



HALF-YEAR FINANCIAL REPORT

30 June 2023

CORPORATE DIRECTORY

ABN: 13 008 694 817

Directors

Peter F Mullins, Chairman
Giustino Guglielmo
Hector M Gordon
Mark L Lindh

Managing Director

Giustino Guglielmo

Company Secretary

Robyn M Hamilton

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Auditors

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Share Registry

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Stock Exchange Listing

Australian Stock Exchange Ltd
525 Collins Street
Melbourne, Victoria, 3000, Australia

ASX Codes: BAS – Ordinary Shares

Web Site: www.bassoil.com.au

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Forward Looking Statements

This Half Year Financial Report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Group or not currently considered material by the Group.

MANAGING DIRECTOR'S REPORT

Bass is pleased to present the first half financial results for the 2023 fiscal year. This year, 2023, will be the first year the company has reported its results following the acquisition of its Cooper Basin properties. The Company now has two independent cash generating units, one in Indonesia and of course the Cooper Basin unit here in Australia.

Bass has a commitment to provide a safe workplace for its employees and to work harmoniously within the communities in which we operate. I am proud to say that we have recorded over 6-million-man hours without a Lost Time Injury. The Company delivered an EBITDA of \$403k down 31% over the previous half year. This result was driven by the accelerated cost recovery for the drilling of Tangai 5 in the previous half year. The NLAT was (\$120k) although Bass is expecting to report a NPAT for the full year, this being the first full year of full contributions from the two business units.

Bass is committed to maximising the potential of the Company's assets and has already been able to double production from the Cooper Basin assets since they were acquired. Recent debottlenecking activities in Indonesia has also seen a significant increase in production. Free cash flow generated from these producing assets allows financial flexibility for Bass to pursue its growth strategy.

The focus for 2023 and beyond is to grow Bass into a mid-tier oil and gas producer by advancing growth initiatives across its Indonesian and Australian portfolio. Whilst Bass is an oil producer in both Australia and Indonesia, the Company has outlined plans that will see Bass join the ranks of Australian gas producers supplying the East Coast gas market with a successful Extended Production Test at the Kiwi 1 well, currently planned to commence before year end. This is independent of a significant potential 'company making' opportunity identified last year that lies in the deep Permian coal gas play in Bass' 100% owned PEL 182.

Half Year Summary

Sales revenue increased as a result of higher production despite a lower realised oil price in this first half year. The results are summarised below. With no debt and sufficient cash reserves, Bass is well-positioned to execute its strategy and continue its growth trajectory in 2023.

(All amounts are in United States dollars unless otherwise stated)

- **25% increase in production to 57,000 barrels (1H CY22 46,000 barrels) including production from the Cooper Basin assets**
- **13% increase in 1H CY23 sales revenue to \$2.88 million (1H CY22 \$2.54 million) from higher production**
- **Cash position \$1.52 million as at 30 June 2023**
- **A NPAT of -\$0.12 million (1H CY22 approximately \$0.16 million)**

MANAGING DIRECTOR'S REPORT (cont'd)

Financial and Operating Performance

Key Performance Metrics	1H CY23	1H CY22	Change
Net Production ³ (mbbl)	57.37	46.02	24.7%
Net Oil Sales ³ (mbbl)	52.77	44.69	18.1%
Net Entitlement Oil ³ (mbbl)	37.11	23.18	60.1%
Sales Revenue (US\$million)	2.88	2.54	13.4%
Cash (US\$million)	1.52	1.78	-14.6%
Average Realised Oil Price (USD)	77.13	104.45	-26.2%
EBITDA ¹ (US\$,000)	403	584	-31.2%
NPAT/NLAT ² (US\$,000)	-120	159	na

¹ Earnings Before Interest, Taxes, Depreciation and Amortisation

² Net Profit After Tax

³ These are Non-IFRS metrics and contain 55% Bass share of Indonesian results and 100% Australian results. Net production, Oil Sales and Entitlement Oil are all components of the Entitlement Calculation Statement that generates Sales revenue and reserves in the Company's Indonesian business.

Bass produced 57,373 barrels of oil (net) during the half year ending 30 June 2023, up 24.7% from the prior comparable period. Half-yearly oil sales were 52,769 barrels of oil net to Bass. The net entitlement oil to Bass was 37,109 barrels for the half-year after Domestic Market Obligation (DMO), up 60%.

The Company realised a 13% increase in sales revenue driven by the uplift in production.

