



*Onshore South Sumatra Bunian-3 drilling  
Source: Cooper Energy*

# ***The Path Forward: Indonesia***

**Investor Presentation**

***October 2016***

# Landmark Acquisition of Indonesian Production Assets

**Bass Strait Oil Company** has acquired Cooper Energy's **55% interest in the Tangai-Sukananti production assets** located in South Sumatra, Indonesia which will:

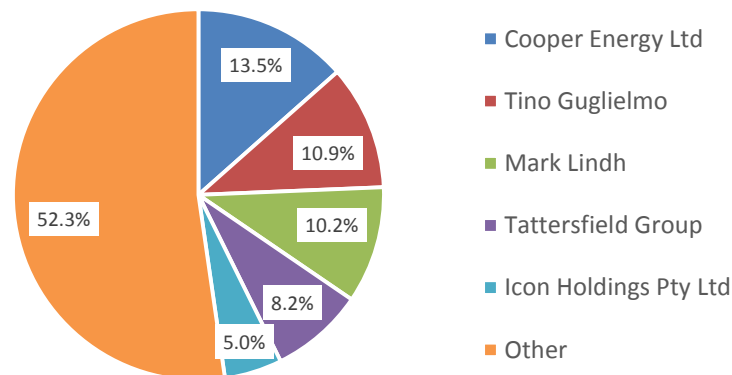
- **Immediately transform** the company into a **producer** (the assets currently produce ~500 bopd -100% JV share) in a prolific oil and gas region;
- Deliver Bass between **A\$100,000 - A\$150,000 of free cash flow per month** at current oil pricing during CY17; and provide
- A **platform for further growth** through low-cost development opportunities and the execution of bolt-on acquisitions

# Bass Strait Oil & Gas Company (ASX:BAS)

## Capital Structure

Shares on Issue	1,287.0 M
Market Cap (@ \$0.002)	A\$2.6 M
Cash Estimate	A\$0.3 M
Enterprise Value	A\$2.3 M

## Share Ownership Summary



\*Does not include proposed issue of 180 million shares to Cooper Energy which would see them hold a 24.1% interest

## Board Structure

### Peter Mullins - Non-Executive Chairman

- ✓ 40-year banking career in Australia and New York specialising in institutional and corporate finance
- ✓ Former Director of Somerton Energy
- ✓ Former head of Institutional Banking SA & NT with Commonwealth Bank of Australia

### Mark Lindh - Non-Executive Director

- ✓ Co-founded Adelaide Equity Partners – natural resources focussed investment bank
- ✓ Successfully executed >A\$1b in transactions
- ✓ Retained corporate advisor to numerous companies in the energy sector

