



**BASS OIL**  

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**L I M I T E D**

HALF-YEAR FINANCIAL REPORT

30 June 2022

# 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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Telephone +61 (3) 9927 3000  
Facsimile +61 (3) 9614 6533  
Email admin@bassoil.com.au

## **Auditors**

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

## **Share Registry**

Link Market Services Limited  
Tower 4, 727 Collins Street  
Melbourne, Victoria, 3008, Australia  
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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](http://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

## Comment from the Managing Director, Mr Tino Guglielmo

The first half of 2022 saw a welcome and significant improvement in oil markets. The price of Brent crude oil rose from US\$80 per barrel (January) to over US\$120 per barrel (March) before settling at US\$100 per barrel towards the end of the financial year. These are some of the highest levels seen in the last 8 years.

After some positive signs that the COVID-19 global pandemic was being brought under control, other variants took hold and started spreading. I am pleased to report that the Indonesian based Bass oil team has worked diligently to ensure that there has been no significant interruption to production through the duration of this pandemic. However, I report that the family of almost every member of the Indonesian based Bass oil team has been impacted by the virus. On a positive note, a significant proportion of the population has now been vaccinated.

Bass maintained a tight focus on operating costs throughout the period. In combination with the increasing oil prices, particularly during the June quarter this year, the Company saw an increase in free cash from operations and its cash balance.

Most recently, Bass executed the Deeds of Assignment and Assumption with Cooper Energy and Beach Energy one of the last remaining milestones required to complete the transformative Cooper Basin Transactions with an effective date of 1 August 2022.

In May 2022, Bass completed the Tangai-5 development well, recording initial clean-up flow rate of 1,120 bopd. Tangai-5 will achieve a strong steady production rate tripled Bass' oil production in the KSO. The completion of the Tangai-5 development well resulted in production for the period increasing by 4% on 1H CY21. A greater impact on production, revenues and cashflow will be seen in coming periods.

Sales revenue increased substantially due to increased cost recoveries from the drilling of Tangai-5 and the materially higher crude oil prices. As a result, the Company reported a profit of \$0.16 million for the period.

Bass is in the fortunate position of having no debt and material production upside in its project portfolio. As such, the Company is well-positioned to improve its performance throughout the remainder of 2022.

## Half Year Summary

(All amounts are in United States dollars unless otherwise stated)

- **4% increase in production to 46,000 barrels (1H CY21 44,000 barrels) after Tangai-5 was commissioned in mid-May**
- **86% increase in 1H CY22 sales revenue to \$2.54 million (1H CY21 \$1.36 million) due to recovery of drilling costs and high crude oil prices**
- **Cash position \$1.78 million as at 30 June 2022**
- **NPAT of \$0.16 million (1H CY21 approximately -\$0.30 million)**
  - **No Lost Time Incidents during the half year**
- **Tangai 5 results adds confidence to commence planning for the 2023 drilling program including multiple well targets in both the Bunian and Tangai fields**

## MANAGING DIRECTOR'S REPORT (cont'd)

### Financial and Operating Performance

Key Performance Metrics	1H CY22	1H CY21	Change
Net Production (,000 bbls)	46.02	44.12	4.3%
Net Oil Sales (,000 bbls)	44.69	44.51	0.4%
Net Entitlement Oil (,000 bbls)	23.18	23.15	0.1%
Sales Revenue (\$ million)	2.54	1.36	86.8%
Cash (\$ million)	1.78	0.20	790.0%
Average Realised Oil Price (USD)	104.45	60.67	72.2%
EBITDA <sup>1</sup> (\$,000)	584	-62	1041.9%
NPAT <sup>2</sup> (\$,000)	159	-319	149.8%

<sup>1</sup>. Earnings Before Income Tax, Depreciation and Amortisation

<sup>2</sup>. Net Profit After Tax

Bass produced 46,018 barrels of oil (55% basis) during the half year ending 30 June 2022, up 4.3% from the prior comparable period. Half-yearly oil sales were 44,694 barrels of oil net to Bass. The net entitlement oil to Bass was 23,175 barrels for the half-year after Domestic Market Obligation (DMO).

The Company realised a 76% increase in sales revenue, primarily on the back of increased cost recoveries from the drilling of Tangai-5 and high crude oil prices.

