

Bass realises significant 20% uplift in daily field output at onshore oil production assets in South Sumatra

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Highlights

- **Latest optimisation work results in significant increase in Sumatran oil field output**
- **20% uplift in daily field production to 650 BOPD at Indonesian Tangai-Sukananti KSO with further gains expected over coming weeks**
- **Since acquisition of the Tangai-Sukananti KSO in February 2017, Bass, as Operator, has made significant improvements to the production performance of the asset and possesses the skill base to replicate this success in potential acquisition opportunities in the region**

Australian oil producer, Bass Oil Limited (ASX:BAS) has announced a substantial 20% uplift in field output at its oil producing Tangai-Sukananti KSO, in Indonesia's prolific South Sumatra Basin.

This lifts the Company's 2018 daily field output from 550 barrels of oil per day (bopd) earlier this year, to a current 650 bopd, with further gains of between 150 to 250 bopd expected over coming weeks.

The significant production uplift is a direct result of the successful completion of field optimisation work pursued by Bass over the past six months. The majority of the uplift and anticipated future uplift in production has resulted from the flow line debottlenecking from the Bunian-3 well.

As previously reported, the 2-7/8" diameter Bunian 3 flowline was identified as significantly restricting production capacity from this well. The flow line was replaced with a larger 4-1/2" flowline. The new line was commissioned in mid March.

Removing this restriction has doubled the flow capacity from this well from 350 bopd up to approximately 700 bopd. The well is currently producing 450 bopd with production to be gradually increased to its maximum during April.

During recent months, other Bass oil production increases in South Sumatra have resulted from:

- Bunian-1 - due to pump speed increases

- Tangai-1 - due to the successful completion of a scale removal program, and;
- Efficiency gains from the scale removal from the water separation tank and associated pipework at the Bunian Central Processing Facility.

The gains are part of the strategy by Bass' Indonesian operations team to continually focus on optimising well performance and the performance of existing production infrastructure from the KSO to remove any restriction to overall output from the KSO. The team has worked diligently to complete the various planned field optimisation initiatives and the Company is now pleased to realise this strong subsequent uplift to total field output.

Bass Oil also benefited last month from the results of a major new field development study by independent petroleum geoscience and engineering consultancy, UNPAD, associated with Indonesia's Padjadjaran University.

The study's findings materially upgraded the prospectivity of Bass Oil's 55% stake in the Tangai-Sukananti licence, identifying an additional 1.62 million barrels of oil (893,000 barrels net to Bass) of un-risked, recoverable, prospective resource in two new drill-ready, near field prospects.

The study found these prospects have the potential to significantly increase recoverable oil from the Tangai-Sukananti licence as well as further increasing recoveries from Bunian and Tangai. Bass has now added these two new drill prospects to the Company's planned 2018-2019 exploration and development drilling program.

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About Bass Oil Limited:

Bass holds a 55% interest in the Tangai-Sukananti production assets, located within the South Sumatra Basin, a prolific Indonesian oil and gas region. Following the acquisition from Cooper Energy on 28 February 2017, Bass assumed the Operator role and retained the experienced Indonesian on-site personnel and the Jakarta-based management teams, which have proven experience in efficiently managing the operation. The KSO is considered long-life with production expected beyond license expiry in mid-2025. The assets provide a future platform for growth through low-cost field development opportunities and execution of value-accretive acquisitions requiring minimal additional corporate overheads, given Bass' established Jakarta-based personnel.

