

## Bass to Raise up to \$4.0m to fund Cooper Basin Activities

Bass Oil Limited (ASX:BAS) is an Australian-listed oil producer with a 55% Operator interest in the Tangai-Sukananti (KSO) licence in the prolific South Sumatra Basin. As announced 12 July 2021 and 2 March 2022, Bass is in the process of acquiring a significant portfolio of tenements, which include production in the Cooper Basin, South Australia. The Company is debt free and committed to creating and maximising value, leveraging its competitive strengths, operating capability, reputation, and relationships in both Australia and Indonesia.

### Highlights:

- Bass announces a 1-for-2 non-renounceable entitlement offer at \$0.045 per share to raise up to \$4.0 million
- Participating shareholders will also receive 1 free attaching BASO option for every 1 share subscribed for (\$0.12 exercise price and 30 September 2024 expiry)
- Entitlement Offer proceeds to fund completion of the Cooper Energy Limited and Beach Energy Limited transactions and development / exploration activities post completion
- Initial development activities are expected to increase Worrior production from 75 bopd to between 200 and 500 bopd with a net margin of at least A\$80 per barrel (at Brent oil price of US\$100 per barrel)
- The Company expects to complete the transactions with Cooper Energy Limited and Beach Energy Limited transactions concurrently early next quarter
- Bass directors and management have committed to take up all or a significant portion of their entitlements
- Leading Melbourne Boutique Corporate Advisor, Peak Asset Management, has agreed to lead the Entitlement Offer and Shortfall Offer

Bass Oil Limited (ASX:BAS) (“**Bass**” or the “**Company**”) is pleased to announce the launch of a 1-for-2 non-renounceable entitlement offer to eligible shareholders at an issue price of \$0.045 per share (“**Rights Issue Shares**”) to raise up to \$4.0 million before costs (the “**Rights Issue**”). Rights Issue participants will also receive one (1) free attaching BASO option for every one (1) share subscribed for, exercisable at \$0.12 on or before 30 September 2024 (“**Rights Issue Options**”).

The Rights Issue will provide an opportunity for all eligible shareholders to participate in the capital raising at the same issue price as the Placement completed in March 2022. Proceeds will be utilised to fund completion of the Cooper Basin Transactions with Cooper Energy Limited and Beach Energy Limited and production enhancement / exploration activities post completion.

The Offer Price represents 7.9% discount to the 30-day volume weighted average trading price of the Company’s shares for the period ending 25 May 2022. In addition, the 1-for-1 free attaching BASO options were valued at \$0.005 each on 25 May 2022.

Peak Asset Management (“**Peak**”) has agreed to act as Corporate Advisor and Lead Manager to the Rights Issue and will seek to place any shortfall of the Rights Issue.

**Managing Director, Tino Guglielmo commented:**

*“This capital raise will allow the Company to complete two transformative, Australian acquisitions and instantly become one of the largest acreage holders in the Cooper Basin. In addition, the proceeds will allow us to aggressively pursue organic growth via production enhancement activities at the Worrior oil field and conduct highly prospective exploration activities across the portfolio.*

