

27 July 2023

Quarterly report for the period ending 30 June 2023

Bass Oil Limited (ASX:BAS) is an Australian-listed oil producer that holds a majority interest in eight permits in the Cooper Basin (Australia) including the 100% owned Worrior and Padulla oil fields and a 55% interest in a South Sumatra Basin (Indonesia) KSO. The Company is debt free and committed to creating value by leveraging the competitive strengths of its team, operating capability, reputation, and relationships in both Australia and Indonesia.

Highlights

- Cooper Basin oil production a record 11,100 barrels for the June 2023 quarter, up 23%
- Quarterly oil sales were US\$1.51 million up 10%, at an average price of US\$74.94 per bbl
- Half Year 2023 oil sales were US\$2.88 million up 13% at an average price of US\$76.98 per bbl
- Production during the June 2023 quarter was 29,480 barrels up 5.8%, averaging 324 bopd
- Production for half year (HY) 2023 was 57,360 barrels up 24.7% on HY 2022, averaging 317 bopd
- Geophysical mapping to determine the upside potential of the Kiwi gas discovery progressing well with planning commenced for completion and extended production testing of Kiwi 1

Bass Oil Managing Director, Mr Tino Guglielmo, commented:

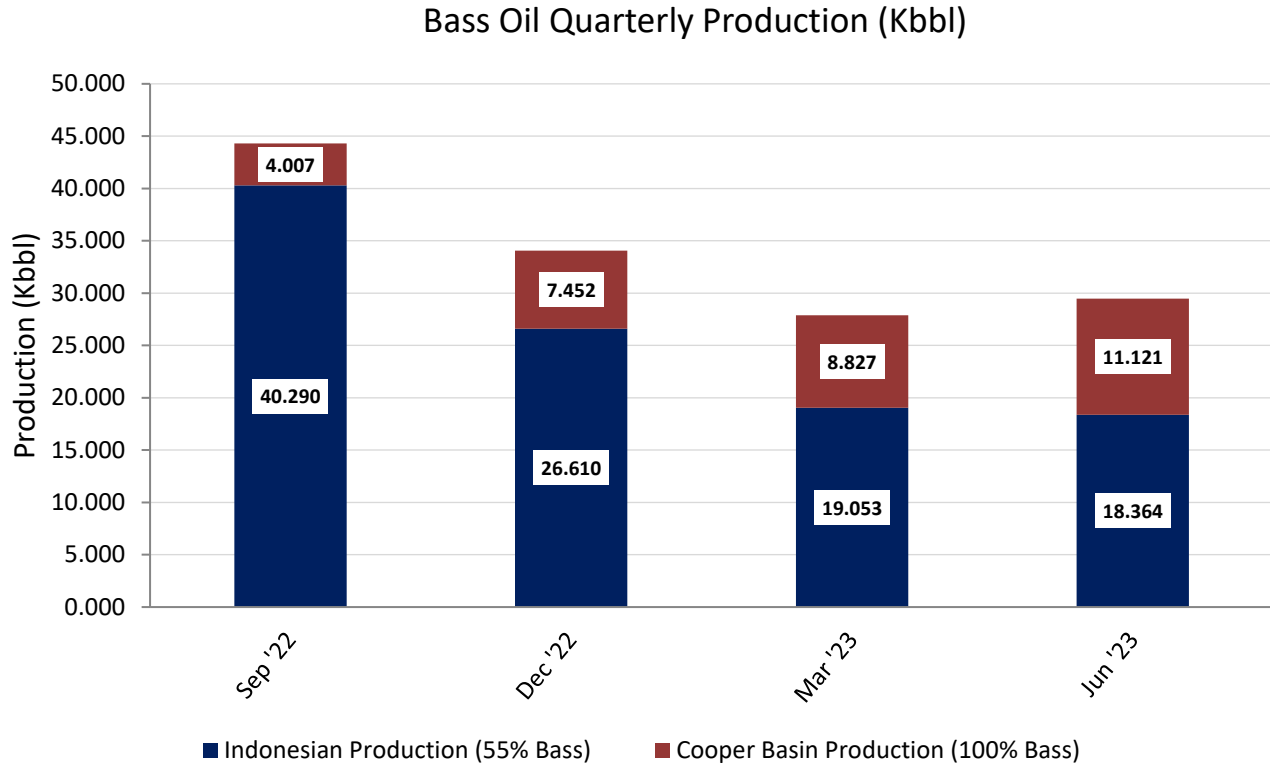
"The Cooper Basin continues to deliver for Bass with production and revenue increasing every quarter since its acquisition last year. The Cooper portfolio is also revealing further upside gas potential particularly in Bass' northern permits surrounding the Kiwi discovery and the deep coal gas play identified in PEL 182. The 2023 work program is well underway and focused on growing the Company into a mid-tier oil and gas producer."