### Tino Guglielmo - Executive Director

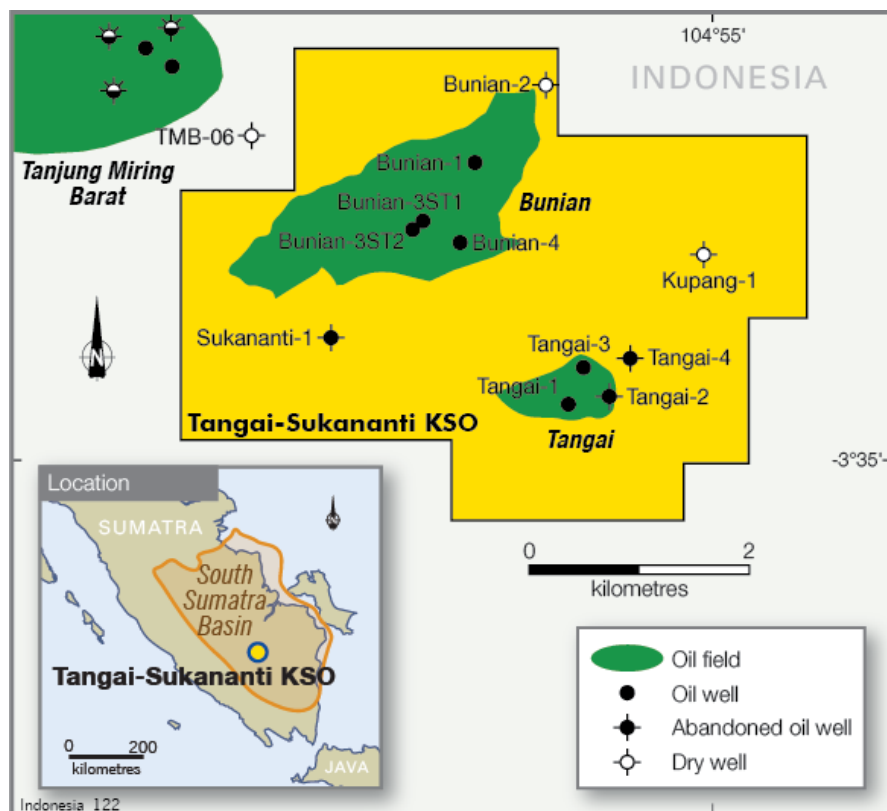
- ✓ 21-year career with Santos in key management positions
- ✓ Co-founded Ambassador Oil & Gas - achieved sale to Drillsearch Energy in 2014 creating significant value
- ✓ Grew Stuart Petroleum as a Cooper Basin junior which was sold to Senex in 2010 - achieving 7X value accretion
- ✓ Non-Executive Director of Octanex & Ophir Sdn Bhd Malaysia

### Hector Gordon - Non-Executive Director

- ✓ Executive Director of Cooper Energy and former Executive Director of Beach Energy
- ✓ Former MD of Somerton Energy & Executive Director at Beach
- ✓ Integral role in Beach's exploration successes and acquisitions
- ✓ Significant experience in South-East Asia

# Tangai-Sukananti Production Assets

- ✓ Acquisition of Cooper Energy's 55% interest in Tangai-Sukananti production asset - located in the South Sumatra Basin, a prolific oil & gas region in Indonesia
- ✓ Proven operations with substantial low-cost and low-risk development options
- ✓ Acquisition represents an ideal platform for building a regional oil & gas business



## Resources & Reserves – as at 30 June 2016

Resources (MMboe)					
1C		2C		3C	
Gas (PJ)	Total (MMboe)	Gas (PJ)	Total (MMboe)	Gas (PJ)	Total (MMboe)
1.2	0.2	2.3	0.4	4.3	0.7

Petroleum Reserves (MMbbl)			
Category	Proved	Proved & Probable	Proved, Probable & Possible
Developed	0.50	0.93	1.39
Undeveloped	0.31	0.80	1.70
<b>Total</b>	<b>0.82</b>	<b>1.73</b>	<b>3.09</b>