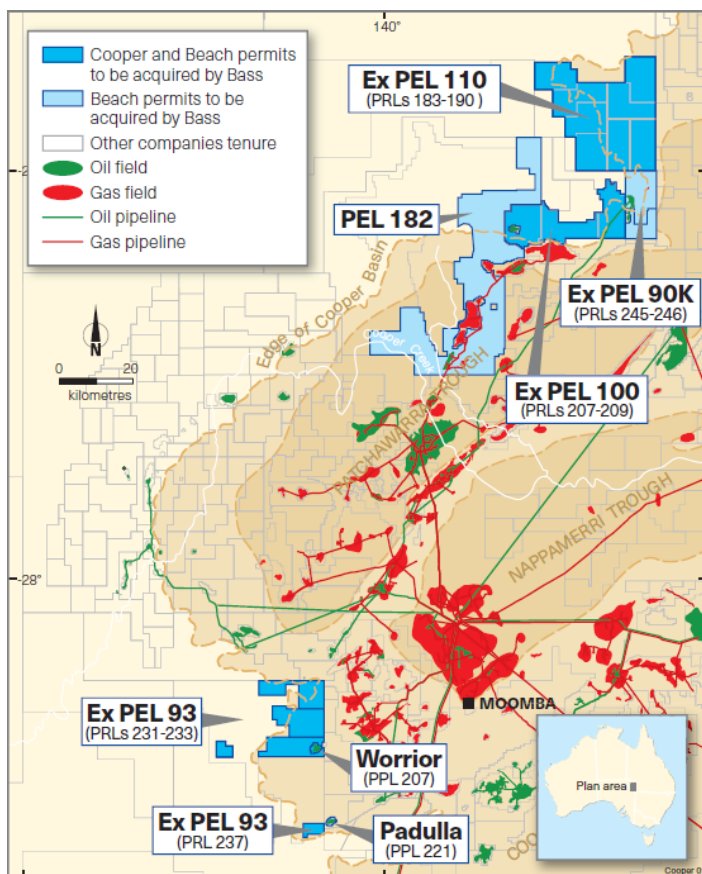
*This is an important milestone in our strategy to become a mid-sized oil and gas producer as the Cooper Basin portfolio provides significant upside and a platform to pursue additional inorganic growth endeavors in the future.”*

**Cooper Basin Transaction Summary**

Bass announced on 12 July 2021 that it had executed a conditional sale and purchase agreement with Cooper Energy Limited for the acquisition of three non-operated Cooper Basin assets, including a 30% interest in the producing Worrior oil field and interests in exploration acreage, for cash consideration of \$650,000 and assumption of restoration liabilities (the **“Cooper Energy Transaction”**).

On 2 March 2022, the Company announced that it had entered into a second conditional sale and purchase agreement with a subsidiary of Beach Energy Limited to acquire a portfolio of Cooper Basin assets for total cash consideration of A\$650,000 and assumption of future restoration liabilities. The assets to be acquired include Beach Energy Limited’s 70% interest in the producing Worrior oil field, a 100% interest in the producing Padulla oil field and a number of properties that contain prospective appraisal and exploration opportunities (Figure 1) (the **“Beach Energy Transaction”**) (together, the **“Cooper Basin Transactions”**).

On completion, the Company will own a 74%-100% interest in eight Cooper Basin tenements.



**Figure 1:** Cooper Basin permits to be acquired via the Cooper Basin Transactions.

Asset to be Acquired via the Cooper Basin Transactions	Cooper Energy Interest to be Acquired	Beach Interest to be Acquired	Bass Interest on Transaction Completion
PPL 207 (Worrior)	30%	70%	100%
PPL 221 (Padulla)	-	100%	100%
PRL's 231-233 (Ex PEL 93)	30%	70%	100%
PRL's 237 (Ex PEL 93)	20%	60%	80%
PRL's 207-209 (Ex PEL 100)	~19%	55%	~74%
PRL's 183-190 (Ex PEL 110)	20%	80%	100%
PRL's 245-246 (Ex PEL 90K) (Kiwi)	-	100%	100%
PEL 182	-	100%	100%

The producing Worrior and Padulla oil fields are currently producing ~75 bopd at a net margin of approximately A\$30 per barrel at a Brent oil price of ~US\$80 per barrel. In addition, the acquired assets provide 2P reserves of approximately 200,000 barrels of oil and 2C contingent resources of approximately 540,000 barrels of oil.

The Cooper Basin Transactions represent a unique opportunity for the Company to acquire one of the largest acreage holdings in the Cooper Basin which will provide a platform from which to secure additional interests in this prolific hydrocarbon province.

The transactions are subject to a number of conditions precedent, including regulatory approvals. However, the Company expects to contemporaneously complete the Cooper Basin Transactions early next quarter.

Bass has a vision to become a successful mid-cap oil and gas production company producing over 1,000 bopd within 12 months of Transaction completion. This is the first step to achieving the Company's medium-term goal of producing 5,000 bopd and paying shareholders a stable dividend.