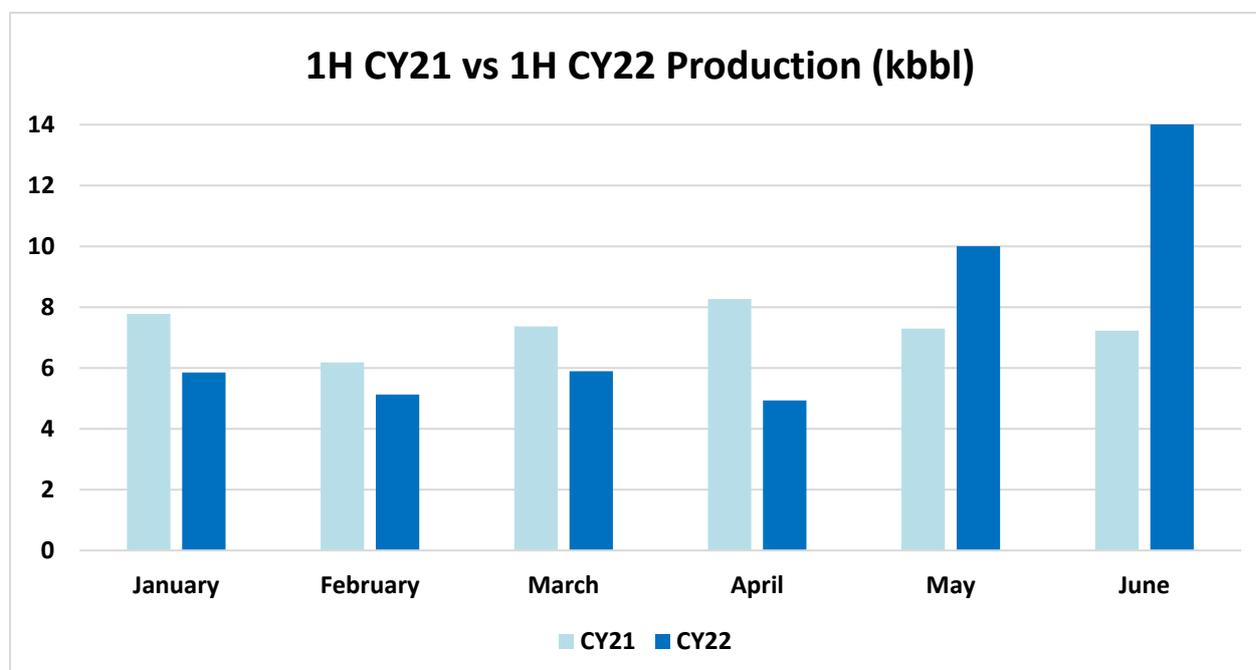


Figure 1: Tangai-Sukananti Historical Production (55% basis)

## **MANAGING DIRECTOR'S REPORT (cont'd)**

### **Liquidity / Cash Position:**

As at 30 June 2022, Bass cash reserves increased to \$1.78 million from \$1.49 million as at 31 December 2021.

The Company announced a placement to professional investors of A\$1.2 million in March in conjunction with the announcement that it had entered into a conditional sale and purchase agreement (SPA) with Beach Energy Limited for the acquisition of 8 operated Cooper Basin assets including an additional 70% interest in the Worrior oil field and a 100% interest in the Padulla oil field. The transaction was completed concurrently with the previously announced Cooper Energy Limited transaction for Cooper Basin assets.

On 29 June 2022 the Company announced that the Non-Renounceable Rights Issue had raised gross proceeds of \$599,614. The Non-Renounceable Rights Issue closed on 24 June 2022. Under the Offer, eligible shareholders were invited to subscribe for one new share for every two shares in the Company held at the Record Date at an issue price of 4.5 cents and one free attaching BASO option for every one share subscribed for, exercisable at 12 cents on or before 30 September 2024.

The funds raised via the placement and rights issue are for the acquisition of the Cooper Basin portfolio of properties from Beach Energy Limited announced 3 March 2022.

Subsequent to the end of June, Bass has placed an additional 71,148,467 shortfall shares and 71,148,467 shortfall options to raise an additional AU\$3,202,000 from sophisticated and professional investors. The total capital raise proceeds of AU\$3,801,295 have allowed the Company to satisfy the remaining conditions precedent of the Cooper Basin Transactions.

