

Bass Oil flags major prospectivity boost at onshore Indonesian oil producing property

- **Results from major integrated field study materially upgrade prospectivity of Bass' 55% stake in the onshore Southern Sumatra oil producing Tangai-Sukananti KSO**
- **Bass commissioned the study undertaken by independent petroleum geoscience and engineering consultancy, UNPAD, part of Indonesia's Padjadjaran University**
- **Results highlight an additional 1.62 million barrels of oil (0.893 million barrels net to Bass) of un-risked, prospective oil resources identified in two new near field prospects**
- **These prospects have potential to significantly increase recoverable oil from the Tangai-Sukananti licence**
- **Bass to add these two drill prospects to the Company's existing drill program**

Australia's Bass Oil Limited (ASX: BAS) is pleased to announce a major upgrade to the prospectivity of the Company's producing Tangai-Sukananti KSO, located in onshore Sumatra, Indonesia.

Highlights of the upgrade, resulting from an independent review of the Company's stake in the KSO located in the prolific oil production province in southern Sumatra, include an additional 1.6 million barrels (0.893 million barrels net to Bass) of low cost, unrisked, prospective oil resources, in two new near-field targets. As a result of the study's findings, Bass immediately added these new targets to its planned 2018/2019 drilling program.

Bass Oil commissioned the review during 2017, following its acquisition of a 55% stake in the licence, which includes the current producing Bunian and Tangai Oil Fields.

Background

The Tangai-Sukananti KSO is located in the mature oil and gas producing South Sumatra Basin and includes the Bunian and Tangai Oil Fields which lie along an extensive trend of large oil fields north-west and south-east of the KSO. In 2017, Bass Oil engaged UNPAD in Indonesia, an independent petroleum geoscience and engineering consultancy associated with the Padjadjaran University, to conduct a **Plan Of Field Development (POFD)** being a major, multi-disciplinary, integrated study over the entire Tangai Sukananti KSO.

The outcome of this project is to inform a full re-assessment of the Oil in Place, Reserve and Resource Potential of this asset and to optimize well drilling and field development. The POFD results are scheduled to be finalised by the end of March.

Results

Bass has successfully defined two exploration prospects in addition to the existing known fields. Both prospects target oil potential at multiple reservoir levels within the prolific Talang Akar Formation, which contains the oil producing reservoirs in the existing Bunian (TRM3SS, GRM and K1 sands) and Tangai (GRM, K1 and M sands) Fields.

The **Sukananti Updip** prospect lies south of the Bunian Oil Field. Sukananti-1, drilled in 1996, intersected a 2 metre thick oil-filled sand at the TRM2SS reservoir level, which has significant up-dip potential on the southern flank of the Bunian Oil Field. Additionally, three other reservoir levels (TRM3SS, GRM and K1), that are oil bearing in the Bunian Field, are not within a trapping configuration at the Sukananti-1 location, but do form attractive targets at the **Sukananti Updip** location.

For the combined reservoirs, the **Sukananti Updip** prospect has 1.278 million barrels oil on an unrisks, prospective, recoverable, best estimate basis (0.703 million barrels net to Bass) with a 30% chance of geological success. **Sukananti Updip** has a high estimate upside of 3.156 million barrels oil on an unrisks, prospective, recoverable basis (1.736 million barrels net to Bass).

The **Bunian West** prospect is a faulted, anticlinal closure to the west of the Bunian Oil Field. The prospect has the potential for oil and gas at five stacked reservoir levels (TRM2SS, TRM3SS, GRM, K1 and M sands) all proven to be effective in the KSO. For the combined reservoirs, the **Bunian West** prospect has 0.345 million barrels oil on an unrisks, prospective, recoverable, best estimate basis (0.190 million barrels net to Bass) with a 32% chance of geological success. **Bunian West** has a high estimate upside of 0.814 million barrels of oil on an unrisks, prospective, recoverable, best estimate basis (0.448 million barrels net to Bass).

The **Bunian West** and **Sukananti Updip** prospects are fully defined by the 2011 Sukananti 3D seismic survey data which was comprehensively reprocessed in 2014. Following approval by the Indonesian Government authorities (Pertamina and SKK MIGAS), the prospects will be included in Bass Oil's 2018/2019 drilling and development program for the KSO.

Once approved by the regulator, the drilling costs of both wells will be fully cost recoverable against existing production under the terms of the KSO. Joint Venture participants in the KSO are Bass Oil Ltd (Operator 55%) and Mega Adhyaksa Pratama Sukananto Ltd (45%).

The prospective resource estimates detailed in Table 1 assess the probabilistic resource evaluation carried out by UNPAD in accordance with industry standard SPE-PRMS definitions.