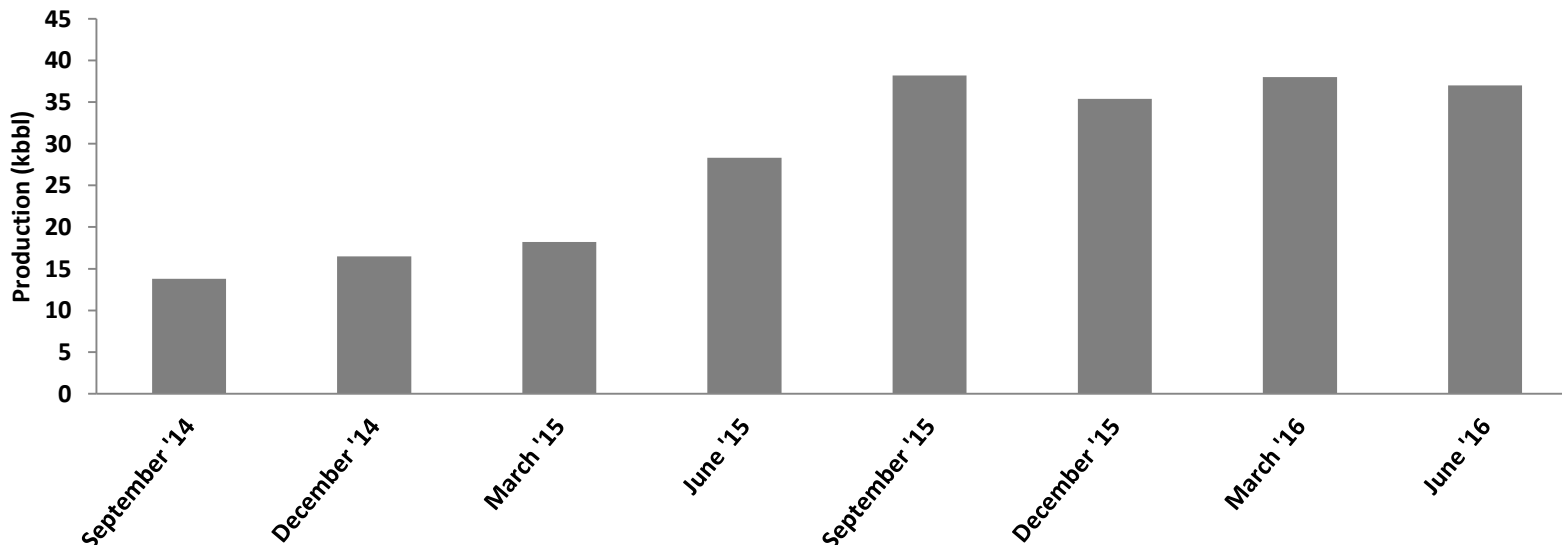
\*Totals may not reflect arithmetic addition due to rounding

Source: Cooper Energy 2016 Annual Report

# Strong Project Economics

- ✓ Current production of ~500 bopd (100% JV share) – opportunity to increase through production optimisation
- ✓ Operating costs currently ~US\$35 / bbl – investigating cost optimisation opportunities
- ✓ Free cash flow (net to BAS) of ~A\$ 2.1 million by end of CY17 @ US\$ 50 Brent / bbl
- ✓ Free cash flow (net to BAS) of ~A\$4.5 million by end of CY25 @ US\$ 50 Brent / bbl – not including development upside

Historical Quarterly Production (55% basis)





# Key Acquisition Terms

- ✓ Cash consideration of A\$500,000 at the Completion Date
- ✓ Scrip consideration of 180,000,000 shares in BAS at \$0.0015 per share – subject to EGM approval
- ✓ A\$2,270,000 cash payable 12 months from Completion Date
- ✓ Balance of working capital items are to be disbursed to Cooper Energy as collected
- ✓ Completion Date ~ 3 months after the signing of the SSA
- ✓ Effective transaction date of 30 September 2016 – revenue currently attributed to BAS



*Bunian Central Production Facility*

# Investment Case

<p><b><i>Strong Project Economics</i></b></p>	<ul style="list-style-type: none"> <li>✓ Assets are cash flow positive at current oil pricing - significantly leveraged to improved market conditions</li> <li>✓ Current production of ~500 bopd (100% JV share)</li> <li>✓ On average, generation of \$A100-150K free cash flow per month at US\$50 / bbl Brent oil price during CY17</li> </ul>
<p><b><i>Regional Growth Opportunities</i></b></p>	<ul style="list-style-type: none"> <li>✓ Indonesia – a world class hydrocarbon province currently presenting significant opportunities in the sector</li> <li>✓ Solid platform for executing additional value-accretive opportunities</li> <li>✓ Key focus to build a SE Asia-focussed oil &amp; gas business</li> </ul>
<p><b><i>Development Upside</i></b></p>	<ul style="list-style-type: none"> <li>✓ Asset contains multiple low-risk and low-cost development opportunities - expected 20% IRR on development wells in South Sumatra</li> <li>✓ Retaining current team in Indonesia – BAS to leverage management expertise</li> </ul>
<p><b><i>Proven Production in Prolific Region</i></b></p>	<ul style="list-style-type: none"> <li>✓ Successful Bunian-3 ST2 and Bunian-4 wells in 2015</li> <li>✓ Targeting increased production through optimisation studies</li> <li>✓ Located in South Sumatra basin adjacent to prolific oil &amp; gas fields where over 2.3 billion bbl &amp; 6 Tcf gas have been produced</li> </ul>

