

Bass Drilling Tangai-5 for Major Production Boost

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 and 2 March 2022, Bass is in the process of acquiring a significant portfolio of tenements, which include production in the Cooper Basin, South Australia. The Company is debt free and committed to creating and maximising value, leveraging its competitive strengths, its team, operating capability, reputation, and relationships in both Australia and Indonesia.

Highlights

- Bass aims to increase Indonesian oil production from ~350 bopd to over 1000 bopd Joint Venture (JV) share with the completion of the Tangai-5 development well (85% success likelihood)
- The Company expects to increase developed 2P reserves in the Tangai field within the primary M sand reservoir and test the secondary K reservoir which has produced oil on test at other Tangai wells but is not currently ascribed any reserves
- Success will increase production and lower operating costs to further enhance cashflows, underpinning the Company's Indonesian portfolio going forward
- The PDSI Rig 25.2 has moved to the Tangai-5 location and is expected to spud the well on 29 March 2022 with a 32-day work plan to drill, complete and bring into production
- Drilling expenditure will be fully cost recoverable against existing production under the terms of the KSO

Australia's Bass Oil Limited is pleased to announce that the PDSI Rig No. 25.2 has mobilised to the Tangai-5 site and will commence drilling activities shortly after concluding a field inspection and a check of safety and operational systems. Bass considers the Tangai-5 development well to have a success likelihood of 85% and if successful, could improve production from 350 bopd to up 1000 bopd (JV share) at the Company's producing Tangai-Sukananti KSO, located in onshore Sumatra, Indonesia.

Optimal drilling locations, including Tangai-5, have been identified as part of the outcome of the integrated field studies in the KSO. Bass commissioned the studies following the acquisition of its 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.

Bass 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. This project was complemented by internal geological and geophysical resources. The outcome of the study informed a full re-assessment of the

Oil in Place, Reserve and Resource Potential of the asset, to optimize drilling locations and field development.

The Tangai Field was discovered in 1992 by Pertamina and is a structural closure on the upthrown side of a NE-SW trending fault in the east of the Tangai-Sukananti KSO (figure 1). Tangai-1 is currently in production and Tangai-3 is currently suspended with plans to return the well to production after the completion of Tangai-5 (figure 2). The entire KSO area is fully defined by the 2011 Sukananti 3D seismic survey, which was comprehensively reprocessed in 2014 to significantly enhance data quality.

The Tangai Field contains oil at two reservoir levels (figure 3). Tangai-5 will target the primary M and secondary K reservoir levels which have produced or tested oil at Tangai-1 (M and K), Tangai-2 (M and K), Tangai-3 (M) and Tangai-4 (K) wells (figures 2 and 3).

Tangai-5 will confirm the production and reserve potential of the K level at an optimal location on the structure.

For the primary M reservoir, the Tangai Field has total best-estimate remaining recoverable reserves of 0.425 million barrels of oil (JV share). Tangai-5 is modelled to access 0.344 million barrels of undeveloped recoverable oil (JV share) at the M reservoir level.

Tangai-5 will be drilled at the structural crest of the field, up-dip of Tangai-1 and Tangai-3. Initial production capacity from the primary objective M reservoir is estimated to be up to 900 barrels oil per day (JV share). A successful Tangai-5 will accelerate drainage of the oil field within the KSO contract term of July 2025.

Tangai-5 has been approved by the Indonesian regulator and expected to spud by late March 2022. It is estimated to take 32 days to reach total depth of approximately 1,650 metres and if successful, the Company expects it to be completed and brought into production immediately thereafter. Bass will provide an update once the well reaches completion.

Bass' drilling expenditure 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 (MAPS) 45%.