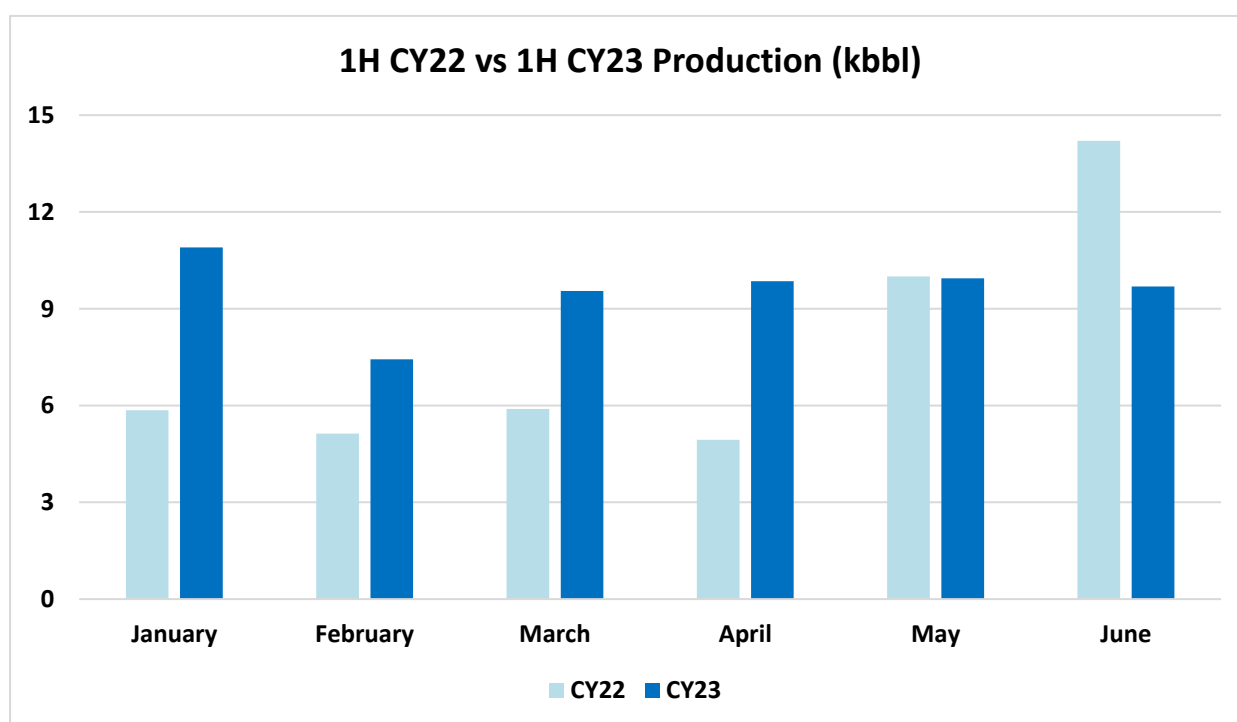


Figure 1: Bass Monthly Production

MANAGING DIRECTOR'S REPORT (cont'd)

Liquidity / Cash Position:

At 30 June 2023, Bass cash reserves had increased to \$1.52 million from \$1.48 million at 31 December 2022.

The Company is not carrying any debt and holds US\$1.54 million on deposit to support a rehabilitation bond in favor of the South Australian Department for Energy and Mining.

Development Planning:

Oil Optimisation

Since completion of the acquisition of the Cooper Basin assets, the Company has successfully completed a program of optimisation initiatives to increase production, including the workover of the Worrior 11 well. As a result, production from the fields at the end of this half year had increased from 65 bopd to circa 120 bopd.

The Company is also adding artificial lift capacity at the Worrior field by installing a second pumping unit. The installation of the second unit will provide additional artificial lift capacity to for wells not currently on pump and provide a backup in the event of the failure of the existing single unit.

Gas Development

The Kiwi gas development feasibility study has been progressing well. Bass considers there is potential for the existence of a significant stratigraphic upside to the 2003 Kiwi gas discovery. A mapping project aimed at quantifying the stratigraphic upside gas trapping potential, utilising the most recent 3D seismic acquired over the area, is almost complete.

Concurrently, Bass is planning to complete the Kiwi 1 well as soon as possible and perform an extended production test in order to confirm the gas composition and potential field size.

This work is considered a precursor and enabler to the commercialisation of the deep coal gas resource potential in the Company's 100% owned PEL 182 licence. See Figure 1.