# Indonesia: Investment Rationale

*BAS views Indonesia as an ideal place for investment in the current market*

- ✓ **Worlds fourth-largest population (~250 million)**
- ✓ **Fast-growing economy (GDP ~ 6%pa)**
- ✓ **Oil and gas demand growing at > 5%pa**
- ✓ **Declining conventional oil/gas supply**
- ✓ **Supportive government - regulatory changes promoting oil/ gas investment with competitive fiscal terms**
- ✓ **Prolific onshore oil & gas provinces**
- ✓ **Numerous low-cost production opportunities with low-risk development upside**

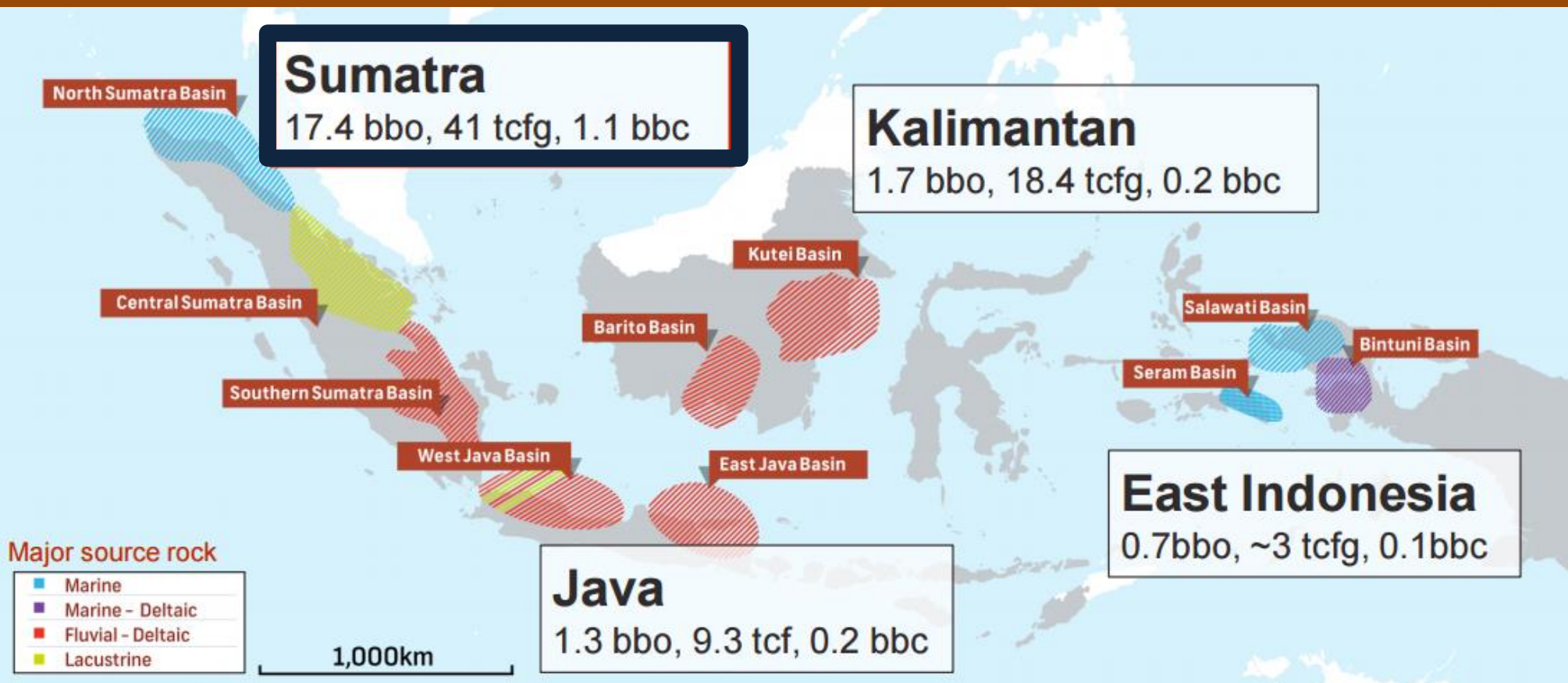




# Indonesia: World Class Oil & Gas Basins

*Sumatra is Indonesia's most established hydrocarbon province – ideal platform for building a regional business*

