ASX Announcement

Release date: 10 August 2023

Indonesian KSO extended 10 years to 2035

Bass Oil Limited (ASX:BAS and BASO) 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

- **Bass awarded a 10-year extension to Indonesia KSO to September 2035 allowing the Company to exploit growth potential**
- **Improved fiscal terms expected to increase free cash flow from Indonesian business**
- **Significant reserves increase expected because of forecast oil production beyond previous expiry (contingent resources) now within licence tenure**
- **Field continues to perform well increasing confidence of the existence of a westerly extension to the Bunian field**

Bass Oil Limited (ASX: BAS and BASO) is pleased to announce that it has signed a 10 (ten) year extension to its 55% owned and operated Tangai-Sukananti KSO in South Sumatra with the Indonesian state-owned oil company Pertamina EP.

The KSO was due to expire 25 July 2025, 15 years after it was granted in 2010. The KSO will now expire 16 September 2035. The extension was granted under improved fiscal terms after a period of constructive negotiations with Pertamina.

Recent strength in production levels in the KSO as well as Pertamina's success in an adjacent licence gives Bass encouragement to exploit the potential upside of the Bunian field and other secondary hydrocarbon bearing zones in the existing wells.

Bass Oil Managing Director, Mr Tino Guglielmo commented:

"The extension of the production licence in Indonesia will be of significant benefit to Bass. The increase in tenure will result in a material increase in reserves and is forecast to increase free cash flow from our Indonesian business due to the improved fiscal terms. The extension will also allow the team additional time to take advantage of the upside becoming evident in the Bunian and Tangai fields."

Improved Fiscal Terms

The renewal has been offered under significantly improved fiscal terms which have been approved by the Government of Indonesia through the Ministry of Mineral and Petroleum Resources in order to stimulate activity in this sector and attract further investment.

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One of the major benefits of the new KSO terms is an increased equity split of profit oil. The previous KSO terms had a fixed equity split of 15% on profit oil after tax, less Domestic Market Obligations (DMO). The new terms calculate the profit split on a sliding scale up to 35% with no DMO. The split is after tax.

The effect of these terms is to encourage the license holder to maintain an active work program to achieve the highest profit split available.

Reserves

A major benefit of the KSO extension will be a material increase in reserves driven by the increase in oil produced within the licence term which would have been produced after expiry. A significant proportion of the Contingent Resources quantified in the 31 December 2022 reserves review was made up of oil produced beyond the licence expiry which can now be converted to reserves, refer Table 1 (for further detail refer to ASX release 31 March 2023).

As a result of the extension ~90,000 barrels of production (100% share) will be retained by Pertamina EP as baseline production over the duration of the 10-year extension.

The upcoming year end reserves review will quantify the changes in reserves due to the licence extension and the improved fiscal terms.

Table 1 – Developed and Undeveloped Reserves & Resources at 31 December 2022			
Reserves – Indonesia (MMbbl Bass share)			
	1P (Proved)	2P (Proved & Probable)	3P (Proved, Probable & Possible)
Indonesia	0.194	0.300	0.462
Contingent Resources – Indonesia (MMbbl Bass share)			
	1C	**2C**	**3C**
Indonesia	0.276	0.779	0.965

Work Program

The renewal was offered based on the JV committing to a firm two-year US$3.25 million (100% share) work program which includes a well in year 2. The work program is expected to be funded from free cashflow generated from the licence.

The field models have been updated following the success of the Tangai 5 development well. The next well likely to be drilled in 2024 is the Bunian 6 development well (see Figure 1). This well is to be drilled adjacent to the prolific Bunian 3 well and will produce the undeveloped oil reserves in the southwest of the Bunian structure.

The updated model, along with continued strong field production performance, have increased confidence that an extension of the Bunian field to the West exists. The extension, known as Bunian West, will be the target of a well to be drilled following the drilling of Bunian 6. In the reserves table above, the 3P reserves case encompasses the reserves potential of a westerly extension of the Bunian field.

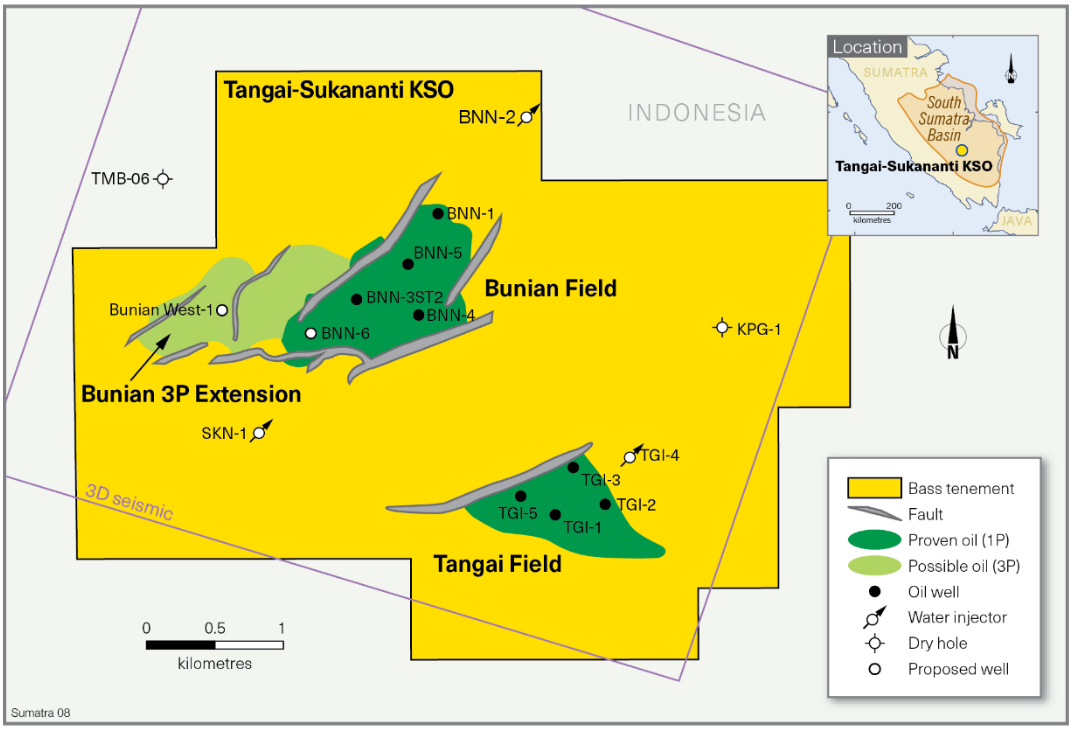

Figure 1 – Tangai Sukananti KSO – Bunian and Tangai field map

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

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