Indonesian Oil

After the end of the half year, the Bass announced it had been granted a 10-year extension to the 55% owned and operated Tangai-Sukananti KSO. The license will now expire in September 2035. The extension of the KSO will be of significant benefit to Bass.

The increase in tenure will result in a material increase in reserves and is forecast to increase free cash flow from the Indonesian business due to the improved fiscal terms. The extension will also allow the Indonesian based team additional time to take advantage of the upside becoming evident in the Bunian and Tangai fields.

An example of the potential upside was the recent 35% increase in oil production after a flowline debottlenecking project was completed.

The team in Indonesia have started planning for a future drilling program which will include the Bunian 6 development well, targeting the undrained oil in the southwest of the Bunian field and a potential extension of the Bunian field to Bunian West. The potential for an additional development well in the Tangai field will also be evaluated following the success of Tangai 5. See Figure 2.

MANAGING DIRECTOR'S REPORT (cont'd)

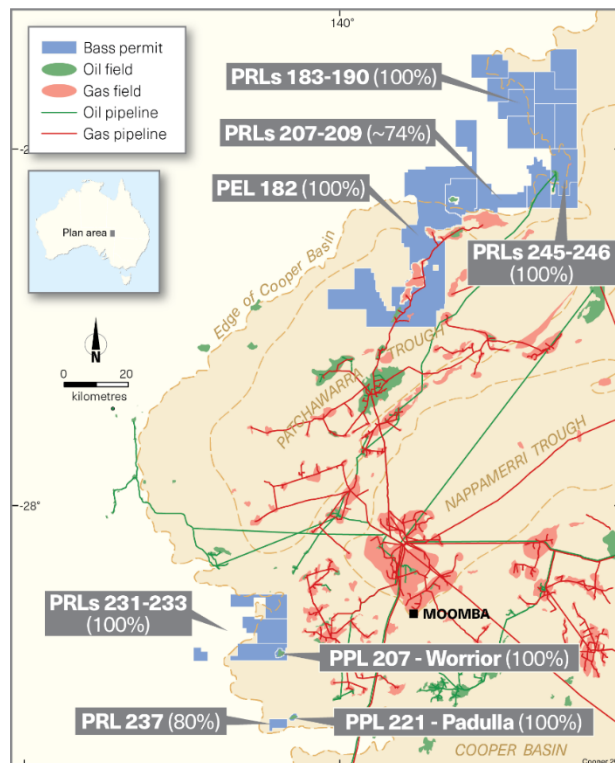


Figure 1: Cooper Basin assets

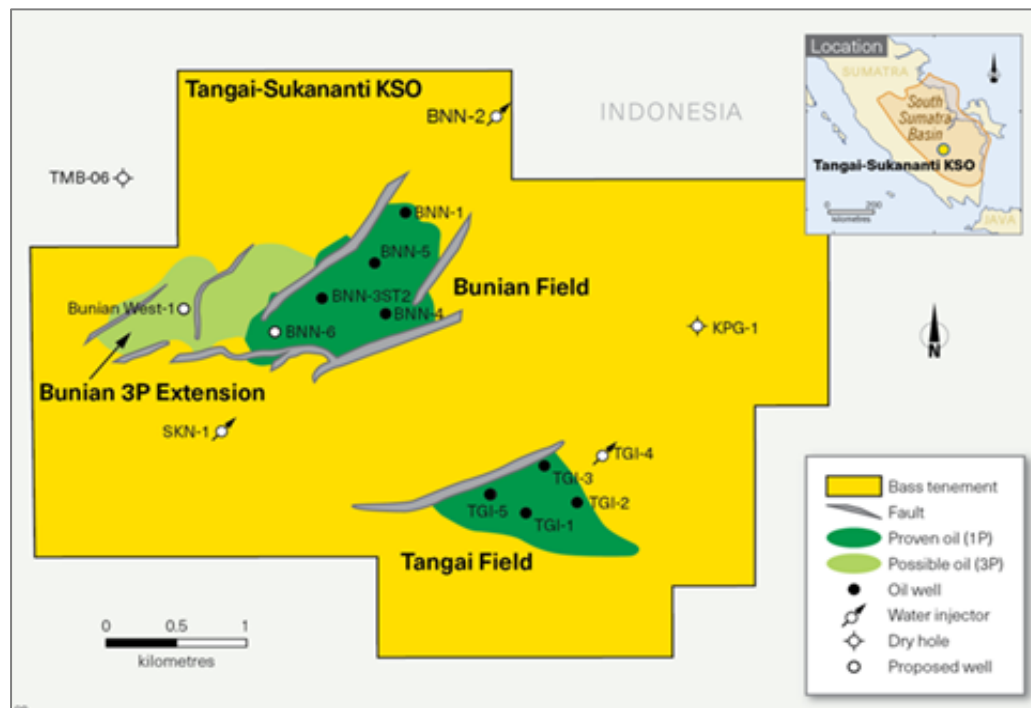


Figure 2: Tangai-Sukananti KSO Location Map

Business Development:

Bass is actively seeking opportunities to expand its operations and grow production. In addition to organic growth contained within Bass' existing portfolio the Company is focused on acquiring assets with low-risk growth potential that have the are able to deliver above average returns by leveraging its expertise and resources.

DIRECTORS' REPORT

The Directors present their report on the results of Bass Oil Limited consolidated entity ("BAS" or "Bass" or "the Company" or "the Group") for the half-year ended 30 June 2023.

DIRECTORS

The names and details of the Company's directors in office during the half-year and until the date of this report are set out below: Directors were in office for the entire period unless otherwise stated.

Peter F Mullins (Chairman)
Hector M Gordon
Giustino (Tino) Guglielmo (Managing Director)
Mark L Lindh

PRINCIPAL ACTIVITY

The principal activity of the Group during the period was oil production from newly acquired producing assets in the Cooper Basin, South Australia and a 55% Operator interest in the Tangai-Sukananti licence in the prolific South Sumatra Basin.

The Company is debt free and committed to creating and maximizing value, leveraging its competitive strengths in both Australia and Indonesia.

REVIEW AND RESULTS OF OPERATIONS

A review of Group's operations can be found on page 3.

The Group's operating loss for the half-year ended 30 June 2023 after income tax was \$119,799 (30 June 2022: profit of \$158,993).

SIGNIFICANT EVENTS AFTER BALANCE DATE

The Company announced on 10 August 2023 that it had signed a 10 (ten) year extension to its 55% owned and operated Tangai-Sukananti KSO in South Sumatra with the Indonesian state-owned oil company Pertamina EP.

The KSO was due to expire 25 July 2025, 15 years after it was granted in 2010. The KSO will now expire 16 September 2035. The extension was granted under improved fiscal terms after a period of constructive negotiations with the Indonesian National Oil Company, Pertamina EP.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

We have obtained an independence declaration from our auditor, Grant Thornton Audit Pty Ltd, a copy of which is attached to this report.

Signed in accordance with a resolution of the Directors



Chairman
Melbourne, 8 September 2023

Bass Oil Limited Half Year Report June 2023

Grant Thornton Audit Pty Ltd


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Auditor's Independence Declaration

To the Directors of Bass Oil Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Bass Oil Limited for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance
Melbourne, 8 September 2023

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DIRECTORS' DECLARATION

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s303(5) of the Corporations Act 2001.

On behalf of the Directors



Peter F Mullins
Chairman
Melbourne, 8 September 2023

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2023

		Consolidated	
	Note	6 months to 30 June 2023 \$	6 months to 30 Jun 2022 \$
Revenue			
Oil revenue		2,883,240	2,542,065
Cost of oil sold		(2,081,174)	(1,100,787)
Gross profit		802,067	1,441,278
Other income			
Interest received		42,264	2,592
Operator fees		37,281	47,109
Total revenue and other income		881,612	1,490,979
Administrative expenses	3	(546,232)	(769,382)
Employee benefits expense		(368,644)	(366,959)
Finance costs		(3,755)	(1,828)
Profit/(loss) before income tax		(37,019)	352,810
Income tax expense		(82,780)	(193,817)
Profit/(loss) for the half year		(119,799)	158,993
Other comprehensive loss, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation		(63,699)	-
Total comprehensive profit/(loss) for the half year		(183,498)	158,993
Basic and diluted (loss)/earnings – cents per share		(0.04)	0.09