## Discovered hydrocarbons in Indonesia onshore provinces

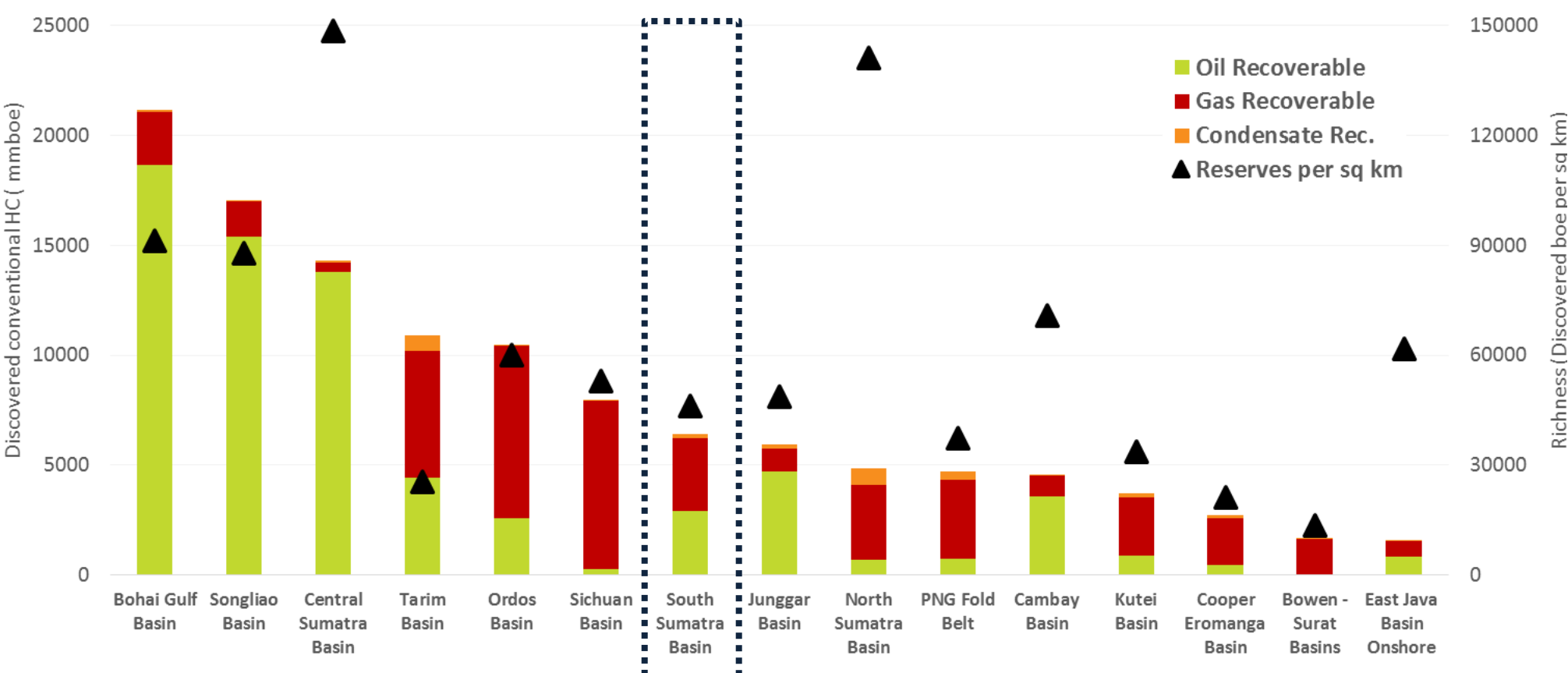


Source: IHSE (onshore oil & gas reserves shown only)

# South Sumatra: Prolific Oil & Gas Province

*The