

## 2020 Half year results

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*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 maximising value, leveraging its competitive strengths; its team, operating capability, reputation, and relationships in Indonesia.*

### HIGHLIGHTS

(All amounts are in United States dollars)

- **2.5% increase in production to 71,080 barrels (1H CY19 69,370 barrels) after connecting Bunian 5**
- **15.3% decrease in 1H CY20 sales revenue to \$1.77 million (1H CY19 \$2.09 million) due to lower crude oil prices only partially offset by higher production**
- **\$0.28 million decline in EBITDA to \$0.086 million (1H CY19 -\$0.36 million), after implementing cost savings initiatives in response to COVID-19**
- **Cash position \$0.27 million as at 30 June 2020**
- **\$235,000 decline in NPAT to -\$273,520 (1H CY19 -\$38,844)**
- **No Lost Time Incidents during the half year**
- **Bunian 5 results adds confidence to commence planning for the 2021 drilling program including up to 3 development wells**
- **Business development initiatives recommenced following the stabilisation of the oil markets**

### **Bass Oil Managing Director, Mr Tino Guglielmo:**

“Bass is pleased to provide the 2020 half year report to shareholders which, whilst reporting a statutory net loss of \$274,000 has clearly demonstrated that the Company has successfully weathered one of the most difficult periods in the oil industry’s in recent times. The Company has taken decisive action to reduce its cost base and stabilise its production whilst implementing measure to protect the health and safety of its staff in Indonesia and Australia.”

“Following the recent recovery in the oil markets Bass is well positioned to take advantage of emerging growth opportunities as the Company carries no debt. This coupled with an increase cashflow through our cost reduction initiatives augers well for our future growth.” Mr Guglielmo added.

## Comparative Performance:

Key Performance Metrics	1H CY20	1H CY19	Change
Net Production (,000 bbls)	71.08	69.37	2.5%
Net Oil Sales (,000 bbls)	71.37	68.75	3.8%
Net Entitlement Oil (,000 bbls)	50.05	34.45	45.3%
Sales Revenue (\$ million)	1.77	2.09	-15.3%
Cash (\$ million)	0.27	0.77	-64.9%
EBITDA (\$,000)	86	364	-76.4%
NPAT (\$,000)	-274	-39	n/m

Total field production for the June half year remains strong, with recorded average production in July in excess of 716 bopd JV share. Half year production averaged 711 bopd up from 691 bopd JV share for the previous half year. This is a result of the successful drilling, completion and connection of the Bunian 5 development well in late 2019.

Bass produced 71,080 barrels of oil (55% basis) this half year, up 2% from the previous half year. Half yearly oil sales were 71,376 barrels of oil net to Bass up 4%. The net entitlement oil to Bass was 50,447 barrels for the half year after DMO, again up 46%.

The Company realised a 15% decrease in sales revenue, primarily on the back of the collapse in the global oil markets only partially offset by increased production.

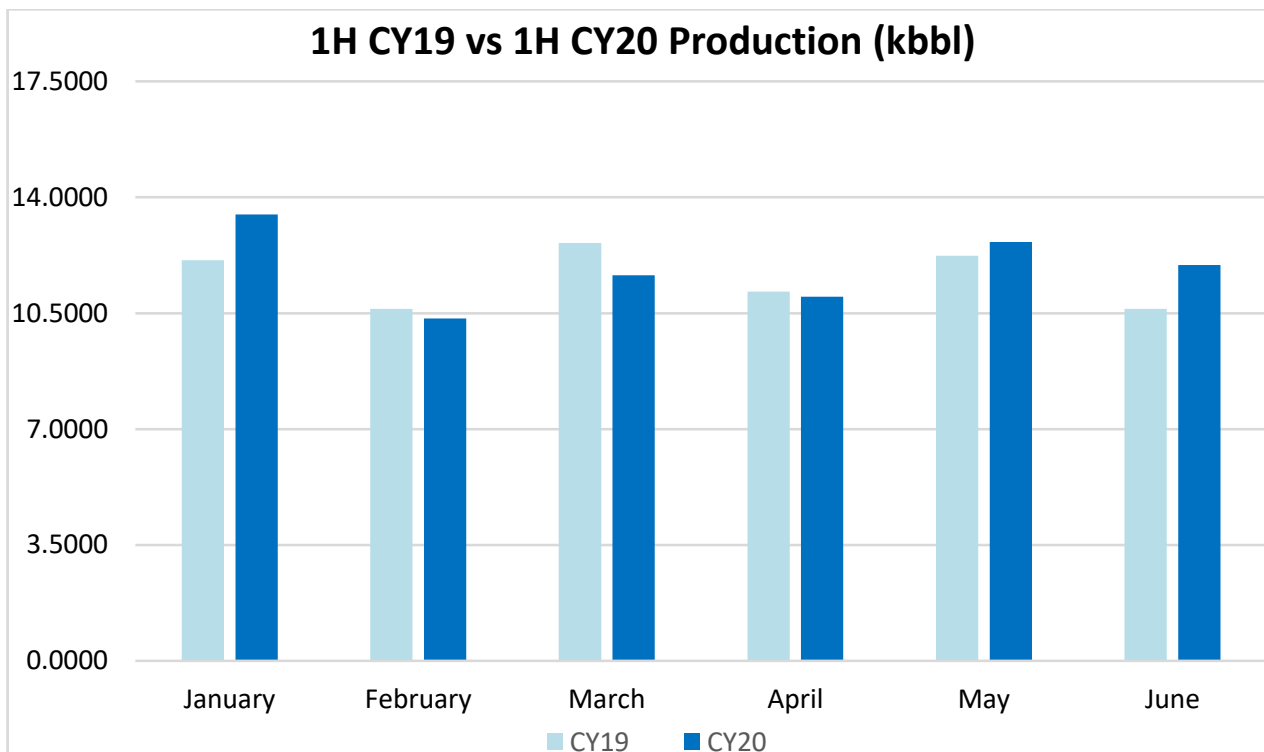


Figure 1: Tangai-Sukananti Historical Production (55% basis)