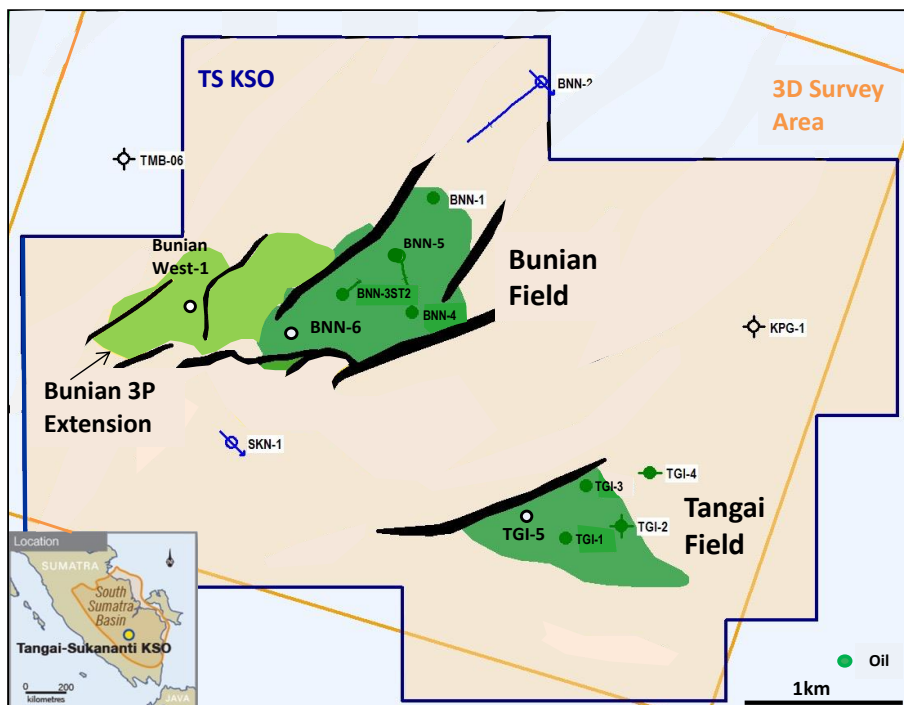


Figure 1: TS KSO Location Map

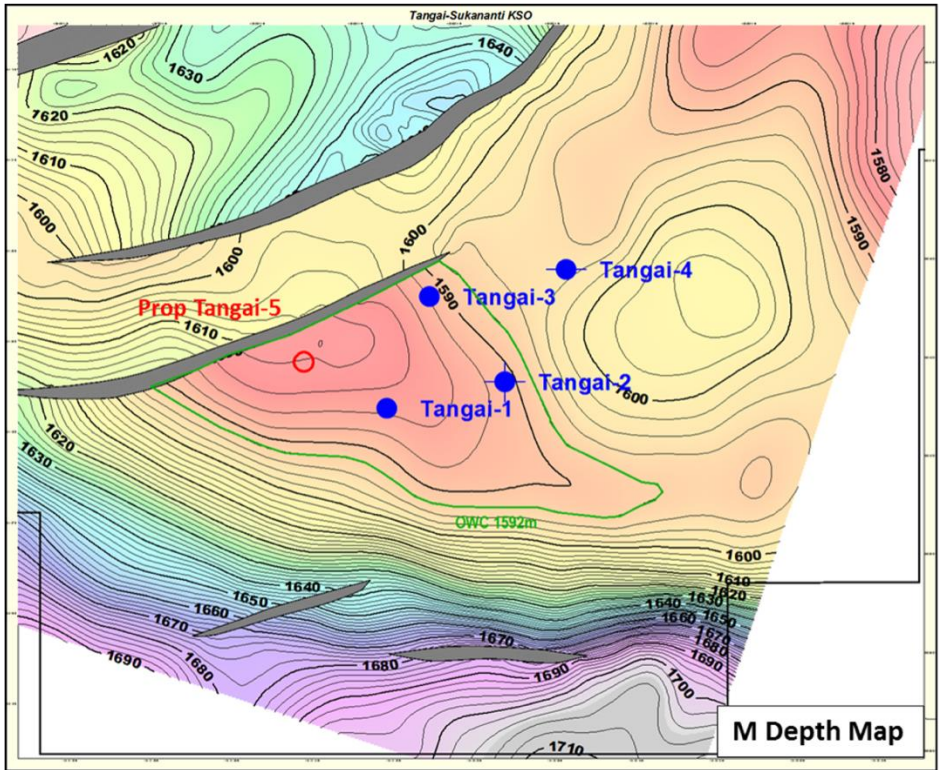


Figure 2: Depth Map at primary objective M level showing proposed and current wells