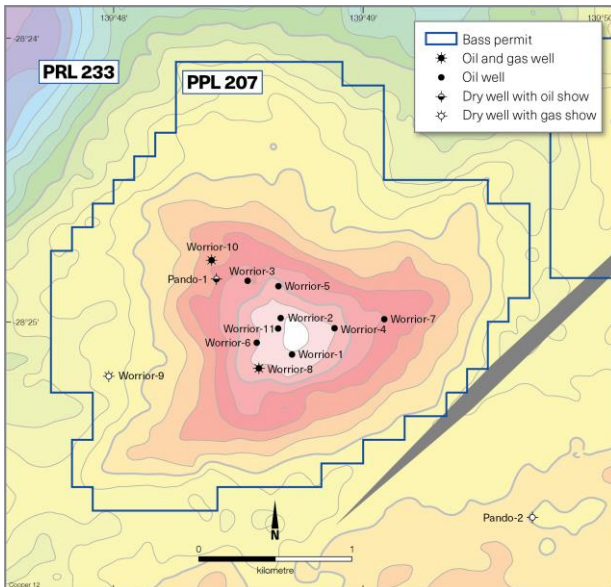
## Cooper Basin Development Work Program

### Development

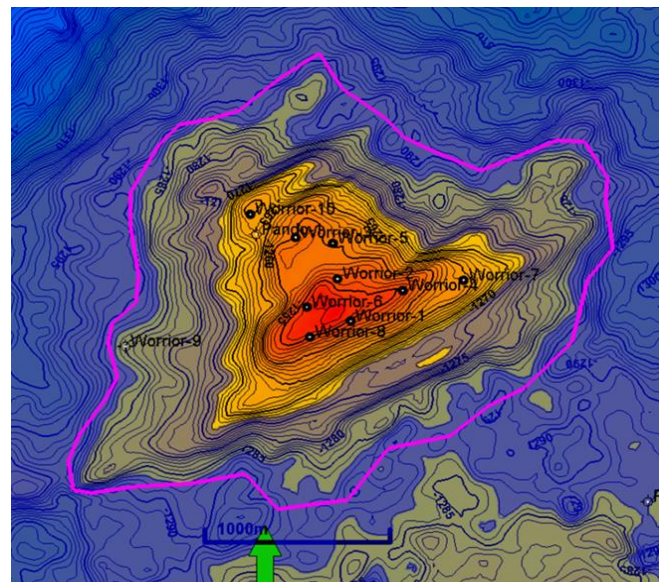
Bass has developed a capital efficient work program consisting of a number of work overs aimed at materially increasing production and converting a significant portion of the 540,000 barrels of oil classified as 2C contingent resources to 2P reserves within 6 to 12 months after completion of the Cooper Basin Transactions.

A key focus of the work program focuses on the significant attic oil opportunity in the McKinlay reservoir within the Worrior field (Figure 2) and the Company intends to exploit this opportunity by the low-cost recompletion of the Worrior-11 well in the near-term.

Bass believes this low-risk opportunity has the potential to grow production to between 200 to 500 bopd and increase reserves by between 100,000 to 200,000 barrels. At this increased rate the net margin is expected to increase to approximately at least A\$80 per barrel at a Brent oil price of ~US\$100 per barrel. This project is scheduled for implementation following the completion of the Rights Issue.



**Figure 2:** Worrior (McKinlay) depth structure.



**Figure 3:** Worrior (Murta) depth structure.

Bass will also complete an engineering feasibility and initial field works to exploit the potential in the Murta reservoir in the Worrior field (Figure 3) where previous operators have evaluated the 2C contingent resource potential to be up to 420,000 barrels of oil.

Monies have also been allocated for production optimisation activities such as pump changes and zone changes to increase production from the Worrior and Padulla oil fields. Previous operators have identified the potential to double production from the existing rates of 75 bopd with low-cost interventions.

### Exploration

The properties acquired via the Cooper Basin Transactions contain significant exploration potential. The southern Cooper Basin properties (ex PEL93) are prospective for oil potential and are on the southern extension of the prolific Western margin oil province in the Cooper Basin. The northern properties are highly prospective for liquids rich gas within and adjacent to the Patchawarra Trough. The area hosts numerous gas fields in the Permian and Triassic aged sediments as well as a number of Jurassic oil fields.