Key Performance Metrics	Jun Qtr Q2 FY23	Mar Qtr Q1 FY23	Qtr on Qtr Change	2023 HY	2022 HY	Yr on yr Change
Net Production ¹ (mbbl)	29.48	27.88	5.8%	57.36	46.02	24.7%
Net Oil Sales ¹ (mbbl)	26.62	26.15	1.8%	52.77	44.69	18.1%
Net Entitlement to Bass (mbbl)	20.05	17.15	16.9%	37.20	23.17	60.6%
Sales Revenue (US\$M)	1.51	1.37	10.4%	2.88	2.54	13.3%
Average Realised Oil Price	74.94	79.03	-5.2%	76.98	104.45	-26.3%
Cash (US\$M)	1.52	1.76	-13.6%	1.52	1.78	-14.6%

Note 1: Net Indonesian Production and Sales are reported at 55% share and excludes the deduction of Domestic Market Obligation (DMO).

Note 2: The Key Performance Metrics, including Net Entitlement to Bass, for Jun Qtr Q2 FY23 & Mar Qtr Q1 FY23 include both Cooper Basin and Indonesian results (net of DMO).

Production



Oil production for the June quarter was 29,485 barrels of oil up 5.8% from 27,880 barrels in the March quarter. The increase was primarily due to the positive impact of production optimisation activities in the Cooper Basin. Production decline in Indonesia has stabilised and in fact recent optimisation activities at Tangai Sukananti have had a positive impact on production which will be reported in coming periods.

Oil Price

Bass realised an average oil price for the June 2023 quarter of US\$74.94, a 5.2% decrease on the March 2023 quarter. The oil markets have been through a period of price weakness throughout the quarter. The market has recently shown some signs of price recovery. The AUD/USD exchange rate has maintained AUD oil price at over \$110 per barrel throughout the period.

Bass oil sales in Indonesia are tied to ICP crude pricing which in turn is linked to the benchmark Brent crude. Cooper Basin oil sales are also linked to the benchmark Brent crude. The Company has no oil hedges in place.

COOPER BASIN

Warrior and Padulla Oil Fields (Bass 100%)

Production for the June quarter from the Warrior and Padulla oil fields increased to ~122 bopd on average up 26.0% over the March quarter, a new record, up from 65 bopd when Bass took over the fields in August 2022. The increase is a result of the impact of the Warrior 11 workover which cost ~\$US0.41 million, incurred last quarter, and ongoing optimisation activities.

Revenue for the quarter from the Cooper Basin was US\$0.69 million (A\$0.83 million) from the sale of 8,781 barrels of oil, up 18.4% from sales of 7,132 barrels in the March 2023 quarter.

	Jun Qtr Q2 FY23	Mar Qtr Q1 FY23	Qtr on Qtr change
Sales Volume			
Crude oil (mdbl)	8,781	7,132	23.1%
Total sales volume	8,781	7,132	23.1%
Total sales revenue (US\$M)	\$0.69	\$0.58	18.4%
Production			
Crude oil (mdbl)	11,121	8,827	26.0%
Total production	11,121	8,827	26.0%
Capital expenditure (US\$M)	-	0.41	-

Oil Price

The Company received an average oil price for the June 2023 quarter of US\$78.16 (A\$116.95), down 3.5% from the March 2023 quarter.