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Consolidated	
	Note	30 June 2023 \$	31 December 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,522,014	1,477,074
Trade and other receivables		1,318,956	1,531,519
Other current assets		162,733	317,031
Inventories		268,601	245,663
Other financial assets		3,646	3,726
Total current assets		3,275,950	3,575,013
Non-current assets			
Other financial assets		1,537,638	1,570,666
Property, plant, and equipment		117,103	126,885
Right of use assets		206,510	72,082
Oil properties	5	5,872,462	5,916,297
Exploration assets	6	37,791	-
Total non-current assets		7,771,504	7,685,930
TOTAL ASSETS		11,047,454	11,260,943
LIABILITIES			
Current Liabilities			
Trade and other payables		906,865	980,126
Provisions		170,828	54,147
Lease liabilities		70,615	27,936
Provision for tax		563,444	583,775
Total current liabilities		1,711,752	1,645,984
Non-current liabilities			
Provisions		2,893,674	3,082,446
Lease liabilities		127,967	34,954
Total non-current liabilities		3,021,641	3,117,400
TOTAL LIABILITIES		4,733,393	4,763,384
NET ASSETS		6,314,061	6,497,559
EQUITY			
Contributed equity	7	31,608,738	31,598,393
Reserves		3,233,700	3,349,548
Accumulated losses		(28,528,377)	(28,450,382)
TOTAL EQUITY		6,314,061	6,497,559

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2023

	Contributed equity	Accumulated losses	Currency translation reserve	Share based payments reserve	Total
	\$	\$	\$	\$	\$
At 1 January 2022	28,435,817	(28,492,975)	3,129,996	35,801	3,108,639
Net profit for the year	-	42,593	-	-	42,593
Foreign currency translation loss	-	-	(42,484)	-	(42,484)
Total comprehensive income for the year	-	42,593	(42,484)	-	109
Shares issued	3,616,206	-	-	-	3,616,206
Share buy-back	(77,976)	-	-	-	(77,976)
Transaction cost on share issues	(411,502)	-	-	-	(411,502)
Share-based payments	-	-	-	226,235	226,235
Tax consequences of share issue costs	35,848	-	-	-	35,848
At 31 December 2022	31,598,393	(28,450,382)	3,087,512	262,036	6,497,559
At 1 January 2023	31,598,393	(28,450,382)	3,087,512	262,036	6,497,559
Net loss for the period	-	(119,799)	-	-	(119,799)
Foreign currency translation loss	-	-	(63,699)	-	(63,699)
Total comprehensive income for the period	-	(119,799)	(63,699)	-	(183,498)
Transferred to issued capital	10,345	41,804	-	(52,149)	-
At 30 June 2023	31,608,738	(28,528,377)	3,023,813	209,887	6,314,061

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2023

	Note	Consolidated 30 June 2023 \$	30 June 2022 \$
Cash flows from operating activities			
Receipts from customers		3,158,288	1,835,473
Payments to suppliers and employees		(2,519,642)	(2,069,580)
Taxation paid		(103,111)	(56,740)
Interest paid		(3,755)	(1,828)
Interest received		28,387	2,592
Net cash (used in)/provided by operating activities		560,167	(290,083)
Cash flows from investing activities			
Oil properties capital expenditure		(441,617)	(606,233)
Exploration and evaluation assets		(37,791)	-
Net cash (used in)/provided by investing activities		(479,408)	(606,233)
Cash flows from financing activities			
Principal elements of lease payments		(20,636)	(24,856)
Proceeds from share issues		-	1,292,391
Payment share issue costs		-	(8,937)
Payment unmarketable parcel buy-back		-	(77,976)
Net cash (used in)/provided by financing activities		(20,636)	1,180,622
Net increase in cash and cash equivalents		60,123	284,306
Foreign exchange movement		(15,183)	-
Cash and cash equivalents at the beginning of the year		1,477,074	1,492,646
Cash and cash equivalents at the end of the half year		1,522,014	1,776,952

Some administration and corporate costs included in the 30 June 2023 ASX Quarterly Appendix 5B have been reclassified to oil properties and exploration expenditure from payments to suppliers for production.

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 1. Corporate Information

The consolidated financial statements of Bass Oil Limited ("Parent Entity" or "Company") and its controlled entities (collectively as "Consolidated Entity" or "the Group") for the half-year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 8 September 2023.

Bass Oil Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are oil production.

Note 2. Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2022 annual financial report for the financial year ended 31 December 2022. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

In the application of the Group's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

There has been a change in accounting policies in how the Group recognises the useful life of oil assets for the Cooper Basin oil properties in the calculation of amortisation. There has also been a change in that the Group is now recognising exploration and evaluation assets.

Except where indicated otherwise, all amounts are presented in United States dollars.

