

## **Bass to Acquire a Portfolio of Cooper Basin Assets from Beach Energy Limited and Completes \$1.2 Million Placement**

Bass Oil Limited (ASX:BAS) ("Bass" or the "Company") is an Australian-listed oil producer with a 55% Operator interest in the Tangai-Sukananti licence in the prolific South Sumatra Basin. As announced 12 July 2021, Bass is also in the process of acquiring a portfolio of tenements in the Cooper Basin, South Australia. The Company is debt free and committed to creating and maximizing value, leveraging its competitive strengths; its team, operating capability, reputation, and relationships in both Australia and Indonesia.

### **Highlights**

- Bass has executed a conditional Sale and Purchase Agreement with a subsidiary of Beach Energy Limited ("Beach") to acquire its interest in eight Cooper Basin tenements for cash consideration of A\$650,000
- Acquired assets include the producing and earnings accretive Worrior and Padulla oil fields and properties which contain multiple appraisal and prospective exploration targets
- Bass to become sole or majority owner of all tenements, post concurrent completion of Beach Transaction and previously announced Cooper Energy Limited Transaction
- Bass to acquire 2P reserves of approximately 200,000 barrels of oil and 2C contingent resources of approximately 540,000 barrels of oil (including Cooper Energy interests)
- Bass has received irrevocable commitments from sophisticated and professional investors to raise \$1.2 million via the placement of 800 million Bass shares at \$0.0015 per share (subject to shareholder approval), which included a 1:3 BASO
- Melbourne boutique investment management firm, Peak Asset Management, led the raise
- The transaction significantly expands Bass' footprint in the Cooper Basin and the Company will become the newest owner-operator in the region

Bass Oil Limited (ASX:BAS) is pleased to announce that it has entered into a conditional Sale and Purchase Agreement ("**SPA**") with a subsidiary of Beach Energy Limited ("**Beach**") for its subsidiary to acquire a portfolio of Cooper Basin assets for cash consideration of A\$650,000 and assumption of future restoration liabilities ("**Beach Transaction**"). In conjunction, Bass has successfully received irrevocable commitments to raise \$1.2 million (before costs) from sophisticated and professional investors through the issue of 800 million new ordinary shares ("**Shares**") at \$0.0015 per share ("**Offer Price**"), subject to shareholder approval (the "**Placement**"). Placement participants will receive one (1) free attaching option for every three (3) shares successfully subscribed for under the Placement, exercisable at \$0.004 on or before 30 September 2024 ("**Options**") also subject to shareholder approval.

Bass also announces its intention to undertake two capital management initiatives, comprising:

- a) a minimum holding share buy-back in respect of ordinary shares for holders of less than a marketable parcel of shares ("**Minimum Holding Buy-Back**"); and

b) a share consolidation at a ratio of 30-to-1, subject to shareholder approval (“**Share Consolidation**”);

(together, the “**Capital Management Initiatives**”).

The Company will seek shareholder approval to issue the Placement Shares and Options and to undertake the Share Consolidation at an Extraordinary General Meeting (“**EGM**”), to be held on 8 April 2022.

The assets to be acquired include Beach’s interest in the producing Worrior and Padulla oil fields and a number of properties that contain prospective appraisal and exploration opportunities. On completion, the Company will own a 74%-100% interest in eight Cooper Basin tenements, representing one of the largest acreage holdings in the core of the Cooper Basin. The Beach Transaction remains subject to a number of conditions precedent, including relevant regulatory approvals.

Relative to the proposed Cooper Energy Transaction (announced 12 July 2021), Bass will increase its interest in the producing Worrior oil field from 30% to 100% and add the producing Padulla oil field (100%) to its portfolio. The fields are producing ~75 bopd at a net margin of ~A\$30 per barrel at a Brent oil price of ~US\$80. The fields will also provide 2P reserves of almost 200,000 barrels of oil and 2C contingent resources of approximately 540,000 barrels of oil. Bass has developed a capital efficient work program consisting of three work overs aimed at materially increasing production and converting the 2C contingent resources to 2P reserves within 6 to 12 months after contemporaneous completion of the Beach and Cooper Transactions.