Worrior 11 Recompletion

In March the Worrior 11 well was converted to an oil producer from the McKinlay oil reservoir. The results from the workover confirm the presence of undrained oil in the McKinlay oil reservoir. The well is one of the better oil producers in the field.

The plan to add additional perforations to increase the wells productivity has been discontinued due to the uncertainty surrounding the isolation of the oil column from the water bearing zone. The reservoir is being drained effectively.

Worrior Jet Pump Expansion

Existing infrastructure at the Worrior facility can accommodate up to three power fluid pumps operating in parallel. The pumps provide artificial lift power fluid to increase production from the wells. Worrior is currently operating with one power fluid pump online which is insufficient to provide artificial lift to all the wells.

Bass has recently taken delivery of all equipment and materials to site to recommission a second pump. The second pump is currently being installed and will be commissioned in late July/early August.

This additional power fluid will be deployed to return the remaining wells to artificial lift which should result in a further increase in production and provide an in-built contingency for any unplanned downtime with either of the two power fluid pumps.

Worrior Murta development

The Worrior Murta reservoir has never been developed. Previous operators have assessed it as capable of containing up to 1 million barrels of oil contingent resources (3C). This reservoir is the same reservoir that is currently in production at Bass' Padulla oilfield nearby. The objective is to test the oil production potential of this reservoir following fracture stimulation. Bass has commenced the design and planning of this program.

Cooper Basin Gas

Ex PEL 90K Kiwi (Bass 100%)

Kiwi 1 was drilled in 2003 as an exploration well, resulting in a Triassic age, Callamura Member gas discovery which flow tested at 9.6 mmscfd on a drill stem test. The discovery was assessed to contain a mean recoverable resource of 3.0 bcf in the structural trap. A 3D seismic survey subsequently acquired over the area has revealed significant upside via a potential stratigraphic trapping play.

The Bass technical team is currently undertaking a detailed mapping effort using the 3D survey to quantify the upside potential. The team has been able to identify an amplitude anomaly in the seismic that appears to support the mapping of a stratigraphic upside to the Kiwi gas discovery. The volumetric potential of the play is currently being quantified.

Concurrently, Bass has commenced the design and planning effort to complete the Kiwi 1 well later in 2023 and perform an extended production test in order to confirm the gas composition and potential field size. Kiwi 1 is cased and suspended and has never been completed for production.

Ex PEL 182 (Bass 100%)

Deep Permian Coal Gas

Bass continues to plan and develop its strategy to progress the commercialisation of the deep coal resource in the PEL 182 permit as part of its overall gas commercialisation strategy which includes the Kiwi gas discovery. Bass will provide updates to the market on developments as appropriate.

On 16 November 2022 Bass announced the results of an independent study carried out by geological experts, Fluid Energy Consultants (Fluid) into the prospectivity of the gas bearing potential of the deep coals in this permit.

The Deep Coal Gas Prospective Resource Report quantified the gas potential contained in PEL 182 (Figure 1) at a “best estimate” of 21 TCF of gas in place along with and accompanying 845 million barrels of condensate/oil in place.

Gas in the Permian aged coals of the Toolachee, Epsilon and Patchawarra formations has flowed at potentially commercial rates after fracture stimulation.

For further information please see the ASX Announcement “Significant Gas Resource Identified in PEL 182 (Bass 100%)”, released 16 November 2022.