Bass will review all prospectivity reviews performed by the previous operators and focus its exploration efforts to create a suite of prospects which will provide an organic growth path for the Company.

Initial studies will focus on evaluating the emerging high impact plays such as the deep Permian coals in the Patchawarra trough in PEL182 which is adjacent to the pathfinder Beanbush 2 horizontal well that was recently drilled by Santos Limited (Figure 4). Studies will also focus on the potential for further gas discoveries in the Triassic aged sediments such as the Bass Kiwi discovery and adjacent Santos gas fields such as Coonatie and Verona.

In addition, Bass will immediately commence studies aimed at evaluating the upside stratigraphic trapping potential of its 100% owned Kiwi gas discovery in PRL245 (Figure 5). These studies are aimed at reserves growth beyond the structural trap as well as an economic evaluation of a tie in to the Moomba gas gathering and processing system and sales into the growing East coast gas market.

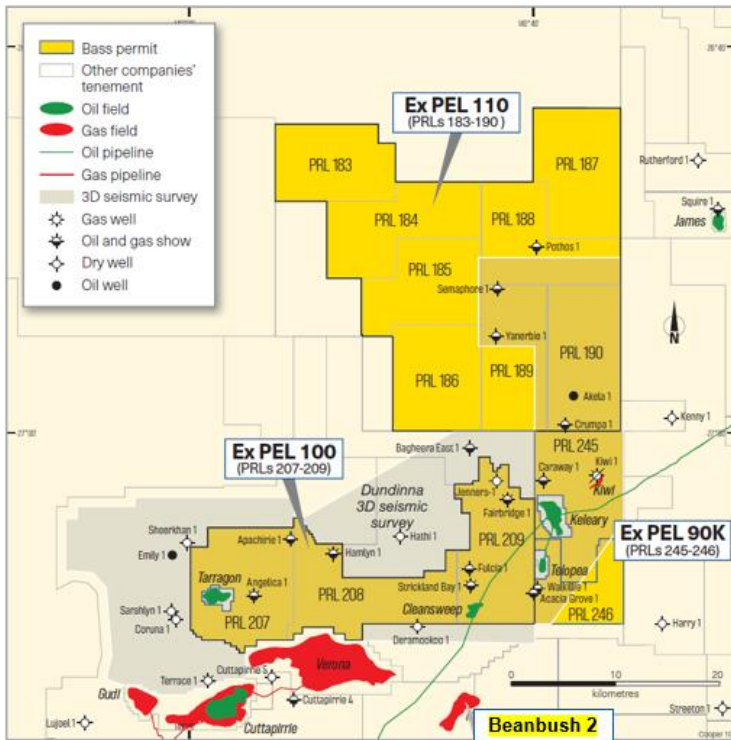


Figure 4: Beanbush 2 location map.

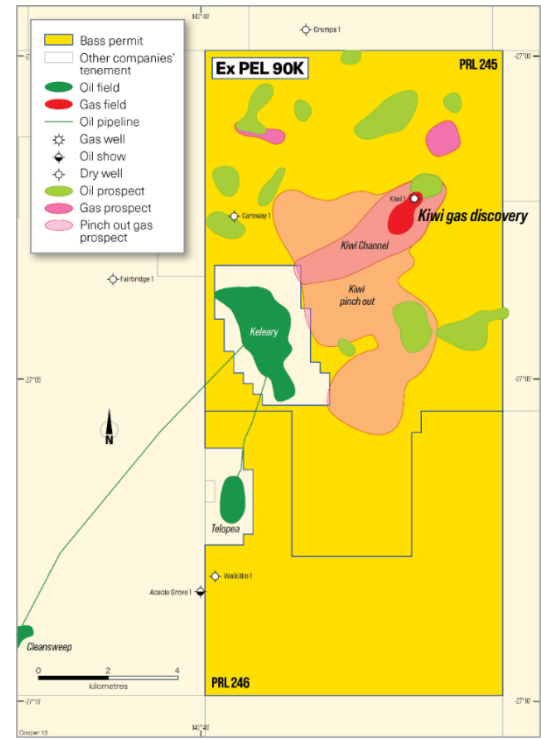


Figure 5: Ex PEL 90K Kiwi Gas Discovery.