Going Concern

The consolidated financial statements have been prepared on the going concern basis, which assumes that the Group will be able to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

For the financial half-year ended 30 June 2023 the Group earned a loss after tax of \$119,799 (30 June 2022: profit of \$158,993), had a net cash inflow from operating activities of \$560,167 (30 June 2022: outflow \$290,083), a net cash outflow from investing activities of \$479,408 (30 June 2022: \$606,233) and had a net cash outflow from financing activities of \$20,636 (30 June 2022: inflow \$1,180,622).

The Directors have prepared a cash flow forecast through to September 2024 which indicates that the Group has sufficient funds to remit the second instalment of the performance bond for the rehabilitation of the Cooper Basin properties in favour of the SA Department for Energy and Mining and invest in further projects to maintain/increase production levels.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 2. Summary of Significant Accounting Policies (cont'd)

Going concern (cont'd)

The Group may be required to secure additional funding (which may be sourced as debt or equity) in the event of unforeseen issues arising including but not limited to a weakness in the price of oil, field production performance or projected cash returns from the Company's Indonesian subsidiary or to fund drilling and non-drilling projects beyond September 2024.

Based on the Group's cash flow forecast, achieving the funding referred to above and achieving successful results from drilling and non-drilling projects, the Directors believe that the Group will be able to continue as a going concern.

Should the Group be unsuccessful in achieving the projected levels of cashflow from initiatives set out above, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated statements of the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards.

(b) New Accounting Standards and Interpretations

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2023.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and will not have a material impact on the financial statements.

(c) Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 2. Summary of Significant Accounting Policies (cont'd)

(c) Critical accounting estimates and judgements (cont'd)

These accounting policies have been consistently applied by each entity with the exception of oil property assets, in the consolidated entity, and the estimates and underlying assumptions are reviewed on an ongoing basis. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

(i) Impairment of Oil Property Assets

Oil properties impairment testing requires an estimation of the value in use of the cash generating unit to which deferred costs have been allocated when impairment indicators have been identified. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Other assumptions used in the calculations which could have an impact on future years includes available reserves and oil prices.

(ii) Useful Life of Oil Property Assets

Oil properties are amortised on the Units of Production basis using the latest approved estimate of Proven (1P) Reserves. Amortisation is charged only once production has commenced. No amortisation is charged on areas under development where production has not yet commenced. Estimates of reserve quantities are a critical estimate impacting amortisation of oil property assets. On 1 January 2023 there was a change in accounting policy for the Australian production assets. The Australian production assets are now amortised on Proven and Probable (2P) reserves. The reason for the change is based on the Groups estimate of the forecast life of the field. The oil property assets in the Cooper Basin are late life fields and they were acquired with significant historical production data. The change reduces the amount of amortisation from \$346,597 (1P) to \$169,988 (2P). There is no change for the Indonesian oil properties.

(iii) Estimates of Reserve Quantities

The estimated quantities of Proven and Probable hydrocarbon reserves reported by the Company are integral to the calculation of the amortisation expense relating to oil properties, and to the assessment of possible impairment of these assets. Estimated reserve quantities are based upon interpretations of geological and geophysical models and assessments of the technical feasibility and commercial viability of producing the reserves. These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of operations. Reserves estimates are prepared in accordance with the Company's policies and procedures for reserves estimation which conform to guidelines prepared by the Society of Petroleum Engineers.

(iv) Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 2. Summary of Significant Accounting Policies (cont'd)

(c) Critical accounting estimates and judgements (cont'd)

(v) Capitalisation of exploration assets

Exploration and evaluation expenditure is carried forward separately for each area of interest provided that the rights to tenure of the area of interest is current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the area of interest level whenever facts and circumstances suggest that the carrying value may exceed its recoverable amount.

An impairment exists when the carrying amount of capitalised exploration and evaluation expenditure relating to an area of interest exceeds its recoverable amount. The asset is then written down to its recoverable amount. Any impairment losses are recognised in profit or loss.

