

Quarterly report for the period ending 31 March 2019

Release Date: 15 April 2019

Bass Oil (ASX:BAS) is an Australian-listed Indonesian oil producer with a 55% Operator interest in the Tangai-Sukananti licence in the prolific South Sumatra Basin. Bass has a three-tiered value creation strategy focussed on acquisitions, high-impact exploration, and optimisation of mature oilfields. Bass is committed to creating and maximizing value, leveraging its competitive strengths; its team, operating capability, reputation, and relationships in Indonesia. Bass increased its 1P reserves 76% as at 31 December 2018 vs 31 December 2017 and is set to drill its first development well in 2019 aiming to double production from current levels.

HIGHLIGHTS

- Cash position to US\$1.01 million as at 31 March 2019 an increase of 18.3% on the prior quarter
- Business generated positive cash flow despite receiving payment for only two of three monthly invoices
- Net oil production for March quarter totalled 35,373 barrels and ~700 bopd gross daily production
- Net oil sales for March quarter totalled 35,171 barrels¹
- Oil price received averaged US\$59.58 for the quarter

Bass Oil Managing Director, Mr Tino Guglielmo:

“Bass is extremely focussed on its existing field production optimization, development drilling program, and business development strategy. It is an exciting and busy time for the company. The team has identified and is targeting the acquisition of some exciting growth opportunities in the prolific oil and gas basins of Indonesia. Its partnership with highly credentialed local universities and collaborators continues to target improved recoveries from existing fields and in potential acquisition targets. Finally, our three-tiered business development strategy has identified further opportunities for the short-list which are being pursued with vigor.”

Comparative Performance:

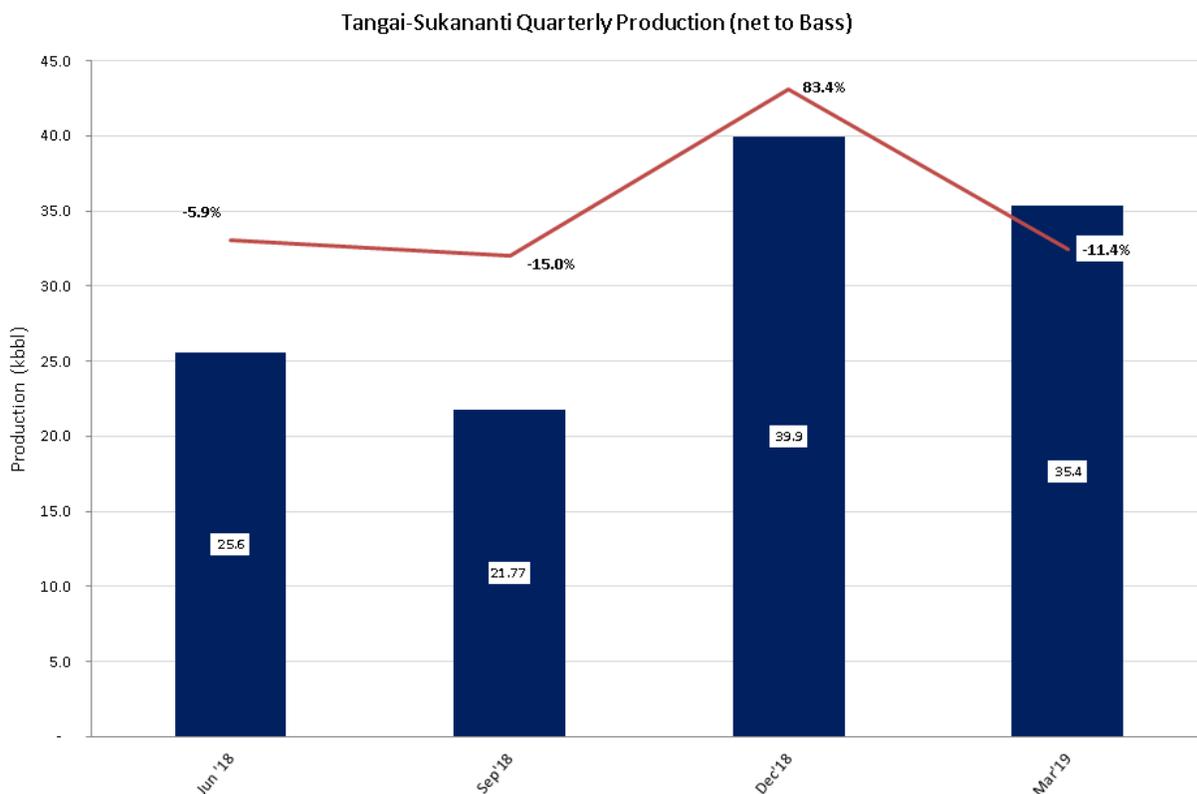
Key Performance Metrics	Mar Qtr Q1 FY19	Dec Qtr Q4 FY18	Qtr on Qtr Change	Mar Qtr Q1 FY18	Yr on Yr Change
Net Production (mmbbl)	35.36	39.92	-11.4%	27.19	30.0%
Net Oil Sales ¹ (mmbbl)	35.17	40.92	-14.1%	28.14	25.0%
Cash (US\$M)	1.01	0.85	18.3%	2.35	-57.0%
Average Realised Oil Price	59.58	65.01	-8.4%	61.28	-2.8%

Note 1: Net Sales are reported at 55% of Gross Oil Sales for consistency and excludes the deduction of Domestic Market Obligation (DMO)

Field Performance:

Total production in March showed a return to previous monthly high levels following the scheduled maintenance in February. April production has continued at over 700bopd.

