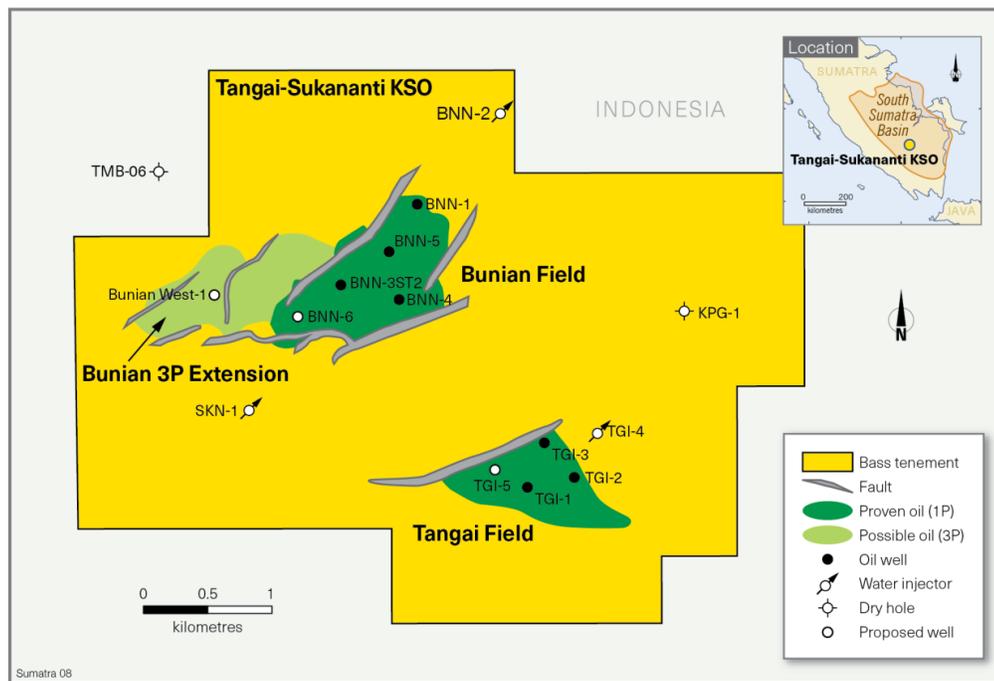


Figure 1: Tangai-Sukananti KSO Location Map

Corporate:

Cash Position

As at 31 December 2021, Bass' cash reserves increased 146% from the September 2021 quarter to US\$1.50m and increased 1,400% on December 2020. The increase in cash reserves was heavily influenced by a capital raising completed in the second half of 2021 (see details below). The Company carries no debt.

Revenue

Oil sales for Bass totaled US\$0.81m in the December quarter, an increase of 20.9% on September quarter taking oil sales for the full year 2021 to US\$2.93m a decrease of 8.2% on the full year 2020.

Oil Price

Bass receives ICP crude pricing, linked to the benchmark Brent crude, which trades at a premium to West Texas Intermediate (WTI) crude oil. The Company realised an 8% increase in the average oil price for the December quarter to US\$77.87 and realised a 78% increase in the average oil price over the full year 2021 to US\$67.29 from the full year 2020. The Company has no oil hedges in place.

Capital Raising

Between August and early October 2021 Bass completed a share placement and rights issue to raise A\$2,537,560 (before costs) to fund its Cooper Basin Portfolio acquisition, well optimisation activities and drilling of the Tangai-5 well in Indonesia.

The capital raising comprised a \$1,000,000 placement to sophisticated and professional investors which was completed on 26 August 2021 (**Placement**) and a \$1,537,560 Non-Renounceable Rights Offer which closed on 30 September 2021 (**Rights Offer**).

The Placement involved the issue of 500,000,000 new ordinary shares at \$0.002 per share and 250,000,000 free attaching options exercisable at \$0.004 on or before 30 September 2024. Existing shareholders were then provided the right to subscribe for one (1) share for every five (5) Bass shares held via the Rights Offer and 768,780,242 new new ordinary shares and 384,390,150 options were issued on the same terms as the Placement. Peak Asset Management was issued 125,000,000 options on the same terms as the Placement to facilitate the Placement and Underwrite the Rights Offer.

In all, 1,268,780,242 new shares and a total of 759,390,150 new options have been issued. All new options are currently listed on the Australian Securities Exchange (ASX:BASO).

Business Development:

Following an extensive review of acquisition opportunities both in Indonesia and Australia, Bass announced that it had entered into a conditional sale and purchase agreement with Cooper Energy Limited to acquire three non-operated Cooper Basin assets on 12 July 2021. The portfolio includes a 30% interest in the producing Worrior oil field and other acreage which exhibit material exploration potential. The acquisition was agreed for a total cash consideration of A\$650,000.

The transaction represents a unique opportunity for Bass to acquire a quality portfolio of assets in the Cooper Basin (see figure 2) which will provide a platform to secure additional interests in this prolific hydrocarbon province. The assets are to all be operated by the highly regarded Beach Energy Limited.

