

25 January 2023

Quarterly report for the period ending 31 December 2022

Bass Oil Limited (ASX:BAS) is an Australian-listed oil producer that holds a majority interest in eight permits in the Cooper Basin (Australia) including the 100% owned Worrior and Padulla oil fields and a 55% interest in a South Sumatra Basin (Indonesia) KSO. The Company is debt free and committed to creating value by leveraging the competitive strengths of its team, operating capability, reputation, and relationships in both Australia and Indonesia.

Highlights

- Quarterly oil sales increased 5% to US\$1.64 million at an average price of US\$85.60 per bbl
- Full year oil sales increased 96% to US\$5.72 million at an average price of US\$97.84 per bbl
- Production during the December 2022 quarter averaged 370 bopd Bass share, with this the first full quarter of oil production from the Cooper Basin assets
- Results of an independent study identified a deep coal gas potential of 21 TCF and 845 million barrels of condensate in place in Bass 100% owned PEL 182
- Moolion East prospect with an assessed prospective resource of 568 BCF of gas identified as the ideal area to test the deep coal play
- Geophysical mapping underway to determine the upside potential of the Kiwi gas discovery
- Bass fully funded to achieve 2023 strategic priorities

Bass Oil Managing Director, Mr Tino Guglielmo, commented:

"The December quarter ended what will prove to be a transformative year for Bass. The acquisition of the Cooper Basin portfolio of assets are already revealing and delivering their growth potential. Oil production and sales revenue are up, and a major deep coal play has been identified in PEL 182. The 2023 work program will be focused on growing the Company into a mid-tier oil and gas producer."

