

Indonesian oil fields update – New Reserves and Contingent Resources for year ending 31 December, 2020

Melbourne-based Bass Oil (ASX:BAS) is an ASX-listed oil producer in Indonesia with a 55% Operator interest in the producing Tangai-Sukananti licence in the prolific South Sumatra Basin.

Highlights

- Remaining 1P (Proved) Net Entitlement Oil Reserves of 0.436 million barrels compared with 0.483 million barrels at 31 December, 2019
- Remaining 2P (Proved plus Probable) Net Entitlement Oil Reserves of 0.549 million barrels compared with 0.567 million barrels at 31 December, 2019
- Remaining 3P (Proved plus Probable plus Possible) Net Entitlement Oil Reserves of 0.842 million barrels reported for the first time
- The 2020 reserves review has been influenced by strong performance at all existing wells, in particular Bunian-3 and Tangai-1, throughout the year
- Static and Dynamic Model updates post drilling of the successful Bunian 5 well significantly improved the Oil-In-Place for the Tangai Field, increased the oil column in the Bunian Field and highlighted a 3P case connecting the Bunian field with the Bunian West feature

Reserves

Bass Oil (ASX:BAS) has recently completed its annual reserves review for its Indonesian oil fields. The results are summarised herein. **The 2P Field Reserves in the Tangai-Sukananti KSO are assessed as at 31 December, 2020, to be 1.703 million barrels of oil on a 100% JV basis.** This reflects the proved and probable reserves for the Bunian and Tangai oilfields see (Tables 1 and 2 as well as Figure 1 below). In accordance with ASX reporting requirements for fiscal environments that use production sharing contracts or similar, **Bass reports Net Entitlement 2P oil Reserves of 0.549 million barrels.** Net Entitlement Reserves are the share of cost oil and profit oil that Bass is entitled to receive under the KSO signed with the Indonesian government body, PT Pertamina. The Net Entitlement Reserves formula varies with the fiscal environment, cost recovery status and oil price.

Contingent Resources

The total 100% Field 2C Contingent Resources for the Tangai-Sukananti KSO at 31 December, 2020 are assessed to be 0.836 million barrels of oil. The Field Contingent Resources comprise volumes attributed to currently producing or future planned wells in the Bunian and Tangai oil fields post licence expiry in July, 2025. This presents a future development opportunity to increase, or bring forward reserves.

Table 1 - Resources & Reserves as at 31 December, 2020			
100% Field Reserves (MMbbl)			
Category	Proved 1P	Proved & Probable 2P	Proved, Probable & Possible 3P
Developed & Undeveloped	1.263	1.703	3.422
BAS Net Entitlement Reserves (MMbbl)			
Category	Proved 1P	Proved & Probable 2P	Proved, Probable & Possible 3P
Developed & Undeveloped	0.436	0.549	0.842
100% Field Contingent Resources (MMbbl)			
Category	1C	2C	3C
Total	0.283	0.836	1.401

Year-On-Year Movements in Reserves and Contingent Resources (net of Production)

The year-on-year movement in reserves reflects a slight decrease in both the 1P and 2P reserves for the KSO largely reflecting production in 2020. However, the year-on-year movements in the Entitlement Reserves see a small increase in both the 1P and 2P cases due to an improvement in net attributable oil sales as the Company was allocated a higher share of the oil produced due to a decrease in oil prices during 2020. The outcomes at Bunian-5, along with the conclusion of over 12 months of integrated reservoir studies informed the latest field modeling which significantly improved the assessed Oil-In-Place for the Tangai Field, increased the interpreted oil column in the Bunian Field and has identified a 3P case for the Bunian field with substantial upside potential towards Bunian West.