### **Balance Sheet**

#### **Impairment Indicators**

The Directors have undertaken a review of the key indicators of impairment that 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 the reporting date.

### **Development Planning:**

Bass successfully drilled, completed, connected and commissioned the Tangai-5 development well in mid-May, achieving an initial clean-up flow rate of 1,120 bopd.

The well was spudded in April and drilled to a Total Depth of 1,663mRT. The primary target, the M-sand reservoir, intersected 5.5 metres of net oil pay as prognosed. This result gives further encouragement for future drilling in the KSO.

Average daily production increased significantly from 587 bopd in May to 861 bopd in June following the ramp up of production from the highly successful Tangai-5 well.

Bass continued to ramp up Tangai-5 production through till mid to late June 2022, where KSO production and export quantities reached maximum nameplate capacity of 1,000 bopd.

## MANAGING DIRECTOR'S REPORT (cont'd)

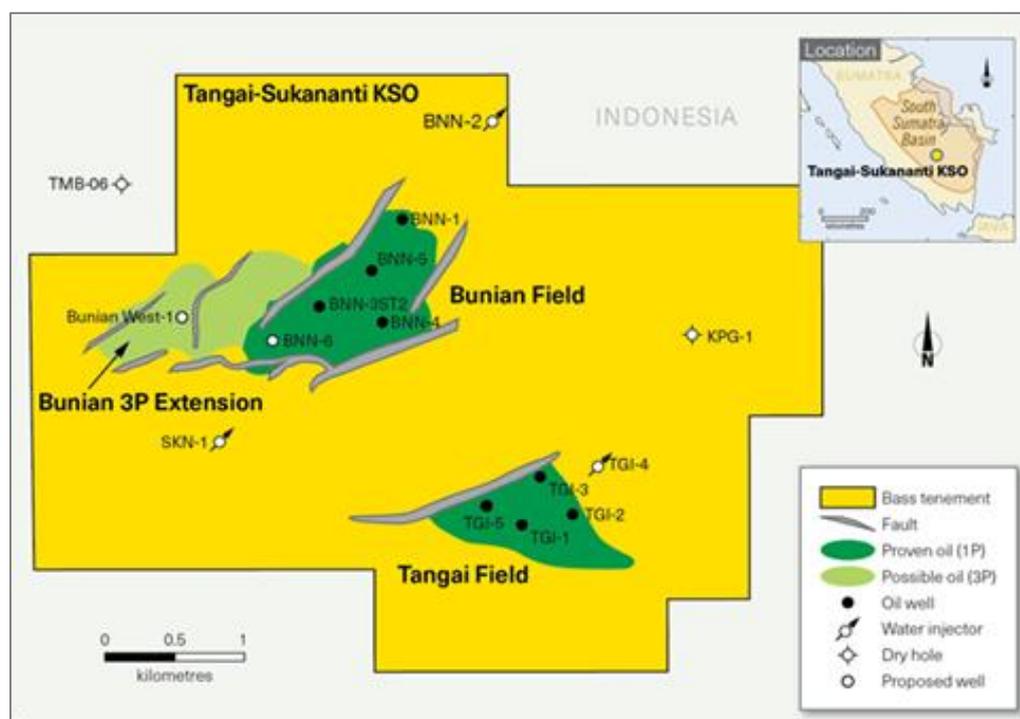


Figure 2: Tangai-Sukananti KSO Location Map

### Business Development:

During the last twenty-four months the Company has assessed multiple opportunities in Indonesia and Australia and progressed discussions with multiple counterparties across several opportunities. In doing so, the company selected the most appropriate opportunity, which subsequently resulted in Bass engaging with Cooper Energy and Beach Energy to transact on the recently announced acquisition.

Bass is targeting producing properties that also contain low risk exploration potential which provide a material upside potential.

Operating primarily as an onshore Indonesian oil producer to date, Bass has been seeking for some time to expand its exploration, development and production assets around its existing Sumatran production footprint and considers that the market is now right to include Australian based acquisitions within its portfolio.

The capital raising program described above will provide the necessary funds to develop the assets being acquired from Cooper Energy and Beach Energy.