Sukananti production asset is located in South Sumatra, a leading hydrocarbon province in the region*

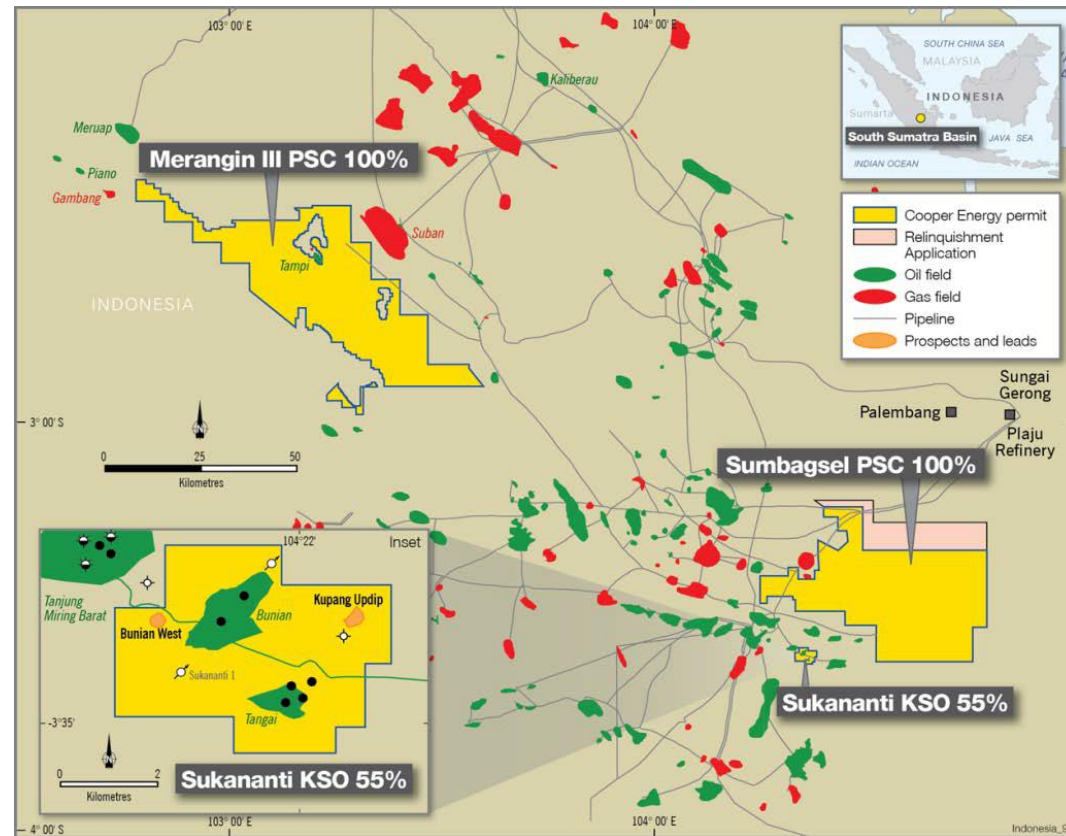
## Asia-Pacific onshore basins, ranked by discovered hydrocarbons