Bass Oil Limited Managing Director, Mr Tino Guglielmo, commented: “*Bass is pleased to announce this acquisition as it is an important step towards becoming a significant owner-operator in the Cooper Basin. Bass has a track record of extracting value from mature fields and is excited by the potential of this portfolio. In addition, we are taking this long awaited opportunity to complete a share consolidation and minimum holding buy-back, given the transformative nature of this milestone and our aim to build a successful and profitable oil and gas business.*”

## Overview of assets to be acquired

The assets to be acquired are summarised as follows:

Asset	Cooper Energy Interest to be Acquired	Beach Interest to be Acquired	Bass Interest on Transaction Completion
PPL 207 (Worrior)	30%	70%	100%
PPL 221 (Padulla)	-	100%	100%
PRL’s 231-233 (Ex PEL 93)	30%	70%	100%
PRL’s 237 (Ex PEL 93)	20%	60%	80%
PRL’s 207-209 (Ex PEL 100)	~19%	55%	~74%
PRL’s 183-190 (Ex PEL 110)	20%	80%	100%
PRL’s 245-246 (Ex PEL 90K) (Kiwi)	-	100%	100%
PEL 182	-	100%	100%

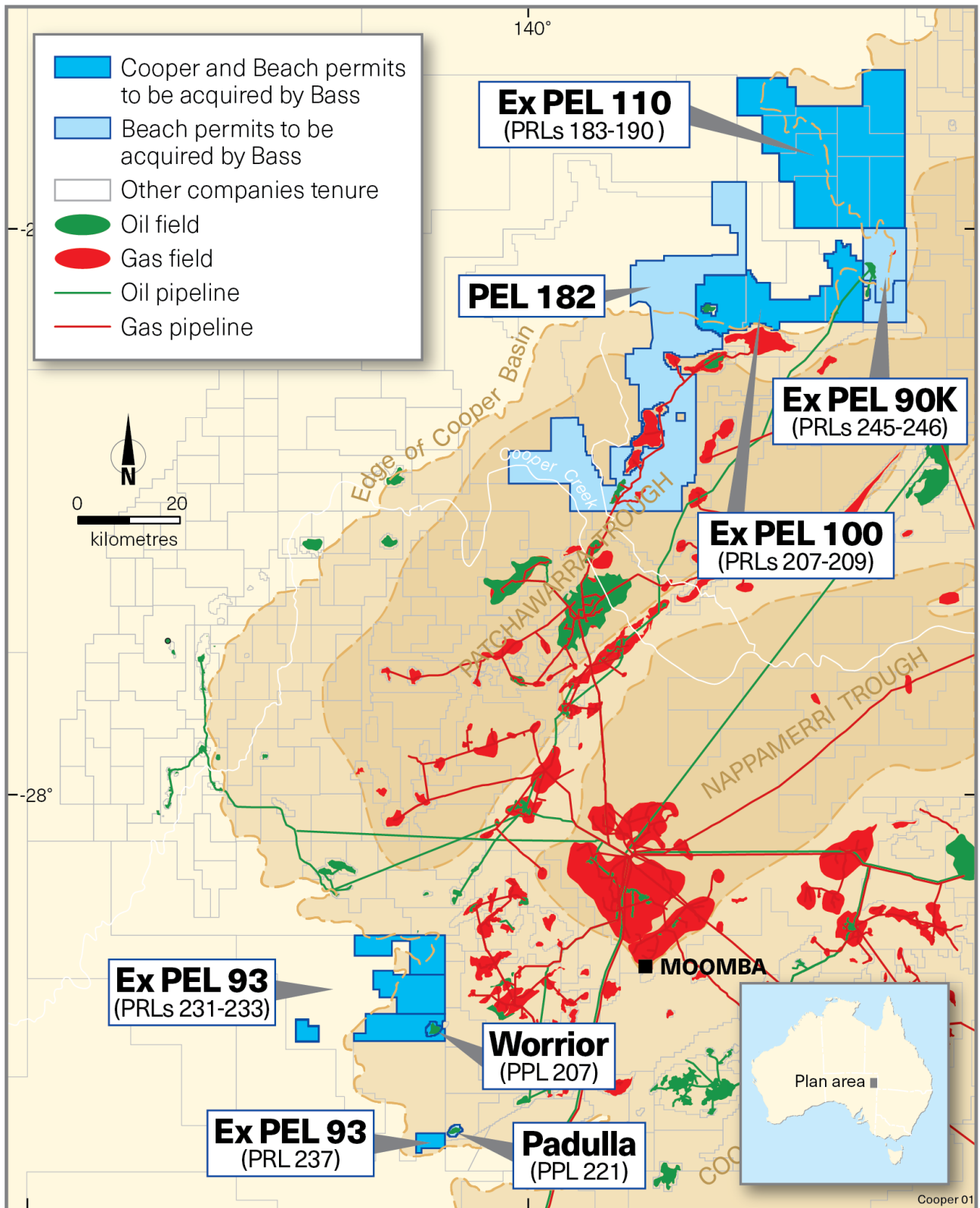


Figure 1: Cooper Basin permits to be acquired from Beach Energy Limited and Cooper Energy Limited

### PPL 207 Worrior Oilfield (100% working interest)

The Worrior oilfield was discovered in 2003 with oil contained in the Murta, McKinlay/Namur, Birkhead, Hutton and Patchawarra reservoirs and has produced 4.1 million barrels of oil to date. Previous operators have recorded remaining 2P reserves of 180,000 barrels of oil and 2C contingent

resources of 540,000 barrels of oil. The field is currently producing over 40 barrels of oil per day with a planned zone change to increase production to around 100 barrels per day.

Bass has developed a capital efficient work program consisting of three work overs aimed at materially increasing production and converting the 2C contingent resources to 2P reserves within 6 to 12 months after contemporaneous completion of the Beach and Cooper Transactions. The work program consists of a recompletion to recover unswept attic oil in the prolific McKinlay reservoir and recompletion and fracture stimulation of two wells to test the production and reserve potential of the Murta reservoir. Other production optimisation opportunities will be evaluated and ranked with the highest value opportunities prioritised for implementation.