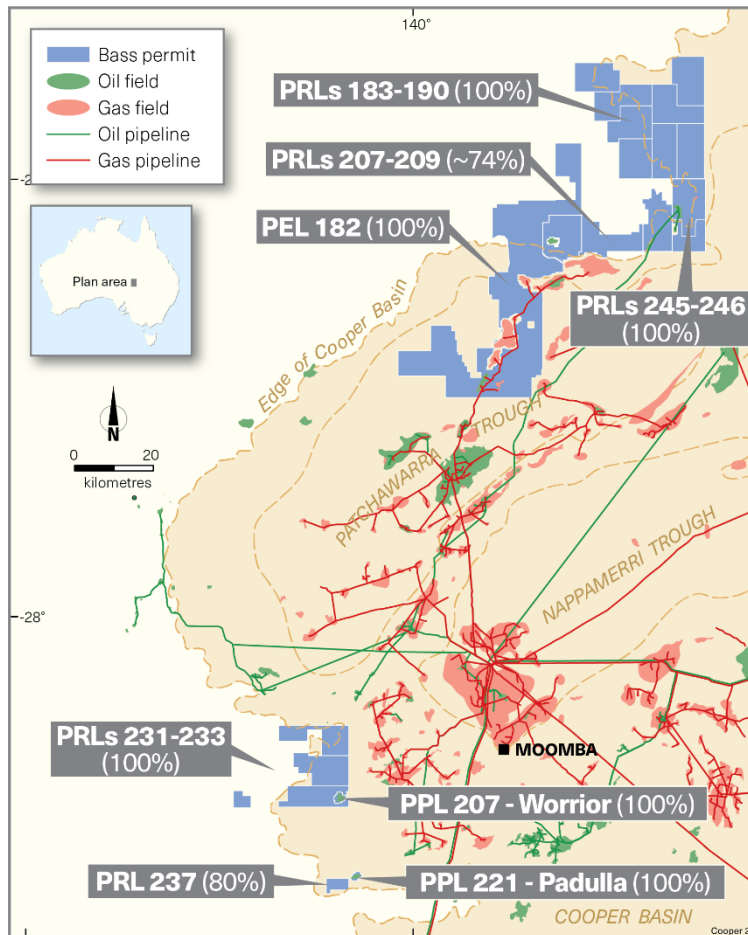


Figure 1: Location Map PEL 182

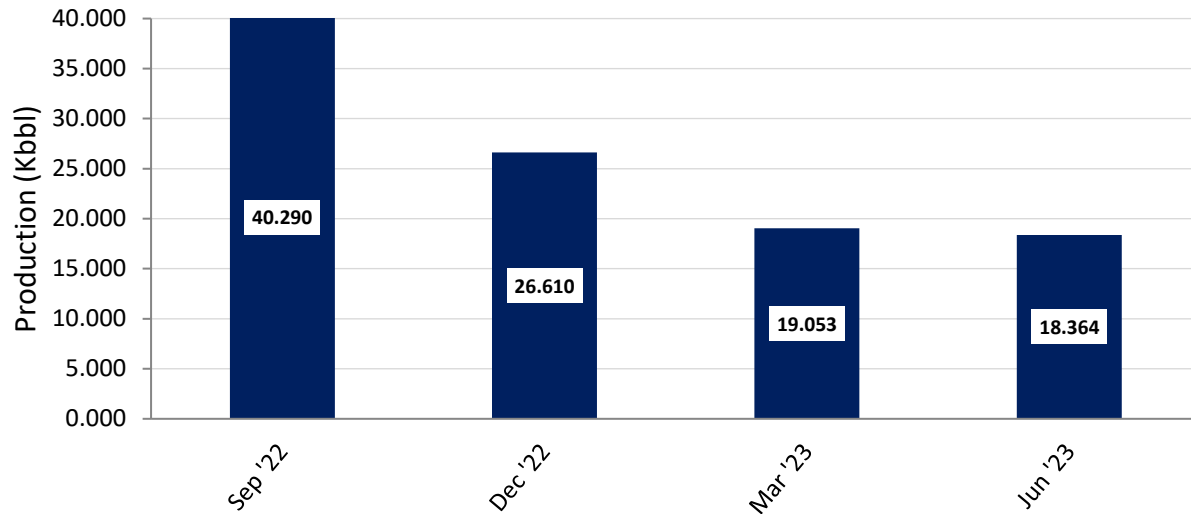
INDONESIA

Tangai Sukanati KSO (Bass 55% and Operator)

The Company produced 18,364 barrels of oil (Bass share) during the quarter and sold 17,838 barrels of oil (Bass share). The net entitlement oil to Bass was 11,268 barrels for the June 2023 quarter an increase of 12.5% after Domestic Market Obligation (DMO).