(vi) Restoration provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Note 3. Administrative Expenses

	Note	Consolidated	
		30 June 2023	30 June 2022
		\$	\$
Audit fees		39,285	18,127
Consultants' fees		107,714	112,570
Corporate related costs		70,569	99,516
Directors' remuneration		67,149	71,288
Net foreign exchange losses		37,374	68,116
Insurance		73,073	5,096
Legal expenses		7,084	85,613
Permit fees		5,010	-
Rent		18,236	-
Travel		16,486	2,572
Other administrative expenses		104,252	306,484
		<u>546,232</u>	<u>769,382</u>

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 4. Cash and Cash Equivalents

	Note	Consolidated	
		30 June 2023 \$	31 December 2022 \$
Cash at bank and in hand		1,522,014	1,492,646
		<u>1,522,014</u>	<u>1,492,646</u>

Note 5. Oil Properties

	Note	Consolidated	
		30 June 2023 \$	31 December 2022 \$
Tangai-Sukananti KSO, Indonesia		1,964,945	2,204,333
Cooper Basin, Australia		3,907,517	3,711,964
		<u>5,872,462</u>	<u>5,916,297</u>

Tangai-Sukananti KSO

Movement in the carrying value of oil properties

Balance at the beginning of year	2,204,333	1,795,403
Capital expenditure during the period	1,848	981,184
Depreciation, depletion and amortisation	(241,236)	(572,254)
Balance at the end of the period	<u>1,964,945</u>	<u>2,204,333</u>

Cooper Basin

Movement in the carrying value of oil properties

Balance at the beginning of year	3,711,964	-
Acquisition	-	3,822,831
Capital expenditure during the period	441,617	19,507
Depreciation, depletion and amortisation	(169,988)	(130,374)
Foreign Translation	(76,076)	-
Balance at the end of the period	<u>3,907,517</u>	<u>3,711,964</u>

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 6. Exploration and Evaluation Costs

		Consolidated	
	Note	30 June 2023	31 December 2022
		\$	\$
Petroleum tenements in the exploration phase			
Balance at the beginning of year		-	-
Capital expenditure during the period		37,791	-
Balance at the end of the period		37,791	-

The net carrying amount of exploration and evaluation costs is represented by Ex PEL 90K \$44,600, and Ex PEL 100 \$21,548.

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure. In the judgement of the Directors, at 30 June 2023 exploration activities in each area of interest have not yet reached a stage which permits a reasonable assessment of the prospectivity of the permits. Appraisal of the permits in relation to each area of interest are ongoing. Nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved.

Note 7. Contributed Equity

	30 June 2023 Shares	31 December 2022 Shares	30 June 2023 \$	31 December 2022 \$
Issued and paid up capital				
Ordinary share fully paid	268,394,438	267,917,271	31,616,317	31,598,393
Movements in ordinary shares on issue				
Ordinary shares on issue at beginning of period	267,917,271	4,612,681,458	31,598,393	28,435,817
Issue of ordinary shares pre-consolidation	-	800,000,000	-	878,567
Less unmarketable parcel share buyback	-	(54,544,054)	-	(77,976)
Sub-total	267,917,271	5,358,137,404		
Consolidation 30 to 1	-	(5,179,525,890)	-	-
Issue of ordinary shares post consolidation	-	89,305,757	-	2,737,639
Issuance of share performance rights	477,167	-	10,345	-
Less transaction costs	-	-	-	(411,502)
Tax consequences of share issues costs	-	-	-	35,848
Ordinary shares on issue at end of the period	268,394,438	267,917,271	31,608,738	31,598,393

On 5 April 2023 the Company announced that it had issued 477,167 employee shares.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 7. Contributed Equity (cont'd)

In the prior period a tax consequence of share issue costs was derived as the Company can claim a tax deduction for share issue costs, spread over 5 years. This has not been recognised in the current period.

Terms and Conditions of Contributed Equity

Ordinary shares entitle the holder to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Share Options on Issue

As at 30 June 2023, the Company has 132,340,789 (31 December 2022: 132,340,789) share options on issue, exercisable on a 1:1 basis for 132,340,789 (31 December 2022: 132,340,789) ordinary shares of the Company at an exercise price of A\$0.12 (31 December 2022: A\$0.12) and an expiry date of 30 September 2024.

Share Options on Issue

		Consolidated	
	Note	30 June 2023 Options	31 December 2022 Options
Movements in options on issue			
Balance at the beginning of year		132,340,789	759,390,150
Options issued pre-consolidation		-	306,666,667
Sub total		132,340,789	1,066,056,817
Consolidation 30 to 1		-	(1,030,521,785)
Options issued post consolidation		-	96,805,757
Balance at the end of the period		132,340,789	132,340,789

Note 8. Share based payments

		Consolidated	
	Note	30 June 2023 \$	31 December 2022 \$
Fair value of employee share rights		-	16,348
Fair value of listed options issued to the Lead Manager of capital raise		-	209,887
Total		-	226,235

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 9. Related Party Disclosures

Terms and conditions of transactions with related parties other than Key Management Personnel

During the period the Group paid corporate advisory and investor relations fees to Adelaide Equity Partners Limited (a director related entity of Mr M Lindh) of \$30,160 (30 June 2022: \$44,041) and capital raising success fees to Adelaide Equity Partners Limited of \$nil (30 June 2022: \$13,068) (both under a corporate advisory and investor relations mandate). The fees were provided under normal commercial terms and conditions. Amounts outstanding at balance date were \$5,470 (30 June 2022: \$5,167).