Bass executed conditional sale and purchase agreements with Cooper Energy and Beach Energy on 12 July 2021 and 2 March 2022 respectively to acquire their interests in eight production and exploration tenements located in the Cooper Basin.

The Company received formal confirmation of conditions precedent satisfaction to complete the Cooper Basin Transactions effective 1 August 2022.

## MANAGING DIRECTOR'S REPORT (cont'd)

Bass executed the Deeds of Assignment and Assumption with Cooper Energy and Beach Energy to complete the Cooper Basin Transactions with an effective date of 1 August 2022.

Bass now holds high equity stakes in eight Cooper Basin tenements (see below table) spanning 2,259km<sup>2</sup> in the core of the Cooper Basin, making it one of the largest acreage holders in the region.

The assets acquired are summarised below:

Cooper Basin Assets Acquired	Cooper Energy Interest Acquired	Beach Energy Interest Acquired	Bass Oil Limited Current Interest
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%

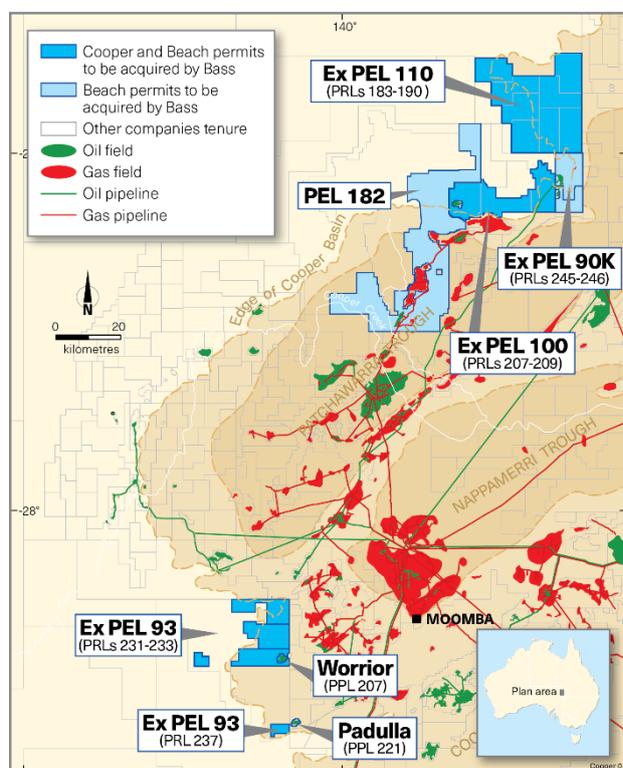


Figure 1: Cooper Basin properties to be acquired by Bass

## **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 2022.

### **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 period was oil production from a 55% Operator interest in the Tangai-Sukananti licence in the prolific South Sumatra Basin. As announced 2 August 2022 Bass has acquired a portfolio of tenements in the Cooper Basin, South Australia. The Company is debt free and committed to creating and maximizing value, leveraging its competitive strengths in both Australia and 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 profit for the half-year ended 30 June 2022 after income tax was \$158,993 (30 June 2021: loss of \$318,879).

### **SIGNIFICANT EVENTS AFTER BALANCE DATE**

On 21 July the Company announced that it had placed and allotted 48,688,889 shortfall Rights Issue Shares to raise AU\$2,191,000 from sophisticated and professional investors at AU\$0.045 per share. Each share subscribed for in the shortfall included one free attaching option exercisable at AU\$0.12 on or before 30 September 2024.

On 2 August 2022 the Company announced that it has executed the Deeds of Assignment and Assumption with Cooper Energy Limited and Beach Energy Limited to complete the Cooper Basin Transactions with an effective date of 1 August 2022. The Group has acquired interests in eight tenements in the Cooper Basin including 100% interest in the Worrior and Padulla oil producing fields for AU\$1,300,000 cash and assumption of future restoration provisions of AU\$5.7 million. The accounting for the acquisition has not yet been finalised.

On 7 September the Company announced that it had placed and allotted 22,459,578 shortfall Rights Issue Shares to raise AU\$1,011,000 from sophisticated and professional investors at AU\$0.045 per share. Each share subscribed for in the shortfall included one free attaching option exercisable at AU\$0.12 on or before 30 September 2024.