Prospect	Low Estimate P90 million barrels of oil Recoverable		Best Estimate P50 million barrels of oil Recoverable		High Estimate P10 million barrels of oil Recoverable		Probability Of Success %
	100%	Net to Bass	100%	Net to Bass	100%	Net to Bass	
Sukananti Updip	0.357	0.196	1.278	0.703	3.156	1.736	30
Bunian West	0.088	0.048	0.345	0.190	0.814	0.448	32
Total	0.445	0.244	1.623	0.893	3.970	2.184	

Table 1: Bunian West and Sukananti Updip Prospective Resources

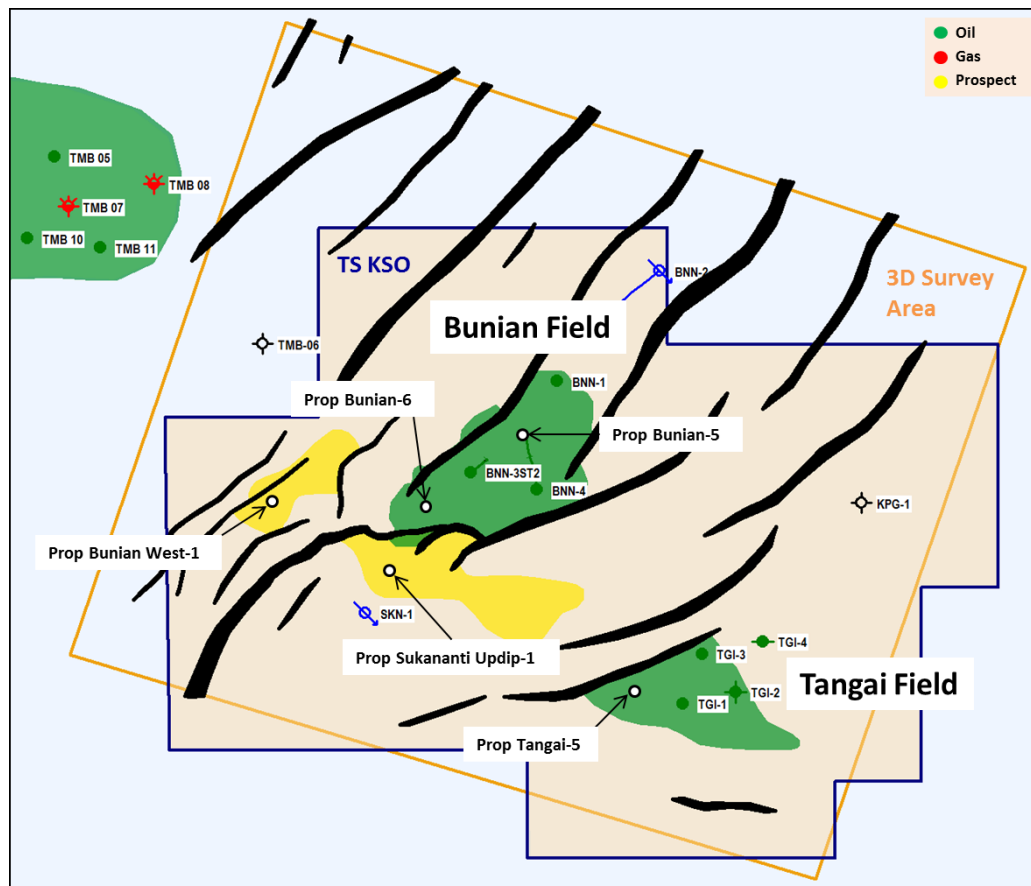


Figure 1: Tangai-Sukananti KSO Map with current and proposed wells, discovered field outlines, prospect outlines and location of the Sukananti 3D seismic survey