Source: IHSE

# Tangai-Sukananti KSO: Overview

- ✓ Cooper Energy signed Sukananti KSO in July 2010
- ✓ Operations in the KSO primarily focused on Bunian oil field which was discovered in 1998
- ✓ Produced over 1.25 million barrels as at June 2016
- ✓ Bunian-1 was the only producing well in the area up until May 2015, (Bunian-3 ST2)
- ✓ Bunian-4 discovered new oil pool at GRM Sand and confirmed prospective resources in TRM0 to TRM2 sands in September 2015
- ✓ Integrated plan of development consisting of drilling, surface facilities and export infrastructure is being prepared to maximise economic production and reserves



Source: Cooper Energy

\*\* Cooper Energy sold its interests in the Merangin PSC and Sumbagsel PSC to Mandala Energy in February 2016 for ~A\$12.5 million

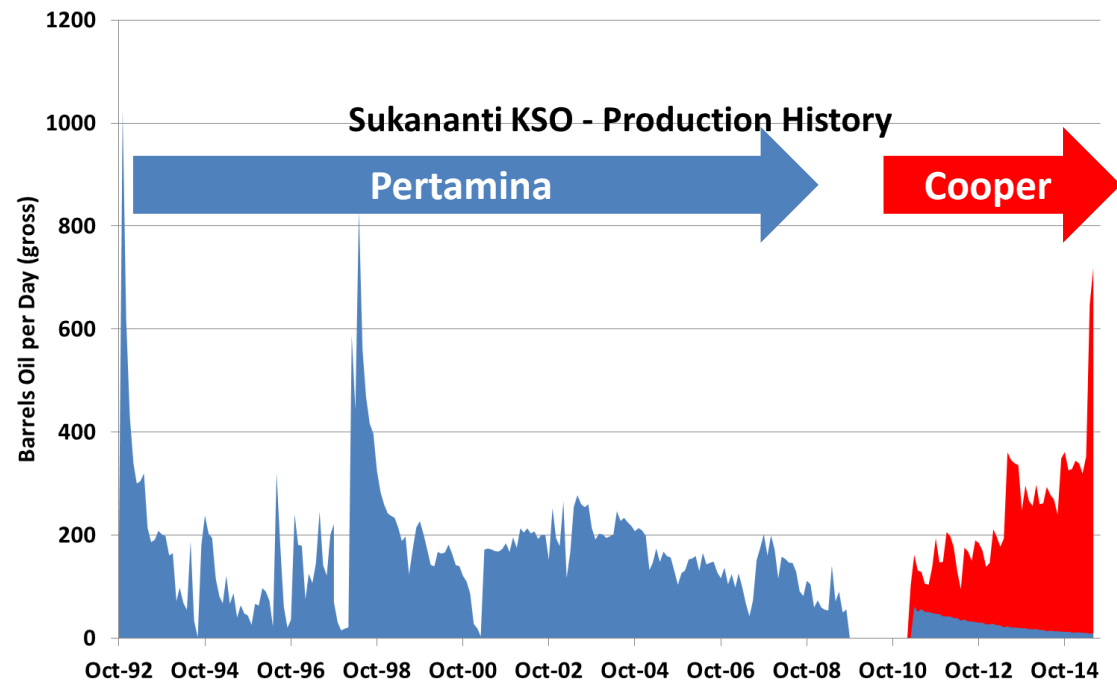
# Tangai-Sukananti KSO: History

## Pertamina Era:

- ✓ Fields discovered in the 1990s: Tangai (1992), Sukananti (1996), Bunian (1998)
- ✓ Offered by tender in 2010