Bass produced 35,373 barrels of oil (55% basis) this quarter, a decline of 11.4% from the previous quarter which had the record production month in October 2018. Quarterly oil sales declined 14.1% to 35,171 barrels of oil net to Bass. The Company realised an average oil price of US\$59.58 for the March quarter, an 8.4% decline.



Development Planning:

Bass has sought and received approval from PT Pertamina to issue a tender to for the provision of 750 horsepower capacity drilling rig for the drilling of the Bunian 5 well. The aim is to drill the Bunian 5 as soon as the rig is available.

The well is expected to double production from the field taking up the remaining available production capacity of the Tangai-Sukananti field facilities as well as increasing developed reserves.

Corporate:

Cash Position

As at 31 March 2019, Bass cash reserves were US\$1.01m. Overall the cash position increased 18.3% in the March quarter. Cash receipts were received for only two months due to a processing delay in Pertamina. The third month receivable of \$480,000 is expected in April 2019. Had this been received in March, the cash position would have been \$1.49m.

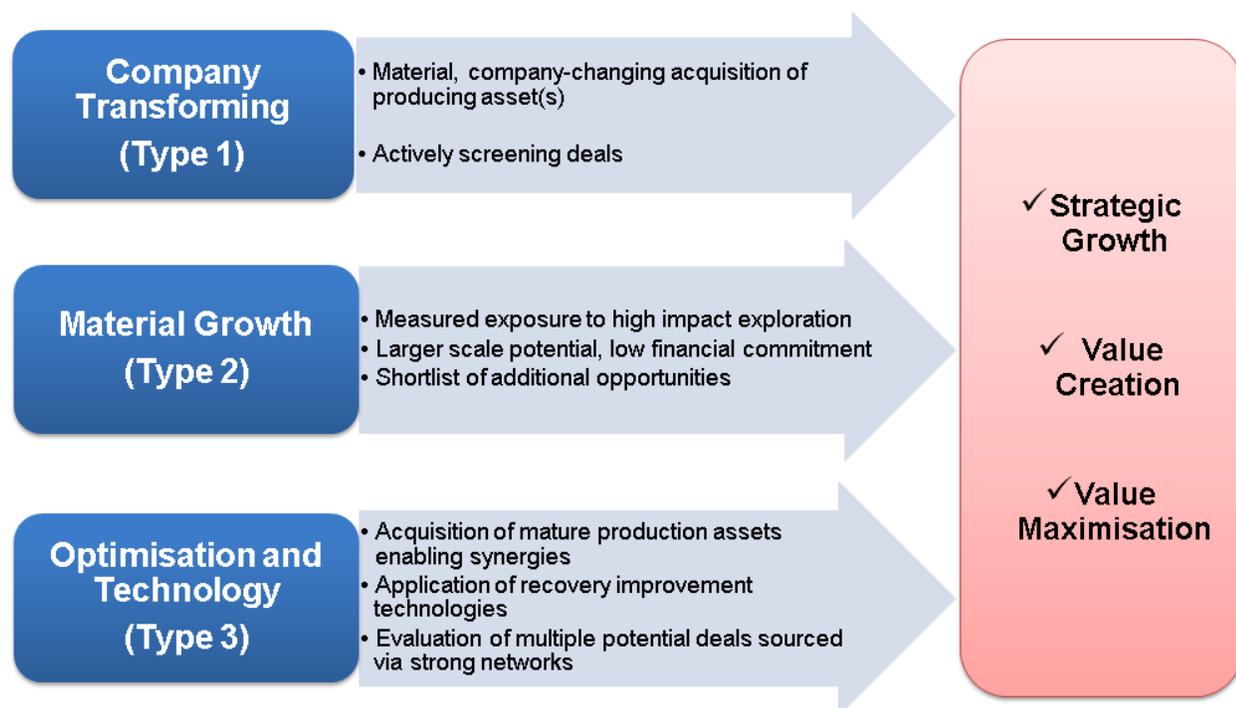
As a result of the delay, the Cooper Energy deferred settlement payment of \$370,000 which was due in March 2019 has been shifted to the end of April 2019. Production expenses were also lower as a VAT refund covering an eighteen month period (2017 and first half 2018) was received.

Business Development:

Bass continues to evaluate a number of onshore and offshore Indonesian opportunities, as the Company looks to add additional prospective oil properties to its portfolio during 2019. The very active business development program has a three-tiered strategy designed to create and maximise value through company transforming acquisitions, material growth exploration opportunities and optimisation of existing mature fields through the application of proven technologies.