## **DIRECTORS' REPORT (cont'd)**

No other matter or circumstance has arisen since 30 June 2022 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 Audit Pty Ltd, a copy of which is attached to this report.

Signed in accordance with a resolution of the Directors



Chairman  
Melbourne, 8 September 2022

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**Grant Thornton Audit Pty Ltd**

Level 22 Tower 5  
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Melbourne VIC 3008  
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Melbourne VIC 3001  
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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 2022, 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 Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 8<sup>th</sup> September 2022

**[www.grantthornton.com.au](http://www.grantthornton.com.au)**  
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## 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, 8 September 2022

# CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2022

	Note	Consolidated	
		6 months to 30 June 2022 \$	6 months to 30 Jun 2021 \$
<b>Revenue</b>			
Oil revenue		2,542,065	1,362,255
Cost of oil sold		(1,100,787)	(890,241)
Gross profit		1,441,278	472,014
<b>Other income</b>			
Interest received		2,592	-
Operator fees		47,109	34,914
Other income		-	12,185
<b>Total revenue and other income</b>		1,490,979	519,113
Administrative expenses	3	(769,382)	(296,513)
Employee benefits expense		(366,959)	(423,010)
Finance costs		(1,828)	(4,646)
<b>Profit/(loss) before income tax</b>		352,810	(205,056)
Income tax expense		(193,817)	(113,823)
<b>Profit/(loss) for the half year</b>		158,993	(318,879)
<b>Other comprehensive loss, net of income tax</b>		-	-
<b>Total comprehensive profit/(loss) for the half year</b>		158,993	(318,879)
Basic and diluted (loss)/earnings per share		0.001	(0.003)

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

# CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	Consolidated	
		30 June 2022 \$	31 December 2021 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	1,776,952	1,492,646
Trade and other receivables		1,954,068	1,221,205
Other current assets		33,169	33,047
Inventories		170,748	141,487
Other financial assets		4,115	3,991
<b>Total current assets</b>		<b>3,939,052</b>	<b>2,892,376</b>
<b>Non-current assets</b>			
Trade and other receivables		39,214	298,195
Other financial assets		27,469	27,469
Right of use assets		31,848	19,671
Oil properties	5	2,576,185	1,795,403
<b>Total non-current assets</b>		<b>2,674,716</b>	<b>2,140,738</b>
<b>TOTAL ASSETS</b>		<b>6,613,768</b>	<b>5,033,114</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		1,140,465	923,821
Provisions		190,618	265,301
Provision for tax		745,516	615,937
Lease liabilities		8,399	19,781
<b>Total current liabilities</b>		<b>2,084,998</b>	<b>1,824,840</b>
<b>Non-current liabilities</b>			
Provisions		88,042	99,635
Lease liabilities		15,134	-
<b>Total non-current liabilities</b>		<b>103,176</b>	<b>99,635</b>
<b>TOTAL LIABILITIES</b>		<b>2,188,174</b>	<b>1,924,475</b>
<b>NET ASSETS</b>		<b>4,425,594</b>	<b>3,108,639</b>
<b>EQUITY</b>			
Contributed equity	6	29,490,864	28,435,817
Reserves		3,268,712	3,165,797
Accumulated losses		(28,333,982)	(28,492,975)
<b>TOTAL EQUITY</b>		<b>4,425,594</b>	<b>3,108,639</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2022

	Contributed equity	Accumulated losses	Share based payments reserve	Currency translation reserve	Total
	\$	\$	\$	\$	\$
<b>At 1 January 2021</b>	26,684,884	(27,891,364)	-	3,129,996	1,923,516
Net loss for the year	-	(601,611)	-	-	(601,611)
<b>Total comprehensive income for the year</b>	-	(601,611)	-	-	(601,611)
Shares issued	1,850,321	-	-	-	1,850,321
<b>Transaction cost on share issues</b>	(111,926)	-	-	-	(111,926)
Share-based payments	-	-	35,801	-	35,801
Tax consequences of share issue costs	12,538	-	-	-	12,538
<b>At 31 December 2021</b>	<b>28,435,817</b>	<b>(28,492,975)</b>	<b>35,801</b>	<b>3,129,996</b>	<b>3,108,639</b>
<b>At 1 January 2022</b>	28,435,817	(28,492,975)	35,801	3,129,996	3,108,639
Net profit for the period	-	158,993	-	-	158,993
<b>Total comprehensive income for the period</b>	-	158,993	-	-	158,993
Shares issued	1,292,392	-	-	-	1,292,392
<b>Transaction cost on share issues</b>	(166,867)	-	-	-	(166,867)
Share-based payments	-	-	102,915	-	102,915
Unmarketable parcel buyback	(77,976)	-	-	-	(77,976)
Tax consequences of share issue costs	7,498	-	-	-	7,498
<b>At 30 June 2022</b>	<b>29,490,864</b>	<b>(28,333,982)</b>	<b>138,716</b>	<b>3,129,996</b>	<b>4,425,594</b>