### **PPL 221 Padulla Oilfield (100% working interest)**

Discovered in 2005, the Padulla Oilfield has cumulatively produced 0.52 million barrels of oil and is currently producing over 30 barrels of oil per day. Previous operators have recorded remaining 2P reserves of between 12,500 barrels and 50,000 barrel of oil. Bass will evaluate the upside potential in reserves and production from the field upon completion of the transaction.

Adding the Padulla oilfield to the operating portfolio allows Bass to allocate the fixed overhead costs over the Company's two producing fields and, therefore, be earnings accretive.

### **Ex PEL 90K (Bass acquiring 100% working interest in PRL 245-246)**

Ex PEL 90K contains the Kiwi Gas Discovery, providing Bass with a possible entry into the East Coast gas market.

Kiwi-1 was drilled in 2003 as an exploration well to test the Poolowanna and Tinchoo Formation for oil and as secondary targets, the Birkhead and Toolachee Formation. The well discovered gas in the Triassic Callamura Member and recorded a strong gas flow rate of 9.6 MMscf/d. The discovery was assessed by a previous operator to be a recoverable resource of the structural closure (P90 to P10) between 1.6 to 5 bcf with a mean 2C contingent resource of 3 bcf.

Following the acquisition of a 3D seismic survey, mapping by a previous operator has identified that Kiwi has significant upside potential associated with a stratigraphic trapping play. The feature was assessed to be a prospective resource in the range of 6.3 to 49.7 bcf (P90 to P10) with mean prospective resource of 23.9 bcf. Bass aims to explore commercialisation of this opportunity by evaluating the upside at Kiwi and reviewing the gas infrastructure in the area.

### **Ex PEL 93 (Bass acquiring 100% working interest of PRL's 231-233 and 80% working interest of PRL 237)**

Ex PEL 93 contains the Tyrell prospect which a previous operator has assessed to be an unrisks, mean prospective resource of 2.3 million barrels of oil within the highly productive McKinlay/Namur reservoirs. The Tyrell prospect is on trend with the prolific western flank oil trend in the Cooper Basin. A success at Tyrell would open up a new oil trend on the Warra ridge, with multiple follow up prospects already identified. The Tyrell prospect and others on trend have been mapped with the benefit of the recent Westeros 3D seismic survey.