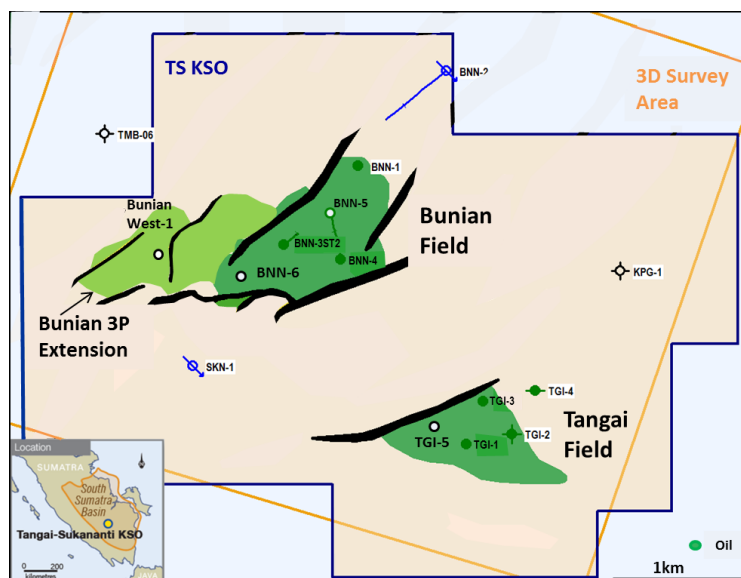


Figure 1 Tangai Sukananti KSO Location Map

The Contingent Resources comprise the volumes of oil left behind in currently producing and future planned wells in the Bunian and Tangai Fields post licence expiry in July, 2025. The field models led to new development scenarios for both the 1P and 2P cases with the inclusion of additional wells planned to commence drilling in December 2021 and the second drilling programme is now scheduled for beginning of 2023. The Joint Venture will evaluate the economic benefit of further drilling or other development activities to bring forward oil production from beyond the licence expiry date.

Table 2 – Movements in Resources & Reserves as at 31 December, 2020

100% Field Reserves (MMbbl)			
Category	Proved 1P	Proved & Probable 2P	Proved, Probable & Possible 3P
100% Field Reserves at 31/12/19	1.725	2.191	-
CY 2020 Production	(0.240)	(0.240)	
Revisions	(0.222)	(0.248)	3.422
100% Field Reserves at 31/12/20	1.263	1.703	3.422
BAS Net Entitlement Reserves (MMbbl)			
Category	Proved 1P	Proved & Probable 2P	Proved, Probable & Possible 3P
Net Entitlement Reserves at 31/12/19	0.483	0.567	-
CY 2019 Production	(0.087)	(0.087)	
Revisions	0.040	0.069	0.842
Net Entitlement Reserves at 31/12/20	0.436	0.549	0.842
100% Field Contingent Resources (MMbbl)			
Category	1C	2C	3C
100% Contingent Resources at 31/12/19	0.189	0.426	-
Revisions	0.094	0.410	1.401
100% Contingent Resources at 31/12/20	0.283	0.836	1.401

Notes on Calculation of Reserves and Resources:

The Integrated field studies completed in 2020 have updated the oil volumetrics, development scenarios and drilling locations used in this report. Additionally, a decline curve analysis (DCA) was conducted on the current wells. The 1P, 2P and 3P cases are a combination of the forecasts from both the Dynamic Model and the DCA as deemed to best represent realistic outcomes.

The Bunian Field is currently producing from only the TRM3 sandstone. However, the K reservoir is expected to become a significant contributor to future production with future planned drilling. The Tangai Field has one producing reservoir (the M sandstone).

All reserves and resources are estimated by deterministic estimation methodologies consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS).

Under the SPE PRMS guidelines, “Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions”. Net Entitlement Reserves are the reserves that Bass has a net economic entitlement to. That is, a share of cost oil and profit oil that Bass is entitled to receive under the KSO signed with the Indonesian government body, PT Pertamina

Contingent Resources are “those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies”.

Qualified Petroleum Reserves and Resources Evaluator Statement:

The information contained in this report regarding the Bass Oil Limited reserves and contingent resources is based on and fairly represents information and supporting documentation reviewed by Mr Giustino Guglielmo who is an employee of Bass Oil Limited and holds a Bachelor of Engineering (Mech). He is a member of the Society of Petroleum Engineers (SPE) and a Fellow of the Institution of Engineers Australia (FIEAust) and as such is qualified in accordance with ASX listing rule 5.4.1 and has consented to the inclusion of this information in the form and context in which it appears.

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

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