## **Corporate:**

### **Cash Position**

As at 30 June 2020, Bass cash reserves were US\$0.26m. Overall the cash position decreased 51% in the June quarter due to the Company only receiving five monthly payments for crude oil sales instead of six as expected. The Company did not receive the payment from Pertamina due in June. The funds were received on July 1 increasing the cash position to US\$0.47m. Additionally the balance of 2019 tax owing was paid during the half year after lodging the tax returns with the Indonesian tax office.

The Company has reacted quickly to the reduction in oil prices putting in place a number of cost reduction measures and delaying any expenditures not critical to maintain a safe and efficient operation. As such the business continues to generate positive cash contributions with total operating costs including overheads reduced to ~US\$20 per barrel.

The Company is not carrying any debt burden and is well placed to emerge strongly from the current industry downturn.

### **Impairment Indicators**

The Directors have undertaken a review of the key indicators of impairment which could negatively impact the carrying value of its investments in associates to determine whether any impairment has arisen and are satisfied that no such indicators of impairment existed at reporting date.

## **Development Planning:**

In recent months the oil markets have recovered and stabilised at a level which allows the Company to recommence development planning efforts. The company is in the process of integrating the results from the successful Bunian 5 development well and updating its geological and reservoir engineering models. This work will inform the planned 2021 development drilling effort as well as the year end 2020 reserves update.

Initial indications are that the 2021 drilling campaign will consist of up to three wells, two wells in Bunian and one well in the Tangai fields.

Additionally during the second half of 2020 artificially lift will be installed into the Bunian 5 well, which has been producing on natural flow until now, to increase the well and field oil offtake.

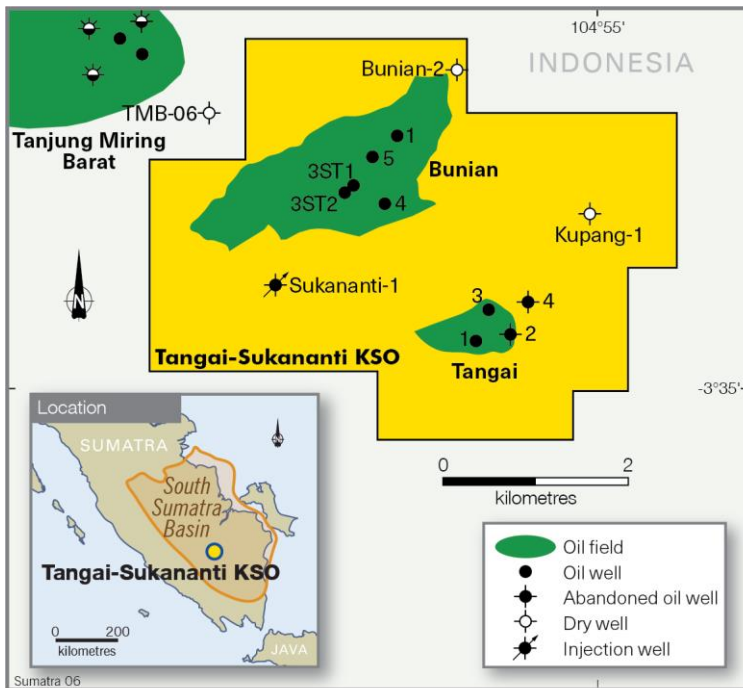


Figure 2: Tangai-Sukananti KSO Producing Oil Fields and Prospects

**Business Development:**

Bass curtailed its business development activities during the half year in response to the collapse in the global oil price and the uncertain outlook for a recovery in our industry sector. Recently Bass has started reviewing a number of onshore Indonesian opportunities as the fiscal outlook for the energy industry appears to be improving. The Company has not entered into any material contracts or commitments that impact it at this time.

**For further information please contact:**

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Glossary	
<b>BOPD</b>	Barrels of oil per day
<b>BOEPD</b>	Barrels of oil equivalent per day
<b>,000 bbls</b>	Thousands of barrels of oil
<b>mmbbl</b>	Millions of barrels of oil
<b>JV</b>	Joint Venture
<b>TS</b>	Tangai-Sukananti KSO
<b>KSO</b>	'kerja sama operasi' (Indonesian) – meaning an operation cooperation contract
<b>DMO</b>	Domestic Market Obligation
<b>Yr</b>	Year
<b>Yr on Yr</b>	Year on Year
<b>US\$ million</b>	Millions of United States of America dollars

**About Bass Oil Limited:**

Bass Oil Limited (ASX:BAS) ([www.bassoil.com.au](http://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 July 2020, the Tangai-Sukananti KSO was producing on average 716 bopd from 4 wells (JV share).

Bass reports Net Entitlement 2P Oil Reserves of 0.567 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.