## **Ex PEL 100 (Bass acquiring a ~74% working interest)**

Ex PEL 100 contains the Cleansweep oil discovery. The well discovered oil in a channel in the lower Birkhead reservoir. The well was suspended after producing almost 10,000 barrels of oil with much of the production equipment remaining on location making it possible to quickly re-test the well if required.

Cleansweep was drilled without the benefit of a later acquired 3D seismic survey. The seismic will be interpreted with a view to targeting the upside potential of a Birkhead channel reservoir.

The permit also contains the Athelstan oil prospect which a previous operator has assessed to be an unrisks, mean prospective resource of 1.2 million barrels of oil within the Poolowana, Birkhead and Tinchoo formations. Athelstan has been identified with the benefit of Dunedina 3D seismic survey and is on trend with the Santos owned and operated Keleary oil field.

## **Ex PEL 110 (Bass acquiring 100% working interest)**

Ex PEL 110 contains the Frostfang prospect which a previous operator has assessed to be an unrisks, mean prospective resource of 3.3 million barrels of oil within the Jurassic and Permian sequence. Frostfang has been identified on a 2D dataset and will likely benefit from additional seismic to de-risk the prospect and identify follow-up potential.

## **Ex PEL 182K (Bass acquiring 100% working interest)**

PEL 182 is an exploration permit in the Patchawara trough, which provides additional oil and gas exploration potential. A previous operator performed a detailed prospectivity review and identified numerous oil and gas prospects and leads for further evaluation.

Approximately 25% of the permit is covered by a 3D seismic survey. As 100% owner of PEL 182, Bass will have the flexibility and optionality to acquire additional seismic and conduct drilling for its own account, or to attract farm in partners to carry the company's expenditure.

## **Placement**

Bass has received irrevocable commitments from sophisticated and professional investors to subscribe for 800,000,000 new ordinary shares in the Company at an issue price of \$0.0015 per Bass share to raise a total of \$1,200,000 (before costs) with the only condition being the receipt of Bass shareholder approval to issue the shares. Additionally, the Company will grant one (1) free attaching Option for every three (3) shares successfully subscribed for under the Placement, which will be exercisable at \$0.004 on or before 30 September 2024. The placement issue price of \$0.0015 per share represents:

- a) 25% discount to the last closing price of \$0.002 on 25 February 2022; and
- b) 22% discount to the 15-day volume weighted average price of \$0.00193.

Peak Asset Management acted as Lead Manager to the Placement. The Company has agreed to grant a total of 40,000,000 options with an exercise price of \$0.004 each and an expiry date of 30 September 2024 to Peak Asset Management following issuance of the Placement Shares and Options.

Issuance of the Placement Shares and Options requires shareholder approval. The Company proposes to hold an Extraordinary General Meeting to seek the necessary shareholder approval on 8 April 2022. If approved and the placement is completed, the Company anticipates that it will have 5,412,681,458 Shares and 1,066,056,817 options on issue.

The funds raised from the Placement will be used by the Company as follows:

Use of Funds	Amount (A\$)
Acquisition of Cooper Basin assets from Beach Energy	650,000
Working Capital	270,000
Minimum Holding Buy-Back (approximate)	180,000
Costs related to the Placement and Capital Management Initiatives	100,000

Bass has sufficient cash on hand to fund the Cooper Transaction announced in July 2021 and fund the drilling of Tangai 5 in Indonesia.

An indicative timeline for the placement is as follows:

Event	Date
Bass placed in trading halt	28 February 2022
Announcement of transaction and placement and Bass released from trading halt	2 March 2022
Despatch of Notice of Meeting to Shareholders	9 March 2022
EGM to be held to approve the issue of securities for the placement	8 April 2022
<b>If the Placement is approved at the EGM, the following events will take place:</b>	
Settlement of New Shares Issued Under the Placement	11 April 2022
Allotment of New Shares Issued Under the Placement	11 April 2022
New Shares Commence Trading	12 April 2022

The above timetable is indicative only and may be subject to change. Subject to the *Corporations Act 2001 (Cth)*, the ASX Listing Rules and other applicable laws, Bass, reserves the right to amend any or all of these dates and times without notice.

