

28 July 2022

## Quarterly report for the period ending 30 June 2022

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

- Production during the June 2022 quarter averaged 582 barrels of oil per day (bopd) (JV share), an increase of 72% compared to the March 2022 quarter, given the inclusion of Tangai-5
- Net entitlement oil for the June 2022 quarter totalled 15,033 barrels of oil up 85%
- The Company generated sales revenue of US\$1.70 million (average oil price of US\$110.55 received) up 102% from the March 2022 quarter due to increased sales and a higher oil price
- Bass has safely and successfully drilled, completed, connected and commissioned the Tangai-5 development well at the Tangai-Sukananti KSO in Indonesia
- The Company is in the process of acquiring interests in eight Cooper Basin tenements from Beach Energy Limited and Cooper Energy Limited with completion expected shortly
- Bass completed a 1-for-2 non-renounceable entitlement offer at \$0.045 per share with a 1-for-1 free attaching BASO option (exercisable at \$0.12 on or before 30 Sep 2024) to raise \$0.6 million from eligible shareholders. Peak Asset Management has subsequently placed shortfall shares and options to raise an additional \$2.2 million (total proceeds of \$2.8 million)

### Comparative Performance:

Key Performance Metrics	Jun Qtr Q2 FY22	Mar Qtr Q1 FY22	Qtr on Qtr Change	2022 YTD	2021 YTD	Yr on yr Change
Net Production <sup>1</sup> (mbbl)	29.14	16.88	72.6%	46.02	44.12	4.3%
Net Oil Sales <sup>1</sup> (mbbl)	28.08	16.61	69.1%	44.69	44.51	0.4%
Net Entitlement to Bass (mbbl)	15.03	8.14	84.6%	23.17	23.15	0.1%
Sales Revenue (US\$M)	1.70	0.84	102.4%	2.54	1.44	76.4%
Average Realised Oil Price	110.55	98.85	11.8%	104.45	60.75	71.9%
Cash (US\$M)	1.78	1.84	-3.3%	1.78	0.20	790.0%

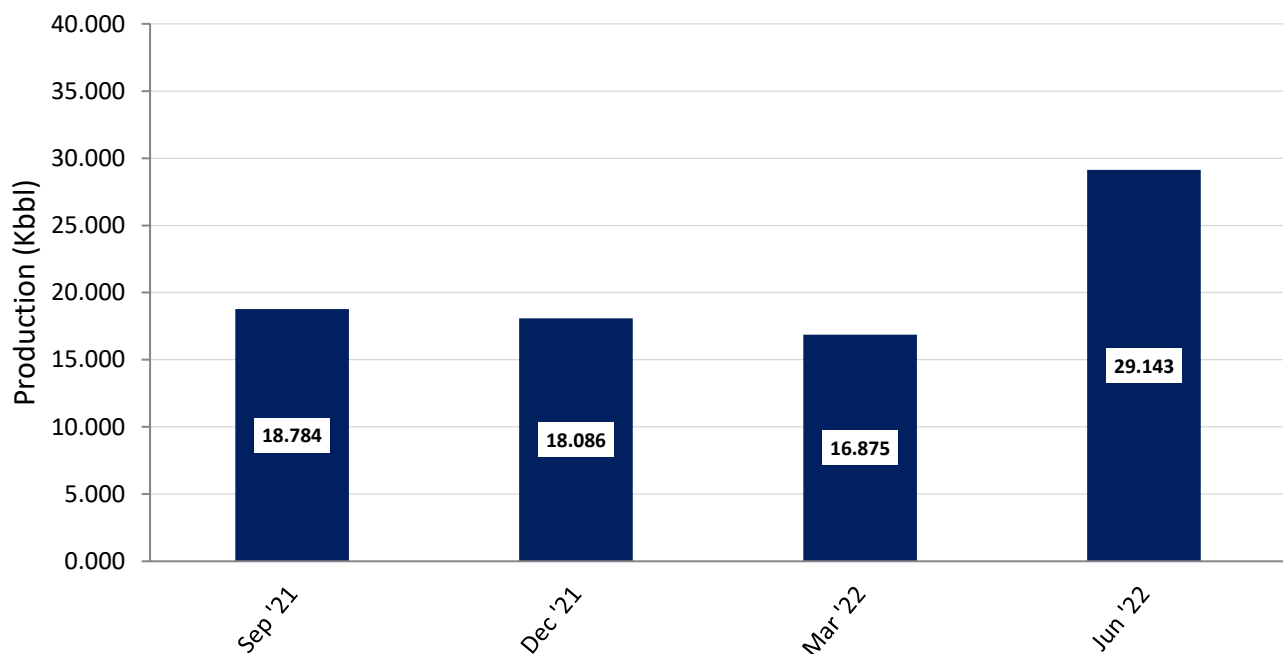
Note 1: Net Production and Oil Sales are reported at 55% of Gross Production and Oil Sales for consistency and excludes the deduction of Domestic Market Obligation (DMO)