The subsurface team planned and commenced a well optimisation program during the June quarter. This activity revolved around removing flow line bottlenecks which restrict production from the two highest producing wells in the fields, Bunian 3 and Tangai 5. The initial results from this work have been positive and resulted in an increase in daily production. Further updates will be provided in upcoming monthly operations releases to the ASX.

Tangai-Sukananti Quarterly Production (55% Bass)



Field Development

Bunian field performance and the Tangai 5 well result gives encouragement for future drilling in the KSO (Figure 2). Bass has started planning for a future drilling program which will likely include the Bunian 6 development well, targeting the undrained oil in the southwest of the Bunian field.

Oil Price

Bass oil sales in Indonesia are tied to ICP crude pricing which in turn is linked to the benchmark Brent crude. The Company realised an average oil price for the June 2023 quarter of US\$71.72.

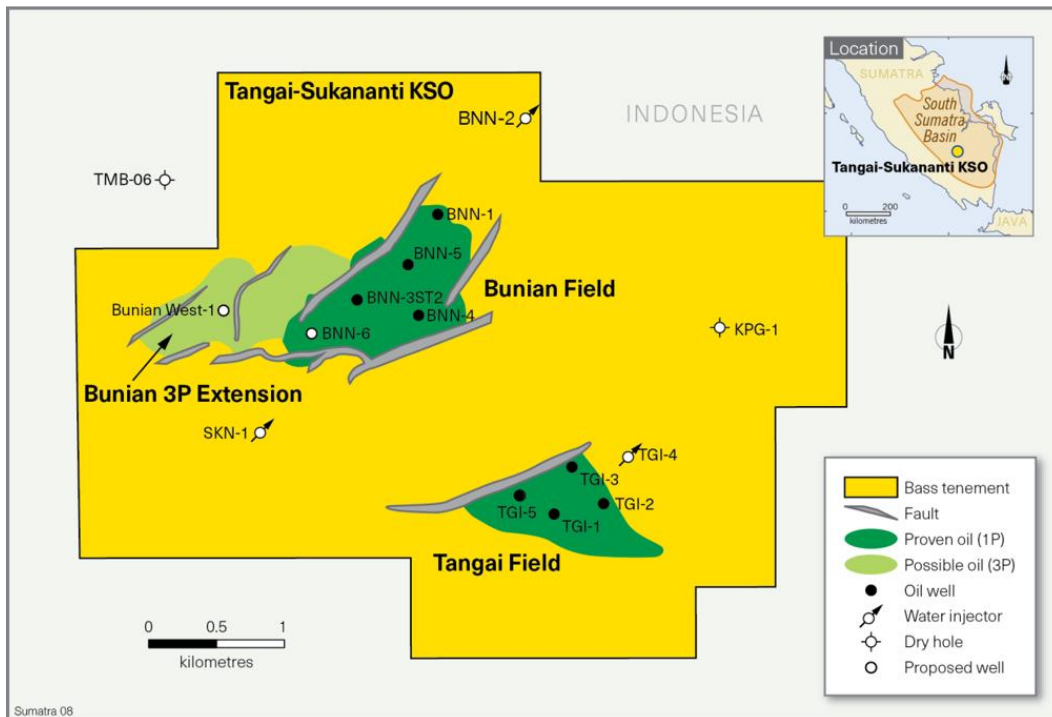


Figure 2: Tangai-Sukananti KSO Location Map

CORPORATE

Cash Position

As of 30 June 2023, Bass' cash reserves totalled US\$1.52 million (or some A\$2.29 million). The cash reserves exclude US\$1.54 million (or A\$2.28 million) in cash which has been placed on deposit to support a rehabilitation bond in favour of the South Australian Department of Energy and Mining for the future rehabilitation of wells and facilities in the Cooper Basin. The Company carries no debt.