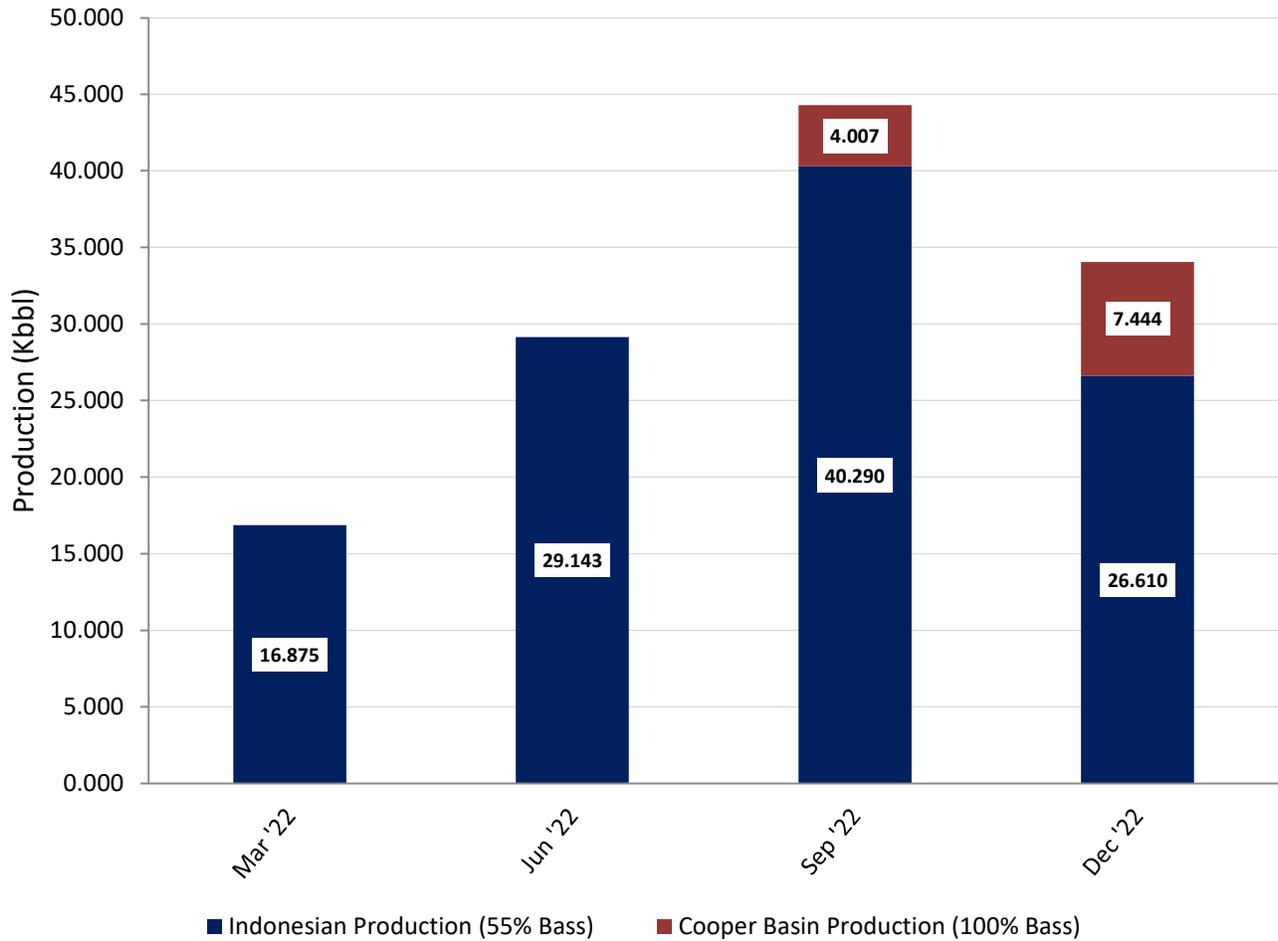
Key Performance Metrics	Dec Qtr Q4 FY22	Sep Qtr Q3 FY22	Qtr on Qtr Change	2022 YTD	2021 YTD	Yr on Yr Change
Net Production ¹ (mdbl)	34.06	44.30	-23.1%	124.38	80.99	53.6%
Net Oil Sales ¹ (mdbl)	31.86	43.15	-26.2%	119.71	81.80	46.3%
Net Entitlement to Bass ² (mdbl)	18.91	15.48	22.2%	57.56	42.60	35.1%
Sales Revenue (US\$M)	1.64	1.56	5.1%	5.72	2.92	95.9%
Average Realised Oil Price	85.60	96.00	-10.8%	97.84	67.29	45.4%
Cash (US\$M)	3.02	3.21	-5.9%	3.02	0.61	395.0%

Note 1: Net Indonesian Production and Sales are reported at 55% share and excludes the deduction of Domestic Market Obligation (DMO)

Note 2: The Key Performance Metrics, including Net Entitlement to Bass, for Dec Qtr Q4 FY22 & Sep Qtr Q3 FY22 include both Cooper Basin and Indonesian results (net of DMO)

Production

Bass Oil Quarterly Production (Kbbl)



Production for the December quarter was 34,060 barrels of oil down from 44,300 barrels in the September quarter. This was due to natural field decline in Indonesia partially offset by increased Cooper Basin production. The production decline rate in Indonesia appears to be stabilising from a higher decline rate transient regime to a more moderate steady state condition.

Oil Price

Bass realised an average oil price for the December 2022 quarter of US\$85.60, a 10.8% decrease on the September 2022 quarter. Bass oil sales in Indonesia are tied to ICP crude pricing which in turn is linked to the benchmark Brent crude. Cooper Basin oil sales are also linked to the benchmark Brent crude. The Company has no oil hedges in place.

AUSTRALIA

Cooper Basin Oil

This is the second quarter for reporting on operations in the Cooper Basin. Bass assumed ownership and operatorship effective from 1 August 2022. The South Australian Government approved the transfer of titles and registration during the quarter on 21 October 2022.