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

*“This was a quarter which saw the positive impact on the business from the implementation of the first of Bass’ strategic growth initiatives. This quarter the Company commissioned the successful Tangai-5 development well in Indonesia. In the coming quarter Bass, will deliver on the second of its strategic objectives being the completion of the value accretive Cooper Basin Transactions. The Company is targeting an ambitious production growth target of up to 500 bopd in the first 12 months from those assets.”*

**Field Performance:**

**Tangai-Sukananti Quarterly Production (55% Bass)**



Production for the June quarter was increased significantly with the commissioning of the successful Tangai-5 development well in Indonesia. The Company produced 29,143 barrels of oil (55% basis) during the quarter, up 72.6% from the March 2022 quarter and sold 28,080 barrels of oil (net to Bass), up 69.1% from the March 2022 quarter. The net entitlement oil to Bass increased 84.6% to 15,033 barrels for the June 2022 quarter after Domestic Market Obligation (DMO).

**Field Development:**

The Tangai-5 development well was safely and successfully drilled, completed, connected and commissioned, during the quarter, resulting in initial production rates of approximately 750 bopd and therefore a significant boost to overall field production for the Company’s 55% owned Sukananti KSO.

The well was spudded on 1 April 2022 and drilled to a Total Depth of 1,663mRT to target the primary M-sand reservoir and intersected 5.5 metres of net oil pay as prognosed. The results from this well are being integrated into the field models by the subsurface team. This result gives further encouragement for future drilling in the KSO (see figure 1).

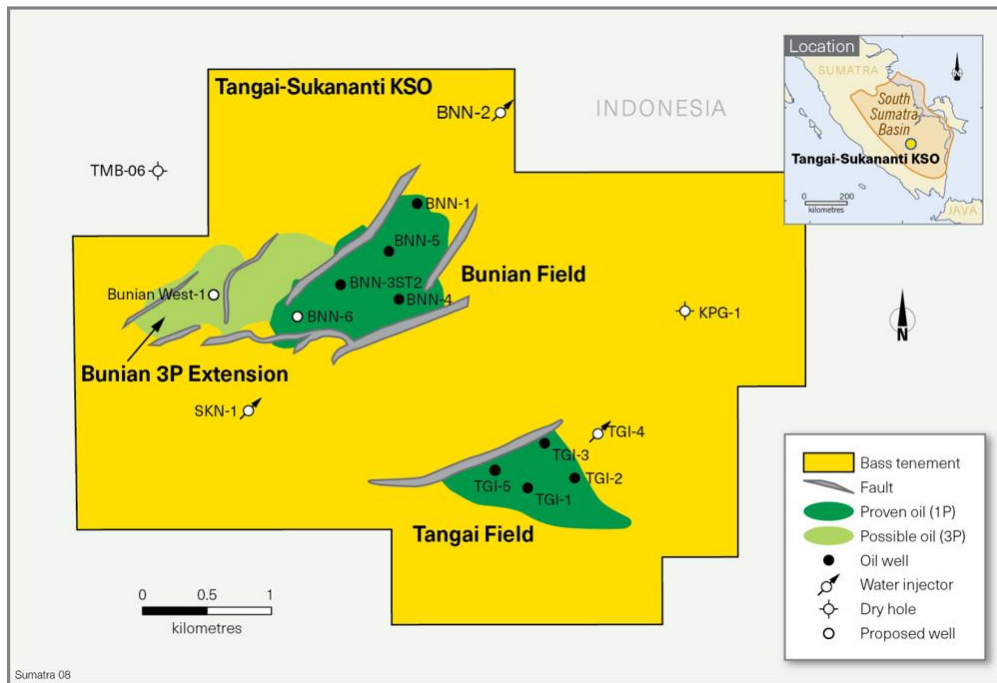


Figure 1: Tangai-Sukananti KSO Location Map

## **Corporate:**

### **Cash Position**

As at 30 June 2022, Bass' cash reserves decreased 3.3% from the March 2022 quarter to US\$1.78 million. The Company carries no debt.