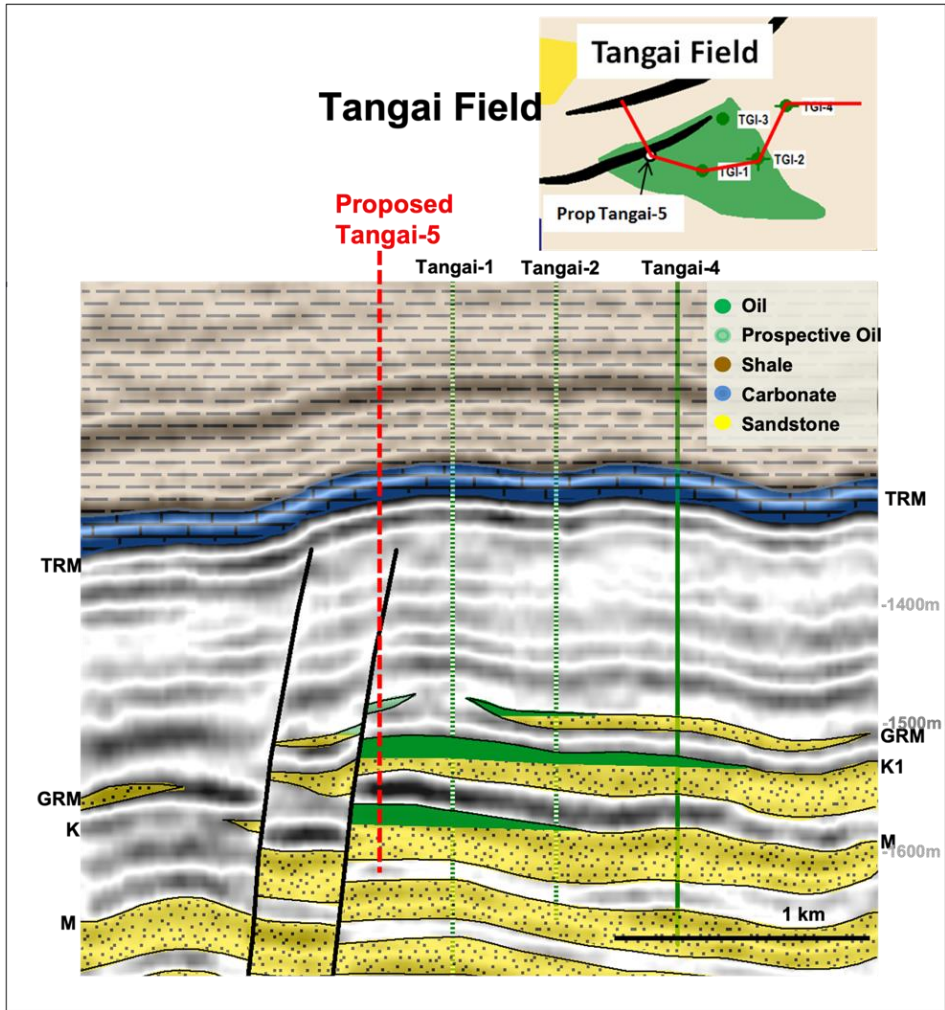


Figure 3: Schematic geological cross section showing the proposed Tangai-5 well location

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

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About Bass Oil Limited:

Bass Oil Limited (ASX:BAS) (www.bassoil.com.au) is an ASX-listed exploration and production company featuring low-cost onshore oil production in Indonesia and the Cooper Basin and a management and Board team with a proven track record in delivering shareholder value. Bass has realigned its corporate strategy and is currently progressing the landmark acquisition of an interest in the Worrior and Padulla oilfields along with several additional assets that exhibit material exploration potential.

As of December 2021, the Tangai-Sukananti KSO produced ~350 bopd from (55% JV share). Bass is building towards a substantial onshore Australian and Indonesian oil & gas business with a clear focus on executing opportunities in the Cooper Basin and expanding production in South Sumatra. Bass has a strong and committed shareholder base with the Board and management holding over 10% of the issued capital.