## Minimum Holding Buy-Back

Under the Minimum Holding Buy-Back, the Company is providing shareholders that hold a parcel of shares that are less than a marketable parcel, being a parcel of shares valued at less than \$500, the opportunity to have all of their shares bought back by the Company at a price of \$0.002 per share (based on the closing price of the share at the Record Date).

As at 7:00pm (AEST) on 25 February 2022, being the record date for the Minimum Holding Buy-Back ("**Record Date**"), an unmarketable parcel of shares in the Company was a parcel of shares less than 250,001 shares, with approximately 1,566 shareholders of the Company holding an unmarketable parcel of shares at this record date ("**Eligible Shareholders**").

The Minimum Holding Buy-Back will have a closing date of 22 April 2022 and should all Eligible Shareholders participate, approximately 81 million shares (based on the pre-consolidation number of Bass shares on issue) will be bought back and cancelled by Bass. Eligible Shareholders who do not wish to have their shares bought back by the Company should opt out of the Minimum Holding Buy-Back or otherwise increase their shareholding in the Company above 250,001 shares prior to the closing date.

Further details of the Minimum Holding Buy-Back, including the terms and conditions, the procedure for opting out of the Minimum Holding Buy-Back and the detailed timetable in respect of the Minimum Holding Buy-Back are set out in the letter to be sent to Eligible Shareholders on 9 March 2022. A copy of this letter is will be provided to the market shortly.

## Share Consolidation

Bass advises that the Board will seek shareholder approval at the Company's EGM on 8 April 2022 to consolidate the issued capital of the Company through the conversion ratio of thirty (30) existing shares into one (1) Bass share. Ignoring the effect of the Minimum Holding Buy-Back (but assuming successful completion of the Placement), the number of Bass shares on issue at that time will be reduced from 5,412,681,458 to approximately 180,422,715 (subject to the effects of rounding).

The Share Consolidation is proposed by the Company in order to reduce the number of Shares on issue as this will provide the best path forward for continued growth from a capital structure perspective.

As the Share Consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of shares (that fraction will be rounded down to the nearest whole number of shares or zero, as applicable). Accordingly, the Share Consolidation will have no material effect on the percentage interest of each individual shareholder.

If the Share Consolidation is approved, then in accordance with ASX Listing Rules 7.21 and 7.22.1, all options and performance rights currently on issue by the Company will be consolidated in the same ratio as Bass shares, and the exercise price of the options will be amended in inverse proportion to that ratio as directed by the ASX Listing Rules. Accordingly, the number of options on issue at that time will be reduced from 1,066,056,817 to approximately 35,535,227 (subject to the effects of rounding).

The Share Consolidation will have a record date of Wednesday, 4 May 2022, and trading in the Company's shares will commence on a consolidated basis on Thursday, 12 May 2022. Further details

on the Share Consolidation, including the information required to be provided to shareholders of the Company under the *Corporations Act 2001* (Cth) and the ASX Listing Rules, is set out in the notice for the Company's Extraordinary General Meeting, which is expected to be despatched on Wednesday, 9 March 2022.

## **Rationale for Capital Management Initiatives**

These Capital Management Initiatives will allow Bass to reduce its total issued capital to a more appropriate and effective capital structure. The Minimum Holding Buy-Back will reduce share registry costs and assist Eligible Shareholders who may otherwise face difficulties in selling or disposing of their shares. The Share Consolidation is anticipated to reduce the negative perception created through the Company having 4.6 billion shares on issue (prior to the issuance of 0.8 billion Placement Shares, if approved by shareholders).

This announcement has been authorised for release by the Board of Directors of Bass Oil Limited.

## **For further information please contact:**

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## **Notes on reserves and resources**

The reserves and resources information in this release is based on, and fairly represents, information and supporting documentation reviewed by Mr Tino Guglielmo. Mr Guglielmo is an employee of Bass Oil Limited and has a Bachelor of Engineering (Mech). He is a member of the Society of Petroleum Engineers (SPE) and a Fellow of the Institution of Engineers of Australia (FIEAust). He has in excess of 40 years of experience. The reserves and resources information in this release has been issued with the prior consent of Mr Guglielmo as to the form and context in which it appears.