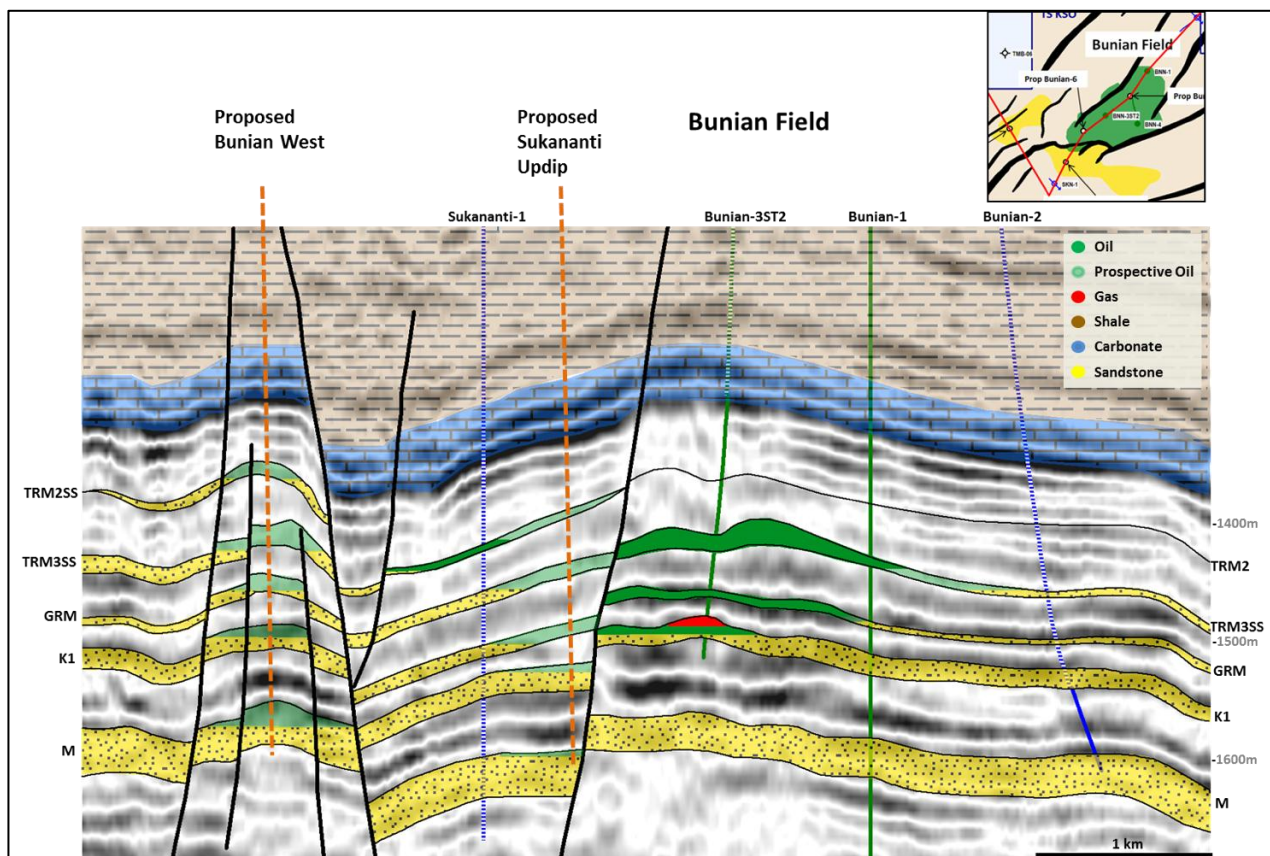


Figure 2: TS KSO Schematic geological cross section over a seismic section showing the Bunian West and Sukananti Updip prospects and the Bunian Oil Field.

Methodology

Bass Oil acquired the TS KSO in 2017 and has undertaken a full re-assessment of the potential of this asset and the optimum drilling, development and facilities design. This has been achieved both in-house and by UNPAD in the following way:

- Interpretation of the 3D seismic data including an expert review of the structural stresses
- Depth conversion and seismic data inversion
- Petrophysical analyses of all wells to determine reservoir properties and fluid contacts
- Reservoir analyses to characterize fluid pressure
- Building a static geomodel of the reservoirs in depth and incorporating facies models that reconcile with the rock properties derived from geostatistics.
- Calculation of probabilistic Oil-In-Place volumes
- Dynamic modelling of the reservoirs after production history and saturation matching.
- Calculation of probabilistic Reserves and Resources
- Production forecasting, field development planning and drill locations from simulation results
- Determination of production facilities capacity.

Disclaimers

Prospective Resource Estimates Cautionary Statement – With respect to the prospective resource estimates contained within this report, it should be noted that the estimated quantities of Petroleum that may potentially be recovered by the future application of a development project may relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

All prospective resource estimates presented in this report are prepared as at 20 February, 2018 by UNPAD in Indonesia using probabilistic methods in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 approved by the Society of Petroleum Engineers. The prospective resource estimates are Low Estimate, Best Estimate and High Estimate and represent that there is a 90%, 50% and 10% probability that the actual resource volume will be in excess of the amounts reported. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development.

Competent Persons Statement Information – The hydrocarbon resource estimates given in this report have been compiled by Dianne Muller, Geotechnical Consultant to BAS Oil Limited. Ms Muller has over 30 years of experience in petroleum geology and geophysics and is a member of the American Association of Petroleum Geology and the Petroleum Exploration Society of Australia. Ms Muller consents to the inclusion of the information in this report relating to hydrocarbon prospective resource estimates in the form and context in which it appears.

Forward looking Statements – This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning BAS's planned operation program and other statements that are not historical facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although BAS Oil Ltd believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward looking statements. The entity confirms it is not aware of any new information or data that may materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

About Bass Oil Limited

Bass Oil Limited (ASX:BAS) is an ASX-listed exploration and production company featuring low cost 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. Bass intends to build a substantial oil & gas business with a clear focus on executing opportunities in the South-East Asia region. Bass has a strong and committed shareholder base with Board and management holding in excess of 20% of issued capital.

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