		Dec Qtr Q4 FY22	Sep Qtr Q3 FY22	FY 2022	
Sales Volume					
Crude oil	bbls	4,753	2,484	7,237	
Total Sales Volume		4,753	2,484	7,237	
Total Sales Revenue		USD million	\$0.41	\$0.23	\$0.64
Production					
Crude oil	bbls	7,452	4,008	11,460	
Total Production		7,452	4,008	11,460	
Capital Expenditure	USD million	-	-	-	

Production for the December quarter increased 23% on average to ~81 bopd. Since the acquisition of the Worrior and Padulla oil fields, Bass has been able to further increase production to over 96 bopd at the end of the quarter with no capital expenditure.

Revenue from Cooper Basin oil sales during the quarter was US\$0.41 million (A\$0.62 million). Oil exports were hampered by a number of rain events during the quarter however production was not impacted. Oil exports have increased in January as a result.

Oil Price

The Company realised an average oil price for the December 2022 quarter of US\$87.28 (A\$132.85), a decrease of 5.4% on the September 2022 quarter.

Worrior and Padulla Oil Fields (Bass 100%)

The Worrior and Padulla fields are currently producing from four wells on pump, and two wells on natural flow. A further five wells remain shut in. The fields were producing 65 bopd in total on 1 August 2022 when Bass took over ownership. Following a number of optimisation initiatives, detailed below, production at the end of December was averaging 96 bopd, an uplift of over 47%.

Production Optimisation Program

During the quarter Bass undertook a low-cost wireline intervention program to check the condition of the downhole jet pumps and to optimise the zones that are open to production. The pumps were repaired as required, and the wells returned to production. This program was successful in increasing production to current levels and identified a number of other improvement opportunities which will be implemented throughout 2023.

Worrior 11 Recompletion

Bass is planning the workover and return to production of the Worrior 11 well, which is currently shut in. Bass has previously identified attic oil potential in the McKinlay zone in this well that has never been produced. This zone is assessed as capable of 200 to 300 bopd initial production on pump. Planning for this workover is well advanced and is scheduled to occur in the current quarter.

Jet Pump Expansion

Existing infrastructure at the Worrior facility can accommodate up to three power fluid pumps operating in parallel. Each pump provides artificial lift power fluid to increase production from the wells. Worrior is currently operating with one power fluid pump online which is insufficient to provide artificial lift to all the wells that require it. Bass is awaiting delivery of all equipment and materials to site to recommission a second pump as soon as possible. This additional power fluid will be deployed to return the remaining wells to artificial lift which should result in a further increase in production.

Cooper Basin Gas

Ex PEL 90K Kiwi (Bass 100%)

The Kiwi gas discovery, located in the north-eastern section of Bass 100% owned ex PEL 90K, was drilled in 2003 as an exploration well, resulting in a Callamura Member gas discovery which flow tested at 9.6 mmscfd. The discovery was assessed to contain contingent resources in the range of 1.6 to 5.0 bcf (P90 to P10) with a mean recoverable resource of 3.0 bcf in the structural trap. Following the acquisition of a 3D seismic survey over the area, a previous operator identified significant upside via a potential stratigraphic trapping play. This play offers a prospective resource potential of 6.3 to 49.7 bcf (P90 to P10) with a mean of 23.9 bcf. The discovery well, Kiwi1 is cased and suspended and has never been completed for production or tested.

Bass is undertaking a Kiwi gas development feasibility study. The study consists of three separate work packages. The first package is aimed at quantifying the minimum economic potential of the structural closure at the Kiwi discovery. The second, entails the evaluation of the stratigraphic upside gas trapping potential and the third, is to quantify the cost and feasibility of connection into the Cooper Basin gas gathering network.

The second phase is progressing well. Seismic mapping of the Kiwi area has commenced. The mapping is aimed at evaluating the stratigraphic upside gas trapping potential, utilising the most recent 3D seismic acquired over the area.

Concurrently, Bass is planning to complete the Kiwi 1 well later in 2023 and perform an extended production test in order to confirm the gas composition and potential field size.