The shortlist has refreshed, with a focus on key opportunities for strategic growth and value creation.

Building a diversified portfolio of exploration, development and producing assets in Indonesia



Memorandum of Understanding:

Bass has observed that, on average, oil recovery factors achieved in Indonesian oil fields remain relatively low when compared to other regional analogues. This presents a significant business opportunity.

In order to quantify this opportunity, Bass has progressed its technology development via the Memoranda of Understanding (MoUs) with the Bandung Institute of Technology (ITB), Indonesia, and Sejong University, South Korea.

Bass continues to supply oil field samples to ITB and Sejong University for laboratory experiments associated with the Carbon Dioxide-Enhanced Oil Recovery (CO₂-EOR) technology development program, which seeks to maximise the value of small-scale onshore oil fields.

MoUs with ITB and Sejong University announced earlier this year also involve collaboration on research in relation to the implementation of smart, low-salinity water-flooding systems for enhanced oil recovery specific to small-scale onshore Indonesian oil fields.

The smart-water project study continued covering the final stage of reservoir simulation and preliminary laboratory work to model relative permeability-shifting using synthetic water-core systems. The research team is currently obtaining oil samples and finalised the design of the dilution and injection equipment to accommodate the field trial. The construction of the water treatment facilities for the field trial has commenced.

For further information please contact:

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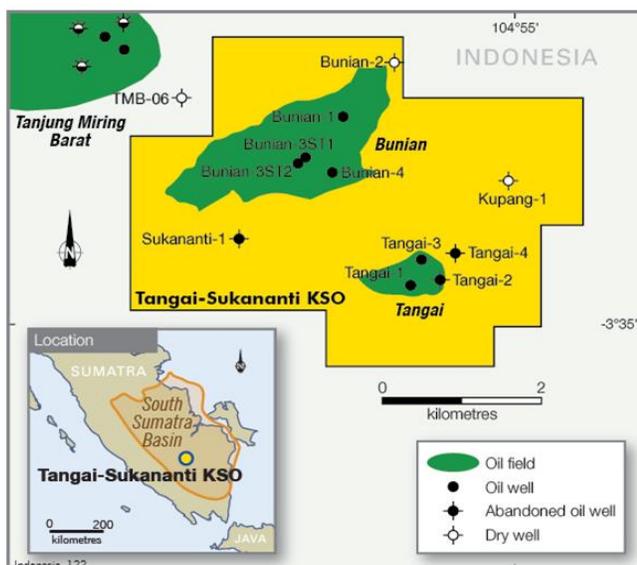
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Abbreviations	
BOPD	Barrels of oil per day
mbbl	Thousands of barrels of oil
mmbbl	Millions of barrels of oil
JV	Joint Venture
TS	Tangai-Sukananti KSO
KSO	'kerja sama operasi' (Indonesian) – meaning an operation cooperation contract
Qtr	Quarter
Qtr 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) (www.bassoil.com.au) is an ASX-listed exploration and production company featuring low cost onshore oil production in Indonesia and a management and Board team with a proven track record in delivering shareholder value. Bass has realigned its corporate strategy following the landmark acquisition of a 55% interest in the Tangai-Sukananti KSO producing assets located in the prolific oil & gas region of South Sumatra, Indonesia. As at January 2019, the Tangai-Sukananti KSO was producing on average 710 bopd from 4 wells (100% JV share).

Bass reports Net Entitlement 2P Oil Reserves of 0.602 million. Bass is building towards a substantial onshore Indonesian oil & gas business with a clear focus on executing opportunities in South Sumatra as they present. Bass has a strong and committed shareholder base with Board and management holding in excess of 16% of issued capital.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

BASS OIL LIMITED

ABN

13 008 694 817

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Quarter Ending 31 Mar 19 \$USD'000	Year to 31 Mar (3 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	935	935
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production	(491)	(491)
(d) staff costs		
(e) administration and corporate costs	(285)	(285)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	159	159

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Quarter Ending 31 Mar 19 \$USD'000	Year to 31 Mar (3 months) \$USD'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) 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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
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 (provide details if material)		
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	854	854
4.2 Net cash from / (used in) operating activities (item 1.9 above)	159	159
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,013	1,013

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	1,013	854
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,013	854

6. Payments to directors of the entity and their associates	Current quarter \$USD'000
6.1 Aggregate amount of payments to these parties included in item 1.2	92
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$USD'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
8.1 Loan facilities	-	
8.2 Credit standby arrangements	-	
8.3 Other (please specify)	-	
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$USD'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	900
9.4 Staff costs	-
9.5 Administration and corporate costs	350
9.6 Other – Income Tax payments of Deferred Tax to Indonesia Tax office	400
9.7 Total estimated cash outflows	1,650

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.



Sign here:
(Director)

Date: 15 April 2019

Print name: PETER MULLINS

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.