## Use of Funds

The funds raised from the Rights Issue will be used by the Company as follows:

Use of Funds	Amount (AUD)
Contributing to a program of in-wellbore work in the Worrior Oil Field	\$500,000
Exploration activities within the acquired portfolio of Cooper Basin assets	\$988,000
Department of Energy & Minerals rehabilitation bond	\$2,300,000
Expenses related to the Rights Issue	\$230,000
<b>Total</b>	<b>\$4,018,000</b>

## Rights Issue

The Rights Issue will comprise an issue of up to 89,305,757 new fully-paid ordinary Bass shares (“**Rights Issue Shares**”) at an issue price of \$0.045 per share to raise up to \$4,018,759 (before costs). Additionally, the Company will grant one (1) free attaching BASO option for every one (1) share subscribed for, which will be exercisable at \$0.12 on or before 30 September 2024. The Rights Issue will be offered to shareholders with a registered address in Australia or New Zealand as at the record date (see the Rights Issue Timetable below) (“**Eligible Shareholders**”).

Eligible Shareholders can choose to take up all, part, or none of their entitlements. Furthermore, the Rights Issue will include a facility under which Eligible Shareholders who take up their entitlement in full may also apply for additional Rights Issue Shares in the Rights Issue that were not taken up by other Eligible Shareholders. There is no guarantee that applicants under this facility will receive all or any of the additional Rights Issue Shares for which they apply.

The Rights Issue will be supported by CoPeak Corporate Pty Ltd (ACN 607 161 900) trading as Peak Asset Management who will act as Corporate Advisor and Lead Manager to the Rights Issue. Bass

has agreed to grant a total of 7,500,000 BASO options to Peak on raising a minimum \$4.0 million under the Rights Issue and Shortfall Offer.

The Rights Issue is non-renounceable and accordingly there will be no trading of rights on the ASX. All Rights Issue Shares and Rights Issue Options will rank equally with existing fully paid ordinary shares and options on issue in the Company. The issue of the Rights Issue shares and placement of any shortfall to the Rights Issue to non-related parties of the Company is not subject to shareholder approval.

## Rights Issue Timetable

The proposed timetable for the Rights Issue is set out below:

Event	Date
Rights Issue announcement date and lodgement of Prospectus with ASIC and ASX	26 May 2022
Existing Shares quoted ex-rights	30 May 2022
<b>Record Date to determine Entitlements under the Rights Issue</b>	<b>7:00pm (AEST) 31 May 2022</b>
Prospectus with Entitlement and Acceptance Form despatched to Eligible Shareholders	2 June 2022
Acceptances open	2 June 2022
<b>Closing Date for acceptances</b>	<b>17 June 2022</b>
New Securities are quoted for ASX trading on a deferred settlement basis	20 June 2022
Company notifies ASX of under subscriptions	21 June 2022
Issue of Rights Issue Shares and Rights Issue Options	22 June 2022
Despatch of holding statements	30 June 2022

The dates are indicative only and the Company reserves the right to vary the dates, including the right to extend the Closing Date, or to withdraw the Rights Issue (subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules). Any extension of the Closing Date will have a consequential effect on the date for the allotment of Rights Issue Shares.

Bass will send a Prospectus and Entitlement and Acceptance Form by 2 June 2022 to Eligible Shareholders.

This announcement is not a Prospectus. Any person considering acquiring securities under the Rights Issue should read the Prospectus carefully. Applications for shares under the Rights Issue may only be made using the Entitlement and Acceptance Form to be attached to, or accompanying the Prospectus. Securities will only be issued on the basis of an Entitlement and Acceptance Form issued together with the Prospectus.

This announcement has been approved for release by the Board of Bass Oil Limited.

**For further information please contact:**

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**About Bass Oil Limited:**

Bass Oil Limited (ASX:BAS) ([www.bassoil.com.au](http://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 and is currently progressing the landmark acquisition of an interest in the Worrior and Padulla oilfields along with several additional assets that exhibit material exploration potential.

As of December 2021, the Tangai-Sukananti KSO produced ~350 bopd from (55% 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.