The transaction remains subject to a number of conditions precedent and is progressing to completion. For further information on the transaction, please refer to the ASX release dated 12 July 2021.

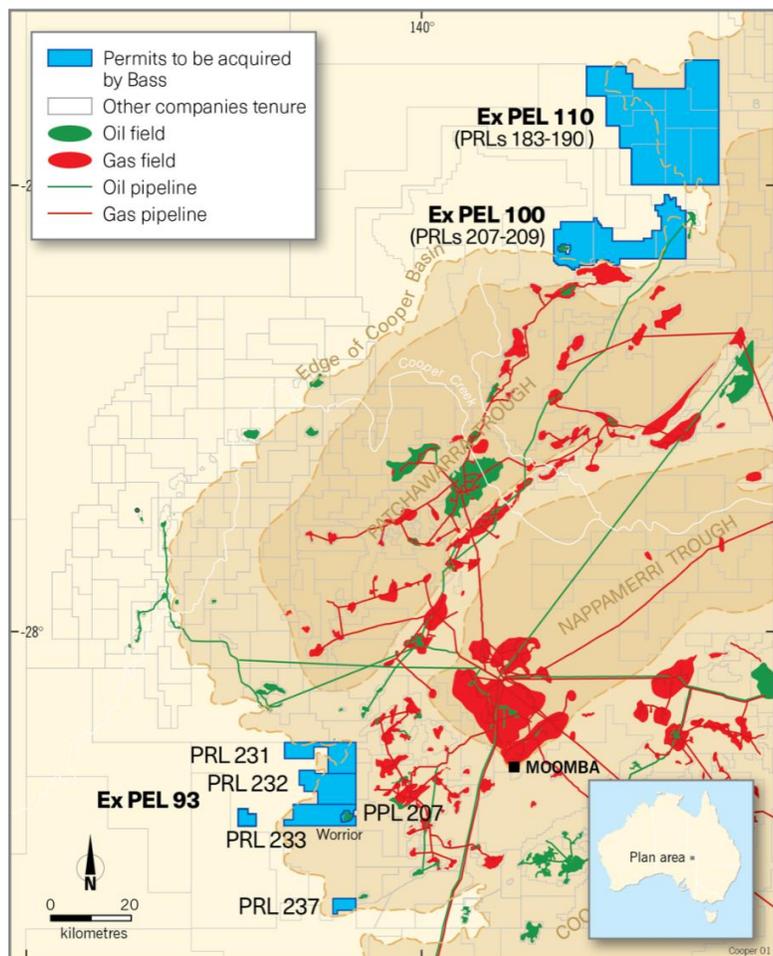


Figure 2: Cooper Basin properties to be acquired by Bass Location Map

Recognition of Performance

Pertamina, the Indonesian national oil company, has recognized Bass Oil as the best performing KSO in Indonesia in 2021 in the latest review. The award aggregates performance in a number of areas such as Health Safety and Environment, operational as well as contractual performance.

This award is a pleasing recognition of the effort Bass and all its staff and contractors put in to maintain its reputation as a company determined to live up to its values and to be an operator of choice in all areas we choose to operate.



Tenement Holdings:

Joint Operation	Location	Interest owned	Interest acquired/farm in during the quarter	Interest disposed/farm out during the quarter
Tangai-Sukananti KSO	Indonesia	55%	-	-

This ASX announcement was authorised for release by the Bass Oil Limited Board of Directors.

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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
DMO	Domestic Market Obligation (for 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 the Cooper Basin 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 an interest in the Beach Energy operated, Cooper Basin based Worrior field, along with several additional assets that exhibit exciting exploration potential.

As of December 2021, the Tangai-Sukananti KSO produced ~374 bopd from (55% JV share) and Worrior produced ~40 bopd (30% JV Share). Bass is building towards a substantial onshore Australian and Indonesian oil & gas business with a clear focus on executing opportunities in the Cooper Basin and expanding production in South Sumatra. Bass has a strong and committed shareholder base with the Board and management holding over 10% of the issued capital.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BASS OIL LIMITED

ABN

13 008 694 817

Quarter ended ("current quarter")

31 DECEMBER 2021

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (12 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	990	3,249
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production	(937)	(2,734)
(d) staff costs		
(e) administration and corporate costs	(156)	(552)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	(5)
1.6 Income taxes paid	(72)	(175)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(173)	(215)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)	-	(87)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (12 months) \$USD'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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	-	(87)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,118	1,829
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	5
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(59)	(87)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Lease payments)	-	(45)
3.10	Net cash from / (used in) financing activities	1,059	1,702

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	610	96
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(173)	(215)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(87)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,059	1,702

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (12 months) \$USD'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,496	1,496

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	1,496	610
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)	1,496	610

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$USD'000
22
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$USD'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(173)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(173)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,496
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,496
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	8.6

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date: 25 January 2022

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.