### **Revenue**

Oil sales for Bass totaled US\$1.70 million in the June 2022 quarter and US\$2.54 million for the half year ending 30 June 2022, an increase of 76.4% on the half year ending 30 June 2021, due to increased oil sales and higher oil prices in the period.

### **Oil Price**

Bass oil sales are tied to ICP crude pricing which in turn is linked to the benchmark Brent crude. The Company realised an 11.2% increase in the average oil price for the June 2022 quarter of US\$110.55, a 11.8% increase on the March 2022 quarter. The Company has no oil hedges in place.

### **Non-Renounceable Entitlement Offer**

On 29 June 2022, Bass announced that it had raised gross proceeds of \$599,614 from a 1-for-2 non-renounceable entitlement offer which opened on 26 May 2022 ("**Rights Issue**"). Under the Rights Issue, eligible shareholders could apply for up to one new Bass share for every two shares held on the record date at an issue price of \$0.045 per share. Subscribing shareholders would also receive one free BASO option for every one share issued under the Rights Issue. The Company issued 13,324,765 new shares and 13,324,765 new listed BASO options on 29 June 2022.

The Company engaged Peak Asset Management to act as Lead Manager to the Rights Issue and has up to three months to place the Rights Issue shortfall, being 75,980,992 Rights Issue shares and 75,980,992 Rights Issue options.

Subsequent to the end of the quarter, Bass and Peak Asset Management placed an additional 48,688,889 shortfall shares and 48,688,889 shortfall options to raise an additional \$2,191,000 from sophisticated and professional

investors. The total capital raise proceeds of \$2,790,614 will allow the Company to satisfy the remaining conditions precedent of the Cooper Basin Transactions.

### **Business Development:**

Bass announced on 12 July 2021 and 2 March 2022 that it had entered into a conditional sale and purchase agreement with Cooper Energy Limited and a subsidiary of Beach Energy Limited to acquire interests in eight Cooper Basin tenements for cash consideration of A\$1,300,000 and assumption of future restoration liabilities (“Cooper Basin Transactions”).

On contemporaneous completion of the Beach and Cooper Transactions, the Company will own a 100% interest in the Worrior and Padulla oil fields as well as a 74%-100% interest in an additional six Cooper Basin tenements that contain prospective appraisal and exploration opportunities. This holding represents one of the more significant land positions in the core of the Cooper Basin.

Bass has been working dilligently with the current operator of the Cooper Basin properties along with the regulator to ensure a smooth transition of ownership and operatorship of these properties. The Transactions are expected to complete in the near term.

Further details of the Cooper Basin Transactions and project opportunities are contained in the ASX release titled ‘Cooper Basin Strategy’ released on 7 June 2022.