The first and third work packages are well advanced and are awaiting the completion of the seismic mapping to determine the next steps required to appraise and develop this potentially valuable gas resource.

Ex PEL 182 (Bass 100%)

Deep Permian Coal Gas

Bass 100% owned PEL 182 is situated in the core of the Patchawarra trough. The trough hosts vast quantities of deep Permian aged coals that have long been recognised as a major source of the hydrocarbons discovered in the Cooper Basin.

On 16 November 2022 Bass announced the results of an independent study carried out by geological experts, Fluid Energy Consultants (Fluid) into the prospectivity of the gas bearing potential of the deep coals in this permit. Fluid has identified a significant prospective resource in its 100% owned PEL 182 that has the potential to materially grow the Company's Australian operations in the Cooper Basin in South Australia.

The Deep Coal Gas Prospective Resource Report quantified the gas potential contained in PEL 182 (Figure 1) at a "best estimate" of 21 TCF of gas in place along with and accompanying 845 million barrels of condensate/oil in place.

Gas from deep coals, lying below 2500 metres, represent a new significant gas play in the Cooper Basin and potential new material source of gas for the domestic market.

Gas is known to exist in the Permian aged coals of the Toolachee, Epsilon and Patchawarra formations and has flowed at potentially commercial rates after fracture stimulation.

Santos and the Cooper Basin Joint Venture has been working on commercialising these coals. More recently, Santos has drilled, and fracture stimulated the Beanbush 3 horizontal well in a permit adjacent to PEL 182, in the same geological setting and on trend in the Patchawarra Trough (Figure 2).

Table 1: Total OHIP and Associated Liquids in the Ground in PEL 182

Deep Coal	Top Depth (m)	Area (Km ²)	Net Coal (m)	Hydrocarbon Density (BCF/KM ²)	OHIP (BCF)	Condensate Ratio (Bbl/MMscf)	Liquids in Place (MMBbl)
Toolachee	2,930	627	13.5	13.6	8,527	40	341.1
Epsilon	2,970	590	4.3	4.3	2,524	40	101.0
Patchawarra	3,030	600	16.7	16.8	10,071	40	402.8
Total			34.5	34.7	21,122		844.9

Bass and Fluid have defined a prospective area, named the Moolion East Deep Coal Prospect, within the permit where a pilot horizontal well or wells would be best placed to test the deep coal play. Santos previously drilled the Moolion East 1 well searching for conventional hydrocarbons but was unsuccessful. However, the well intersected a significant thickness of deep coal in the Permian section which is the target of this play and study (Figure 2).

The assessed Prospective Resource of the Moolion East deep coal prospect is 568 bcf of gas and 22.7 million barrels of condensate (oil).

Table 2: Moolion East Deep Coal Gas and Oil Best Estimate (2U) Prospective Resources as Assessed by Fluid

Deep Coal	Top Depth (m)	Area (Km ²)	Net Coal (m)	Hydrocarbon Density (BCF/KM ²)	OHIP (BCF)	Prospective Gas Resource (BCF)	Prospective Liquids Resource (MMBbl)
Toolachee-Epsilon	2,930	60	32.0	30.1	1,821	273	10.9
Patchawarra	3,030	60	32.4	32.5	1,966	295	11.8
Total			62.4	62.6	3,788	568	22.7

The method for developing this significant resource is expected to be similar to the successful shale gas plays in North America by horizontal drilling and fracture stimulation.

See ASX Announcement “Significant Gas Resource Identified in PEL 182 (Bass 100%)”, released 16 November 2022 for further information

Since the end of the quarter Santos Limited (ASX:STO) announced the following statement in their 2022 4th Quarter Report, released on 19 January 2023 regarding their Beanbush 3H well:

“The Beanbush 3H ST3 Deep Coal well was successfully side-tracked and a 600-metre horizontal lateral was drilled above the target coal formation. Eight stimulation stages were successfully executed. The results from the well are being incorporated into Deep Coal appraisal plans.”