*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 2022

		Consolidated	
	Note	30 June 2022	30 June 2021
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,835,473	2,088,358
Payments to suppliers and employees		(2,069,580)	(1,795,661)
Taxation paid		(56,740)	(50,208)
Interest paid		(1,828)	(4,646)
Interest received		2,592	-
<b>Net cash (used in)/provided by operating activities</b>		<b>(290,083)</b>	<b>237,843</b>
<b>Cash flows from investing activities</b>			
Oil properties expenditure		(606,233)	(81,002)
<b>Net cash (used in)/provided by investing activities</b>		<b>(606,233)</b>	<b>(81,002)</b>
<b>Cash flows from financing activities</b>			
Principal elements of lease payments		(24,856)	(44,901)
Proceeds from share issues		1,292,391	-
Payment share issue costs		(8,937)	-
Payment unmarketable parcel buy-back		(77,976)	-
<b>Net cash (used in)/provided by financing activities</b>		<b>1,180,622</b>	<b>(44,901)</b>
Net (decrease)/increase in cash and cash equivalents		284,306	111,940
Cash and cash equivalents at the beginning of the year		1,492,646	95,642
<b>Cash and cash equivalents at the end of the half year</b>	7	<b>1,776,952</b>	<b>207,582</b>

Some administration and corporate costs included in the 30 June 2022 ASX Quarterly Appendix 5B have been reclassified to share issue costs and receipts from customers.

*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 2022

## **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 2022 was authorised for issue in accordance with a resolution of the directors on 8 September 2022.

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 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 2021 annual financial report for the financial year ended 31 December 2021, 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 2022 the Group earned a profit after tax of \$158,993 (30 June 2021: loss of \$318,879), had a net cash outflow from operating activities of \$290,083 (30 June 2021: inflow \$237,843), a net cash outflow from investing activities of \$606,233 (30 June 2021: \$81,002) and had a net cash inflow from financing activities of \$1,180,622 (30 June 2021: \$44,901).

On 21 July 2022 the Company announced that it had placed and allotted 48,688,889 shortfall Rights Issue Shares to raise AU\$2,191,000 from sophisticated and professional investors at AU\$0.045 per share. Each share subscribed for in the shortfall included one free attaching option exercisable at AU\$0.12 on or before 30 September 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2022

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

On 1 August 2022 the Company contemporaneously completed the Beach Energy and Cooper Energy transactions to acquire between 74% and 100% of eight Cooper Basin tenements including 100% ownership of the Worrior & Padulla producing oil fields. Bass paid a total cash consideration of \$650,000 for each transaction and has assumed future restoration liabilities.

On 7 September 2022 the Company announced that it had placed and allotted 22,459,578 shortfall Rights Issue Shares to raise AU\$1,011,000 from sophisticated and professional investors at AU\$0.045 per share. Each share subscribed for in the shortfall included one free attaching option exercisable at AU\$0.12 on or before 30 September 2024.

The Directors have prepared a cash flow forecast through to September 2023 which indicates that the Group needs to commence its production enhancement strategy at the Worrior Oil Field to increase cash inflows. This low-risk opportunity has the potential to grow production to between 200 to 500 bopd and significantly increase reserves. The Company has sufficient funds to implement this plan.

If this plan is unsuccessful and production levels cannot be increased or maintained and/or oil prices drop significantly then the Group may require additional funding (which may include debt, a pro-rata issue to shareholders and/or a placement of shares) if the Group is to proceed with business development opportunities through to September 2023 and fund drilling beyond September 2023.