The Group has a corporate advisory & investor relations mandate with Adelaide Equity Partners. The mandate has a monthly retainer of AUD \$7,500 per month and commenced on 25 May 2023. Previously there was a mandate in place which had a monthly retainer of \$10,000 per month which commenced on 16 July 2022. The mandate can be terminated at any time by either party, by written notice to the other party.

Note 10. Segment Information

For management purposes the group operated in two business segments (two geographical areas) – exploration, development and production of oil and gas – Australia and Indonesia.

The chief operating decision maker only reviews consolidated financial information. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board. The Board does not currently receive segment Statement of Financial Position and Statement of Comprehensive Income information.

For exploration and development activities the Board managed each activity through review and approval Authority for Expenditure (AFE's) and other operational information. For oil production (from both the Tangai-Sukananti KSO located in South Sumatra Basin in Indonesia and the Cooper Basin assets located in South Australia) the Board manages the activities through review of production details, internal reports and other operational information.

The consolidated assets and liabilities as at 30 June 2023 and 2022 relate to oil production.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 10. Segment Information (cont'd)

	Australia	Indonesia	Corporate	Total
30 June 2023				
Revenue	1,269,173	1,614,067	-	2,883,240
Other income	38,868	-	40,677	79,545
Total revenue	1,308,041	1,614,067	40,677	2,962,785
Segment profit before depletion, depreciation and amortisation	478,369	267,433	(346,120)	399,682
Depletion, depreciation & amortisation	(177,269)	(259,432)	-	(436,701)
Profit/(loss) before income tax	301,100	8,001	(346,120)	(37,019)
Assets				
Current assets	648,472	1,755,793	871,685	3,275,950
Non-current assets	5,609,023	2,159,199	3,282	7,771,504
Total assets	6,257,495	3,914,992	874,967	11,047,454
Liabilities				
Current liabilities	(290,064)	(1,275,620)	(146,068)	(1,711,752)
Non-current liabilities	(2,918,765)	(102,876)	-	(3,021,641)
Total liabilities	(3,208,829)	(1,378,496)	(146,068)	(4,733,393)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2023

Note 10. Segment Information (cont'd)

	Australia	Indonesia	Corporate	Total
30 June 2022				
Revenue	-	2,542,065	-	2,542,065
Other revenue	-	-	49,701	49,701
Total revenue	-	2,542,065	49,701	2,591,766
Segment result	-	1,174,109	(589,964)	584,145
Depletion, depreciation & amortisation	-	(231,335)	-	(231,335)
Profit/(loss) before income tax	-	942,774	(589,964)	352,810
Assets				
Current assets	-	2,780,088	1,158,964	3,939,052
Non-current assets	-	2,674,716	-	2,674,716
Total assets	-	5,454,804	1,158,964	6,613,768
Liabilities				
Current liabilities	-	(1,883,002)	(201,996)	(2,084,998)
Non-current liabilities	-	(103,176)	-	(103,176)
Total liabilities	-	(1,986,178)	(201,996)	(2,188,174)

Note 11. Contingent Liabilities

As at 30 June 2023 the Group had no contingent liabilities (2022: \$Nil).

Note 12. Subsequent Events

The Company announced on 10 August 2023 that it had signed a 10 (ten) year extension to its 55% owned and operated Tangai-Sukananti KSO in South Sumatra with the Indonesian state-owned oil company Pertamina EP.

The KSO was due to expire 25 July 2025, 15 years after it was granted in 2010. The KSO will now expire 16 September 2035. The extension was granted under improved fiscal terms after a period of constructive negotiations with the Indonesian National Oil Company, Pertamina EP.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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Independent Auditor's Review Report

To the Members of Bass Oil Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Bass Oil Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Bass Oil Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that for the half-year ended 30 June 2023, the Group incurred a net loss after tax of \$119,799, had a net cash inflow from operating activities of \$560,167, a net cash outflow from investing activities of \$479,408 and had a net cash outflow from financing activities of \$20,636. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance
Melbourne, 8 September 2023