Bass continues to plan and develop its strategy to progress the commercialisation of the deep coal resource in the PEL 182 permit. The Company will provide updates to the market on developments as appropriate.

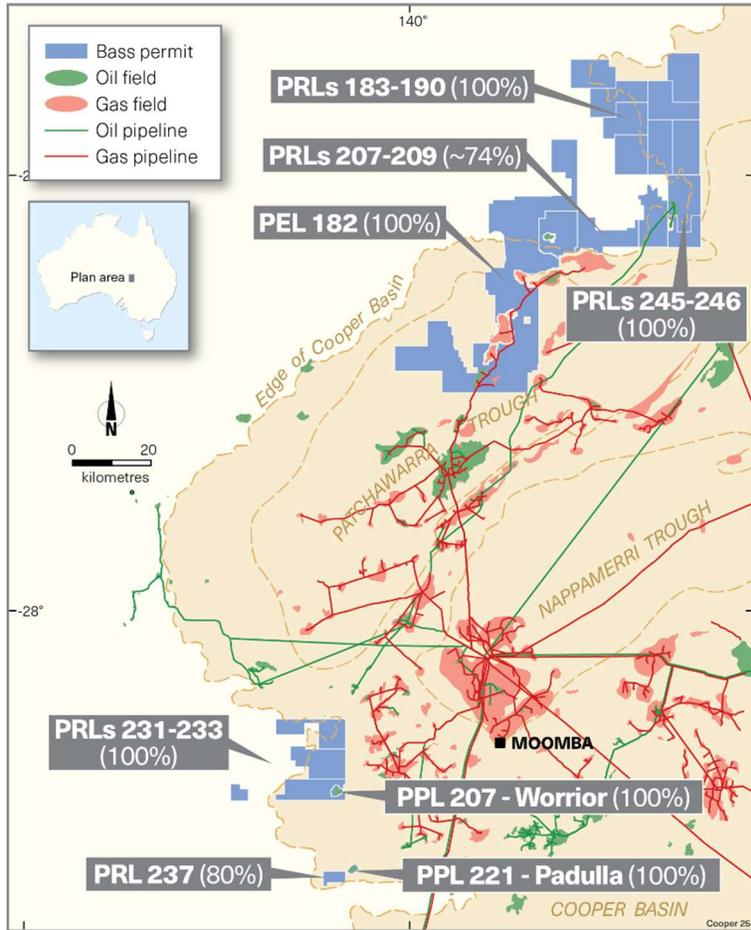


Figure 1: Location Map PEL 182

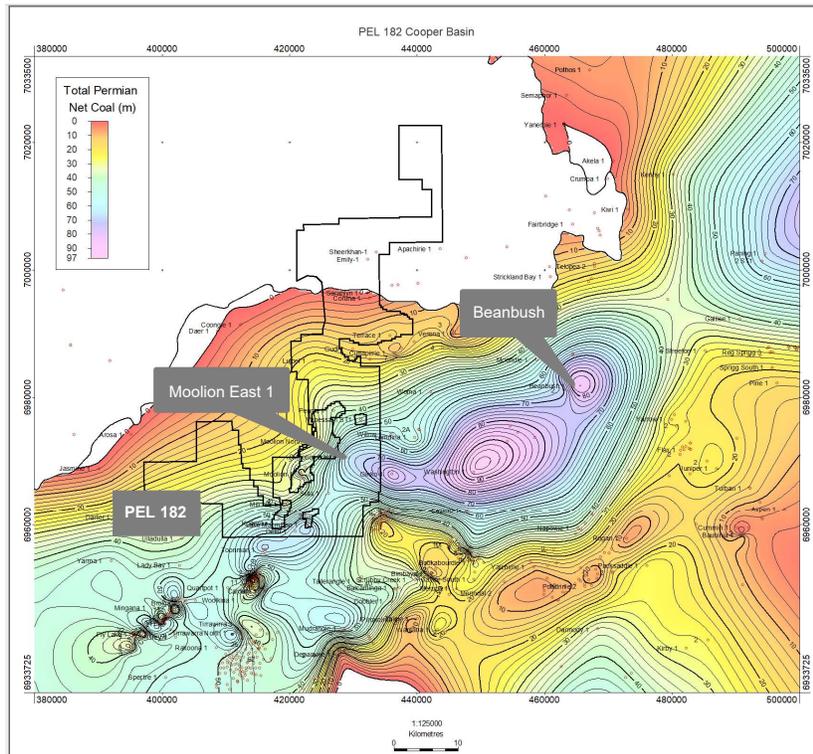
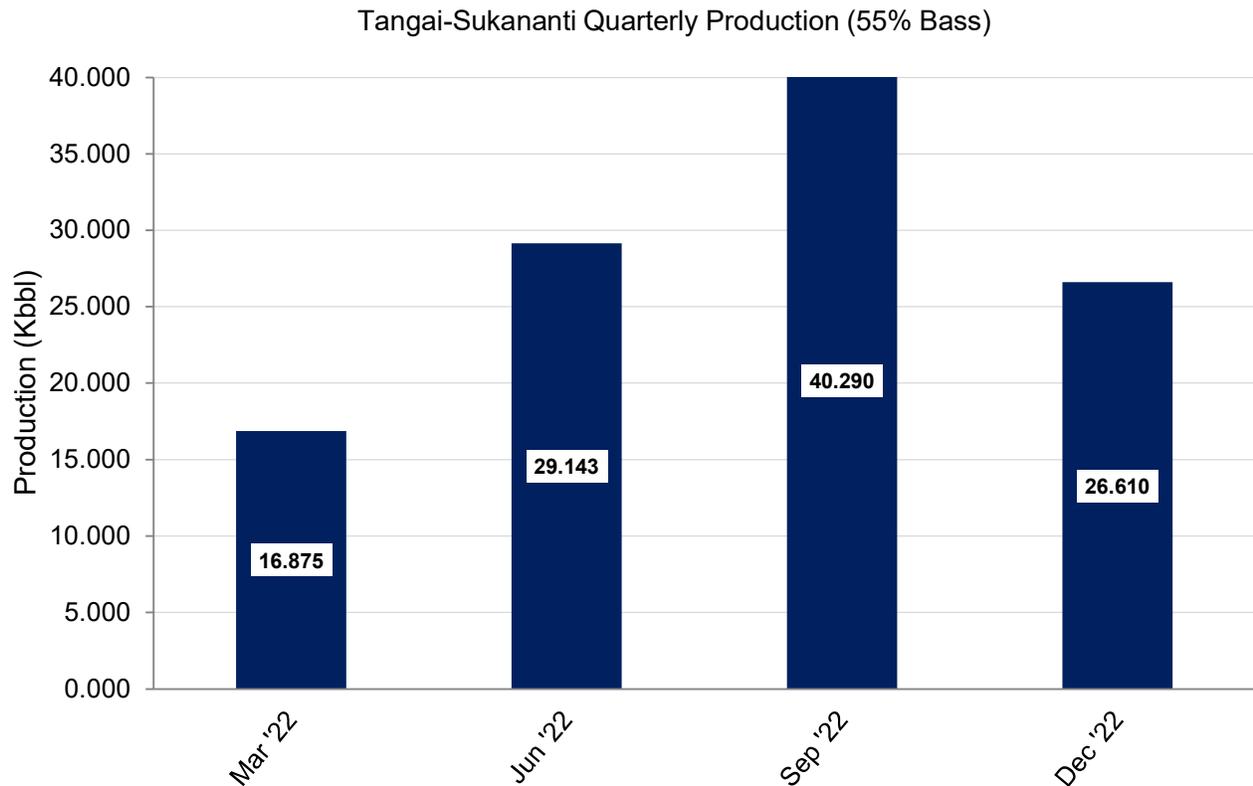