The company funded \$0.41 million of capital expenditure on development activities, primarily associated with the Worrior 11 workover.

Revenue

Oil sales for Bass totalled US\$2.88 million for the half year, an increase of 13.3% on the comparative period in 2022. This is primarily a result of the acquisition of the Cooper Basin oil fields on 1 August 2022, partially offset by declining oil prices.

TENEMENT HOLDINGS

Tenement	Location	Interest owned	Interest acquired/farm in during the quarter	Interest disposed/farm out during the quarter
Tangai-Sukananti KSO	Indonesia	55%	-	-
PPL 207 (Worrior)	Cooper Basin	100%	100%	-
PPL 221 (Padulla)	Cooper Basin	100%	100%	-
PRL's 231-233 (Ex PEL 93)	Cooper Basin	100%	100%	-
PRL's 237 (Ex PEL 93)	Cooper Basin	80%	80%	-
PRL's 207-209 (Ex PEL 100)	Cooper Basin	~74%	~74%	-
PRL's 183-190 (Ex PEL 110)	Cooper Basin	100%	100%	-
PRL's 245-246 (Ex PEL 90K) (Kiwi)	Cooper Basin	100%	100%	-
PEL 182	Cooper Basin	100%	100%	-

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

For further information, please contact:

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Glossary	
BOPD	Barrels of oil per day
BOEPD	Barrels of oil equivalent per day
mbbl	Thousands of barrels of oil
mmbbl	Millions of barrels of oil
DMO	Domestic Market Obligation (for Oil)
JV	Joint Venture
TS	Tangai-Sukananti KSO
KSO	'kerja sama operasi' (Indonesian) – meaning an operation cooperation contract
Qtr	Quarter
Qtr on Qtr	Quarter on Quarter
Yr	Year
Yr on Yr	Year on Year
US\$m	Millions of United States of America dollars

About Bass Oil Limited:

Bass Oil Limited (ASX:BAS) is an Australian-listed oil producer that holds a majority interest in eight permits in the Cooper Basin (Australia) including the 100% owned Worrior and Padulla oil fields and a 55% interest in a South Sumatra Basin (Indonesia) KSO. The Company is debt free and committed to creating value by leveraging the competitive strengths of its team, operating capability, reputation, and relationships in both Australia and Indonesia.

As of March 2023, Bass' production totalled ~308 bopd from Indonesia and Australia. Bass is building towards a substantial onshore Australian and Indonesian oil & gas business with a clear focus on expanding production in the Cooper Basin and 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

BASS OIL LIMITED

ABN

13 008 694 817

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (6 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,453	3,158
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production	(1,077)	(2,187)
(d) staff costs		
(e) administration and corporate costs	(191)	(403)
1.3 Dividends received (see note 3)		
1.4 Interest received	26	28
1.5 Interest and other costs of finance paid	(2)	(3)
1.6 Income taxes paid	(34)	(103)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	175	490
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(383)	(425)
(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)		
2.6	Net cash from / (used in) investing activities	(383)	(425)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
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)	(14)	(17)
3.10	Net cash from / (used in) financing activities	(14)	(17)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,743	1,477
4.2	Net cash from / (used in) operating activities (item 1.9 above)	175	490
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(383)	(425)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(14)	(17)

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
4.5	Effect of movement in exchange rates on cash held	1	(3)
4.6	Cash and cash equivalents at end of period	1,522	1,522

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	1,522	1,743
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,522	1,743

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

Current quarter \$USD'000
14
-

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

7. Financing facilities	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
<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)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
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.		

8. Estimated cash available for future operating activities	\$USD'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	175
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	175
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,522
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,522
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	8

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: 27 July 2023

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.