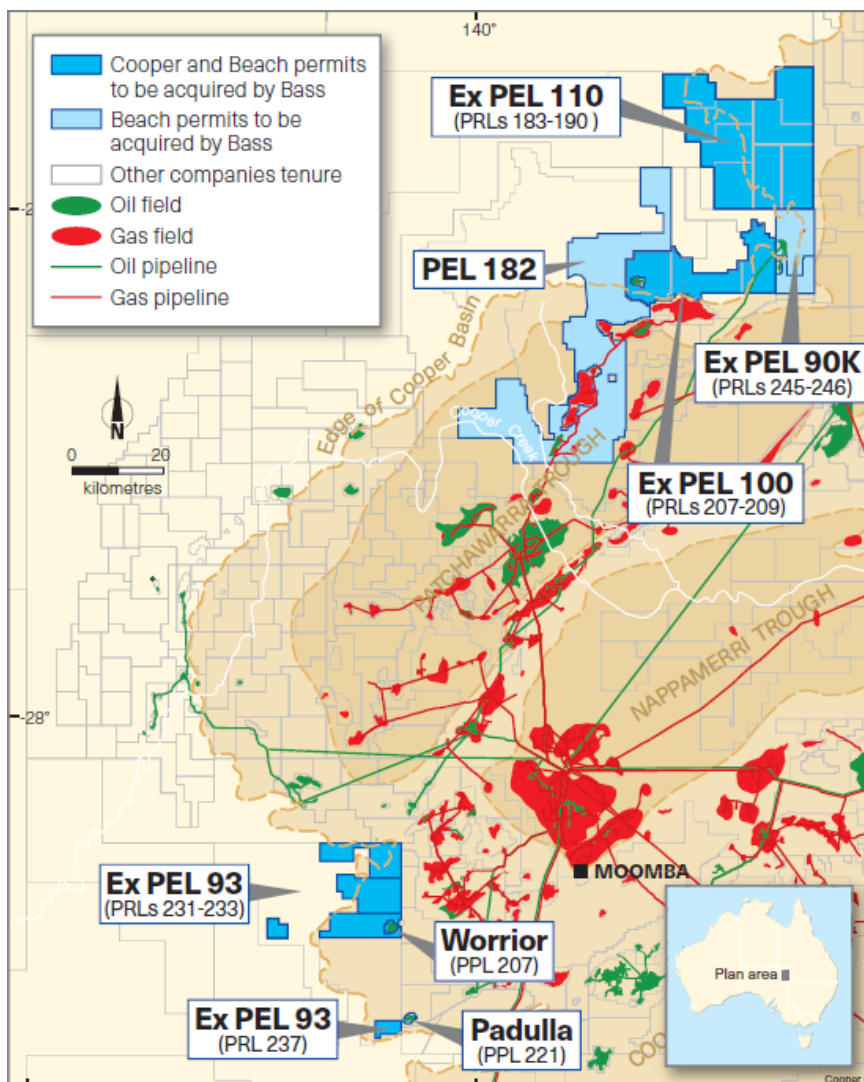


Figure 2: Cooper Basin properties to be acquired by Bass Location Map

### Tenement Holdings:

Joint Operation	Location	Interest owned	Interest acquired/farm in during the quarter	Interest disposed/farm out during the quarter
Tangai-Sukananti KSO	Indonesia	55%	-	-

This ASX announcement was authorised for release by the Bass Oil Limited Board of Directors.

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

Tino Guglielmo  
Managing Director  
Bass Oil Limited  
Ph: +61 3 9927 3000  
Email: [tino.guglielmo@bassoil.com.au](mailto:tino.guglielmo@bassoil.com.au)

Travis Ban  
Associate Director  
Adelaide Equity Partners Limited  
Ph: (08) 8232 8800  
email: [tban@adelaideequity.com.au](mailto:tban@adelaideequity.com.au)

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Glossary	
<b>BOPD</b>	Barrels of oil per day
<b>BOEPD</b>	Barrels of oil equivalent per day
<b>mdbl</b>	Thousands of barrels of oil
<b>mmbbl</b>	Millions of barrels of oil
<b>DMO</b>	Domestic Market Obligation (for 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>Qtr</b>	Quarter
<b>Qtr on Qtr</b>	Quarter on Quarter
<b>Yr</b>	Year
<b>Yr on Yr</b>	Year on Year
<b>US\$m</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 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 June 2022, the Tangai-Sukananti KSO produced ~850 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.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

<b>BASS OIL LIMITED</b>
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ABN

<b>13 008 694 817</b>
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Quarter ended ("current quarter")

<b>30 June 2022</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$USD'000</b>	<b>Year to date (6 months) \$USD'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,300	1,828
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production	(688)	(1390)
(d) staff costs		
(e) administration and corporate costs	(423)	(631)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	(57)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>189</b>	<b>(249)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(515)	(606)
(d) exploration & evaluation (if capitalised)		
(e) investments		
(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (6 months) \$USD'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(515)</b>	<b>(606)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	413	1,292
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(53)	(53)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Lease payments)	(18)	(25)
3.9	Other (Unmarketable Parcel Buy-Back)	(78)	(78)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>264</b>	<b>1,136</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,839	1,496
4.2	Net cash from / (used in) operating activities (item 1.9 above)	189	(249)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(515)	(606)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	264	1,136



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$USD'000</b>	<b>Year to date (6 months) \$USD'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,777</b>	<b>1,777</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$USD'000</b>	<b>Previous quarter \$USD'000</b>
5.1	Bank balances	1,777	1,839
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,777</b>	<b>1,839</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$USD'000</b>
19
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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$USD'000</b>	<b>Amount drawn at quarter end \$USD'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>		
<b>7.5 Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$USD'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	189
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(515)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(326)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,777
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,777
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>5</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2022

Authorised by: By the Board

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.