Figure 2: Total net Permian coal thickness in the Patchawarra Trough

INDONESIA

Production



Production for the December quarter decreased due to natural field decline. The Company produced 26,610 barrels of oil (Bass share) during the quarter and sold 27,110 barrels of oil (Bass share). The net entitlement oil to Bass increased 9% to 14,152 barrels for the December 2022 quarter after Domestic Market Obligation (DMO).

Tangai 5 production decline is stabilizing as expected and continues to perform well. Production was further impacted as the Tangai 1 well remained shut in throughout the quarter due to water handling limitations at the facility. This resulted in the deferral of ~50 bopd. Late in the quarter Tangai 1 well was brought on line for limited periods as water handling capacity allowed. The well will continue to be cycled in a similar fashion to observe the water handling performance of the facility.

The subsurface team is planning a well optimisation program to commence as soon as practicable in 2023 to offset the natural field decline.

Field Development

The Tangai 5 well continued to boost overall field production in the December quarter despite exhibiting natural decline. The well has produced over 120,000 barrels of oil (JV share) since it was commissioned in May 2022 and has performed as expected. The results from this well are being integrated into the field models by the subsurface team. This result gives further encouragement for future drilling in the KSO (Figure 3).

Bass has started planning for a future drilling program which will likely include the Bunian 6 development well, targeting the undrained oil in the southwest of the Bunian field. The potential for an additional development well in the Tangai field will also be evaluated following the success of Tangai 5.

Oil Price

Bass oil sales in Indonesia are tied to ICP crude pricing which in turn is linked to the benchmark Brent crude. The Company realised an average oil price for the December 2022 quarter of US\$83.91, a 12.6% decrease on the September 2022 quarter.