Based on the Group's cash flow forecast, achieving a successful production enhancement and/or achieving the funding required, the Directors believe that the Group will be able to continue as a going concern.

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.

### **(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.

# NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2022

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

### (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 2022, but it has had no material impact on the consolidated entity's financial statements

### (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 when impairment indicators have been identified. 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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## Note 3. Administrative Expenses

	Note	Consolidated	
		30 June 2022	30 June 2021
		\$	\$
Audit fees		18,127	15,036
Consultants fees other		112,570	61,055
Corporate related costs		99,516	19,263
Directors' remuneration		71,288	74,905
Net foreign exchange losses		68,116	6,528
Insurance		5,096	10,018
Legal expenses		85,613	9,231
Travel		2,572	1,703
Other administrative expenses		306,484	98,774
		<u>769,382</u>	<u>296,513</u>

## Note 4. Cash and Cash Equivalents

	Note	Consolidated	
		30 June 2022	31 December 2021
		\$	\$
Cash at bank and in hand		1,776,952	1,492,646
		<u>1,776,952</u>	<u>1,492,646</u>

## Note 5. Oil Properties

	Note	Consolidated	
		30 June 2022	31 December 2021
		\$	\$
Tangai-Sukananti KSO		2,576,185	1,795,403
		<u>2,576,185</u>	<u>1,795,403</u>

### Movement in the carrying value of oil properties

Balance at the beginning of year		1,795,403	1,935,331
Expenditure during the period		997,727	84,748
Disposals during the period		-	-
Depreciation, depletion and amortisation	5	(216,945)	(224,676)
Balance at the end of period		<u>2,576,185</u>	<u>1,795,403</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## Note 6. Contributed Equity

	30 June 2022 Shares	31 December 2021 Shares	30 June 2022 \$	31 December 2021 \$
<b>Issued and paid up capital</b>				
Ordinary share fully paid	191,936,279	3,342,140,096	29,490,864	28,435,817
<b>Movements in ordinary shares on issue</b>				
Ordinary shares on issue at beginning of period	4,612,681,458	3,342,140,096	28,435,817	26,684,884
Issue of ordinary shares	800,000,000	1,270,541,362	878,568	1,850,322
Unmarketable parcel buy-back	(54,544,054)	-	(77,976)	-
Consolidation	(5,179,525,890)	-	-	-
Issue of ordinary shares	13,324,765	-	413,824	-
Less transaction costs	-	-	(166,867)	(111,927)
Tax consequences of share issues costs	-	-	7,498	12,538
Ordinary shares on issue at end of period	191,936,279	4,612,681,458	29,490,864	28,435,817

On 11 April 2022 the Company issued 800,000,000 ordinary shares in a private placement to sophisticated and professional investors through the issue of New Shares at A\$0.0015 per share. The placement included a 1 for 1 free attaching option exercisable at A\$0.004 on or before 30 September 2024. The placement raised \$878,568 before costs.

On 28 April 2022 the Company announced the completion of an off-market minimum holding share buy-back to buy back all of the shares held by shareholders who held less than a marketable parcel of shares. This resulted in 54,544,054 shares after rounding being bought back at A\$0.002 per share by the Company and cancelled. The minimum holding buy back cost the Company \$77,976.

On 11 May 2022 the Company announced that following shareholder approval at a General Meeting of shareholders on 8 April 2022, the consolidation of the issued capital of the Company on the basis of every 30 ordinary shares consolidated into 1 Share and every 30 A\$0.004 options expiring on 30 September 2024 consolidated into 1 A\$0.12 option expiring on 30 September 2024 had been completed.

As a result, after rounding the Company had a total of 178,611,514 Ordinary shares and 35,535,032 \$0.12 options with an expiry date of 30 September 2024 on issue.

On 29 June 2022 the Company issued 13,324,765 ordinary shares in a non-renounceable entitlement offer of new shares on a 1 for 2 basis, at an issue price of A\$0.045 per share. The entitlement offer included a 1 for 1 free attaching option exercisable at A\$0.12 on or before 30 September 2024. The entitlement raised \$413,824 before costs.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## Note 6. Contributed Equity (continued)

### 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 2022, the Company has 48,859,797 (31 December 2021: 759,390,150 pre-consolidation) share options on issue, exercisable on a 1:1 basis for 48,859,797 (31 December 2021: 759,390,150 pre-consolidation) ordinary shares of the Company at an exercise price of A\$0.12 (31 December 2021: A\$0.004 pre-consolidation) and an expiry date of 30 September 2024.