## Cooper Era:

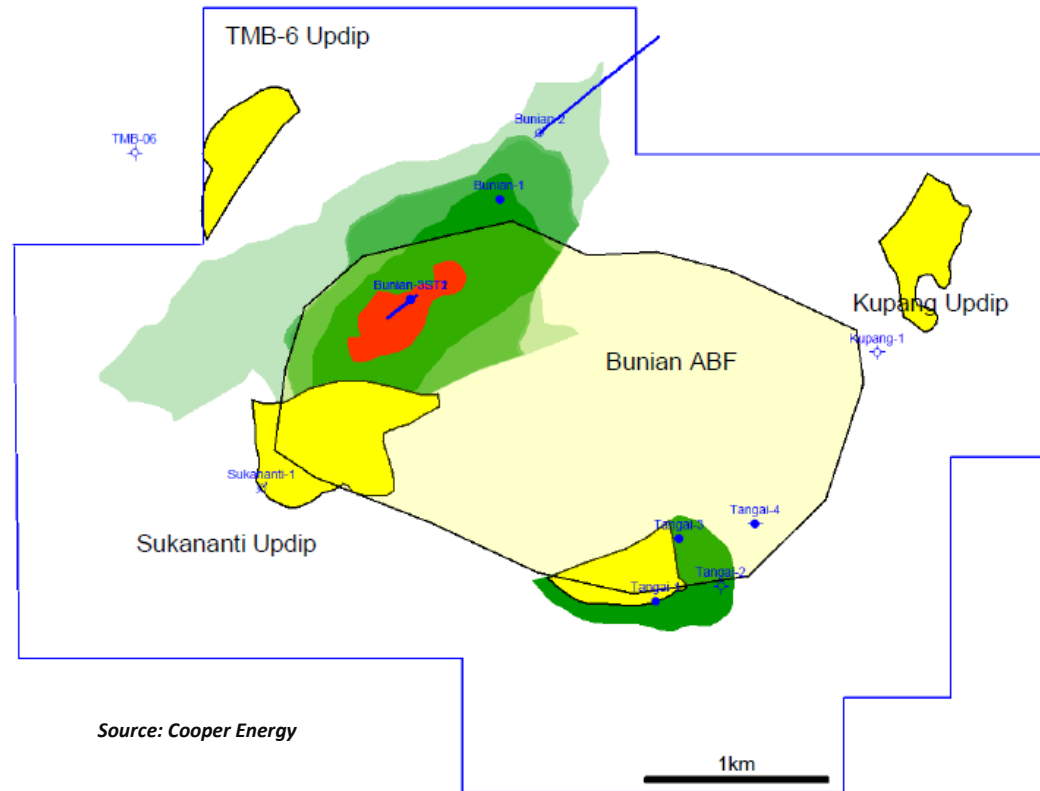
- ✓ New approach - underdeveloped marginal field opportunities with upside potential
- ✓ Bunian-1 online April 2011, Tangai-1 online June 2013
- ✓ Production increase through application of fit for purpose, low cost technology



Source: Cooper Energy

# Tangai-Sukananti KSO: Prospects & Leads

- ✓ Multiple low cost opportunities – expected 20% IRR on development wells in South Sumatra
- ✓ Three un-drilled structures identified (Updip Sukananti, Updip TMB-6 and Updip Kupang)
- ✓ Prospective resources remain in Bunian and Sukananti Fields
- ✓ New testing in Tangai-3 proven over looked potential of TRM1, TRM2 and TRM3 intervals
- ✓ Bunian-4 targeting previously untested TRM0, TRM1 and TRM2 sands
- ✓ Bunian-4 confirms gas in shallow Air Benekat Fm sands





# Simple, Low Cost, Effective Facilities



*Bunian Central Production Facility*



*Tangai Extended Production Test*

*Source: Cooper Energy*

# Existing Operations: Bunian Processing Facility



Source: Cooper Energy



# Key Messages

- 1. Generation of significant free cash flow at current oil pricing**
- 2. Transformation of BAS into a SE Asia-focussed oil & gas business**
- 3. Low-risk and low-cost development opportunities within Tangai and Bunian oil fields**
- 4. Indonesia currently presents significant opportunities in the energy sector – an ideal platform for building a regional business**
- 5. Proposed execution of bolt-on acquisitions in the region – minimal additional corporate overheads required**

# Contacts

*For further information, please do not hesitate to contact:*

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