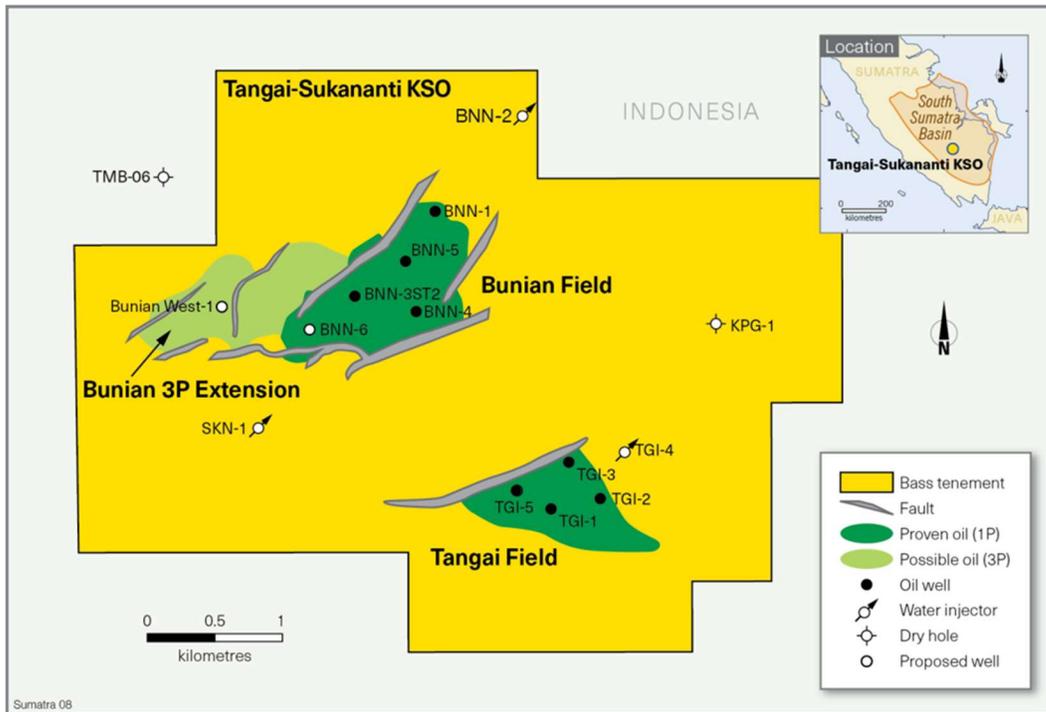


Figure 3: Tangai-Sukananti KSO Location Map

CORPORATE

Cash Position

As at 31 December 2022, Bass' cash reserves decreased 6% from the September 2022 quarter to US\$3.02 million or A\$4.46 million mainly due to the timing of cash receipts for oil sales. The cash reserves includes, US\$1.54 million (or A\$2.28 million) which has been placed on deposit to support a rehabilitation bond in favour of the South Australian Department of Energy and Mining, for the future rehabilitation of wells and facilities being acquired. The Company carries no debt.

Revenue

Oil sales for Bass totaled US\$1.64 million in the December 2022 quarter and US\$5.72 million for the year ending 31 December 2022, an increase of 96% on the comparative year ending 31 December 2021. This is primarily from increased oil production and sales in Indonesia with the addition of Tangai 5 development well and five months of oil production from the Cooper Basin oil fields acquired during the year. Sales were also positively impacted by higher oil prices in 2022.

TENEMENT HOLDINGS

Tenement	Location	Interest owned	Interest acquired/farm in during the quarter	Interest disposed/farm out during the quarter
Tangai-Sukananti KSO	Indonesia	55%	-	-
PPL 207 (Warrior)	Cooper Basin	100%	100%	-
PPL 221 (Padulla)	Cooper Basin	100%	100%	-
PRL's 231-233 (Ex PEL 93)	Cooper Basin	100%	100%	-
PRL's 237 (Ex PEL 93)	Cooper Basin	80%	80%	-
PRL's 207-209 (Ex PEL 100)	Cooper Basin	~74%	~74%	-
PRL's 183-190 (Ex PEL 110)	Cooper Basin	100%	100%	-
PRL's 245-246 (Ex PEL 90K) (Kiwi)	Cooper Basin	100%	100%	-
PEL 182	Cooper Basin	100%	100%	-

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

For further information, please contact:

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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) is an Australian-listed oil producer that holds a majority interest in eight permits in the Cooper Basin (Australia) including the 100% owned Worrior and Padulla oil fields and a 55% interest in a South Sumatra Basin (Indonesia) KSO. The Company is debt free and committed to creating value by leveraging the competitive strengths of its team, operating capability, reputation, and relationships in both Australia and Indonesia.

As of December 2022, Bass' production totalled ~366 bopd from Indonesia and Australia. Bass is building towards a substantial onshore Australian and Indonesian oil & gas business with a clear focus on expanding production in the Cooper Basin and 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 2022

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	1,503	5,362
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production	(1,122)	(3,495)
(d) staff costs		
(e) administration and corporate costs	(248)	(1,207)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	9
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid	(240)	(549)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(105)	117

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements	-	(901)
(c) property, plant and equipment	(62)	(984)
(d) exploration & evaluation (if capitalised)		
(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	(62)	(1,885)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	32	3,526
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(67)
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)	(14)	(42)
3.9	Other (Unmarketable Parcel Buy-Back)	-	(78)
3.10	Net cash from / (used in) financing activities	18	3,339
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,213	1,493
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(105)	117
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(62)	(1,885)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	18	3,339

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	(44)	(44)
4.6	Cash and cash equivalents at end of period	3,020	3,020

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	1,477	3,213
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) Restricted Cash	1,543	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,020	3,213

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	16
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Current quarter \$USD'000
16
-

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)	(105)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(105)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,020
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,020
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	28

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 2023

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.