## Note 7. Share based payments

As part of the capital raise, 40,000,000 options were issued to the Lead Manager for the Placement. Additionally, 125,000,000 options were issued to the Lead Manager on completion of the capital raise in October 2021. The October 2021 options have been accounted for in the current period and deemed not to have a material impact on either the prior or current periods. Both parcels of options were issued pre-consolidation.

The fair value of the options granted is estimated at the grant date using the Black-Scholes option pricing model and based on the following assumptions:

	April 2022	October 2021
Risk free interest rate	2.51%	0.18%
Expected life	2.47 years	2.97 years
Expected volatility	100%	100%
Fair value of option	\$0.0005	\$0.0009
Option exercise price	\$0.0040	\$0.0040
Weighted average share price at measurement date	\$0.0015	\$0.0020
Dividend yield	n/a	n/a

On 11 May 2022 as part of the consolidation of issued capital of the Company, the options were consolidated by every 30 options consolidated into 1 option. The lead manager options reduced from 125,000,000 into 4,166,666 options and 40,000,000 into 1,333,333 options. At the same time the exercise price increased from AU\$0.004 to AU\$0.12 cents. The expiry date remains unchanged.

# NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## **Note 8. 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 \$44,041 (30 June 2021: \$nil) and capital raising success fees to Adelaide Equity Partners Limited of \$13,068 (30 June 2021: \$nil) (both under a corporate advisory and investor relations mandate). The fees were provided under normal commercial terms and conditions. Amounts outstanding at balance date were \$5,167 (30 June 2021: \$nil).

The Group has a corporate advisory & investor relations mandate with Adelaide Equity Partners. The mandate has a monthly retainer of AUD \$7,500 per month and commenced on 25 May 2022. Previously there was a mandate in place which had a monthly retainer of \$10,000 per month which commenced on 16 July 2021. The mandate can be terminated at any time by either party, by written notice to the other party.

## **Note 9. 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 exploration activities the Board managed each exploration activity of each permit through review and approval of joint venture cash calls, Authority for Expenditure (AFE's) and other operational 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 2022 and 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 2022 and 31 December 2021 relate to oil production.

For the current financial period, the Group's revenue of \$ 2,542,065 was received from the sale of oil in Indonesia to Pertamina EP (the Indonesian State-owned oil Company).

## **Note 10. Contingent Liabilities**

As at 30 June 2022 the Group had no contingent liabilities (2021: \$Nil).

# NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## **Note 11. Subsequent Events**

On 21 July the Company announced that it had placed and allotted 48,688,889 shortfall Rights Issue Shares to raise AU\$2,191,000 from sophisticated and professional investors at AU\$0.045 per share. Each share subscribed for in the shortfall included one free attaching option exercisable at AU\$0.12 on or before 30 September 2024.

On 2 August 2022 the Company announced that it has executed the Deeds of Assignment and Assumption with Cooper Energy Limited and Beach Energy Limited to complete the Cooper Basin Transactions with an effective date of 1 August 2022. The Group has acquired interests in eight tenements in the Cooper Basin including 100% interest in the Worrior and Padulla oil producing fields for AU\$1,300,000 cash and assumption of future restoration provisions of AU\$5.7 million. The accounting for the acquisition has not yet been finalised.

On 7 September the Company announced that it had placed and allotted 22,459,578 shortfall Rights Issue Shares to raise AU\$1,011,000 from sophisticated and professional investors at AU\$0.045 per share. Each share subscribed for in the shortfall included one free attaching option exercisable at AU\$0.12 on or before 30 September 2024.

No other matter or circumstance has arisen since 30 June 2022 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.

# Independent Auditor's Review 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 2022 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, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Bass Oil Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Bass Oil Limited's financial position as at 30 June 2022 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that for the half-year ended 30 June 2022, the Group had net cash outflows from operating activities of \$290,083 and net cash outflows from investing activities of \$606,233. 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 2022 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*.

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 Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance

Melbourne, 8<sup>th</sup> September 2022