

26 October 2021

Quarterly report for the period ending 30 September 2021

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 is debt free and committed to creating and maximising value, leveraging its competitive strengths; its team, operating capability, reputation, and relationships in Indonesia.

Highlights

- Bass finalising acquisition of Cooper Basin assets from Cooper Energy Limited
- The Company successfully completed a \$2.5m placement and rights issue to fund the Cooper Basin acquisition and Bass' growth strategy
- Production for the September quarter averaged 371 barrels of oil per day (bopd) JV share
- Net entitlement oil for the September quarter totalled 9,352 barrels of oil and the Company generated sales revenue of US\$0.67 million (average oil price of US\$69.77 received)
- Planning continues for the upcoming drilling program to commence in early 2022 with the Tangai 5 development well

Comparative Performance:

Key Performance Metrics	Sep Qtr Q3 FY21	Jun Qtr Q2 FY21	Qtr on Qtr Change	Sep Qtr Q3 FY20	Yr on yr Change
Net Production ¹ (mdbl)	18.78	22.79	-17.6%	32.48	-42.2%
Net Oil Sales ¹ (mdbl)	17.76	22.70	-21.8%	32.73	-45.7%
Net Entitlement to Bass (mdbl)	9.35	11.44	-18.3%	18.31	-48.9%
Sales Revenue (US\$M)	0.67	0.75	-10.7%	0.69	-2.9%
Average Realised Oil Price	69.77	64.46	8.2%	36.71	90.1%
Cash (US\$M)	0.61	0.20	205.0%	0.20	205.0%

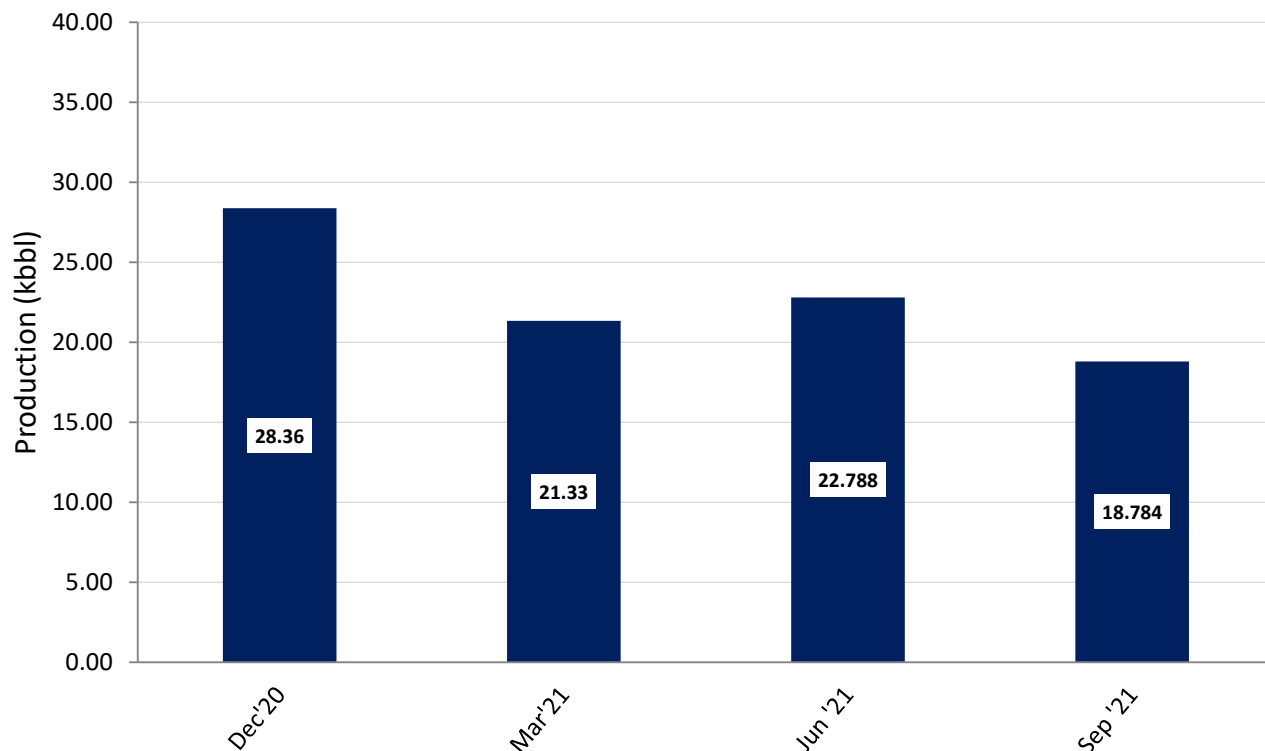
Note 1: Net Production and Oil Sales are reported at 55% of Gross Production and Oil Sales for consistency and excludes the deduction of Domestic Market Obligation (DMO)

Bass Oil Managing Director, Mr Tino Guglielmo, commented:

"Bass has materially progressed the acquisition of a suite of high-quality Cooper Basin assets during the quarter. This transaction represents a key step of the Company's growth strategy as it aims to become a key oil producer in the Cooper Basin. With capital secured and additional free cash flow due to increased global oil prices, we are excited to explore the potential of our portfolio in the coming months.

Field Performance:

Tangai-Sukananti Quarterly Production (55% Bass)



Production for the September quarter was 18,784 barrels of oil (55% basis), down 17.6% from the June quarter. Quarterly oil sales were 17,762 barrels of oil net to Bass, down 21.8% from the previous quarter. The net entitlement oil to Bass was 9,352 barrels of oil for the September quarter after Domestic Market Obligation (DMO), down 18.3%.

Production performance was impacted by some minor well downtime and natural field decline.

The Company has thus far been successful in mitigating the impact of the COVID-19 pandemic in Indonesia. Bass expects its COVID protocols will continue to minimise any foreseeable production interruptions.

Field Development:

In the September quarter Bass continued to progress procurement activities related to the upcoming drilling program scheduled to commence in early 2022 consisting of one firm development well, Tangai 5, in the highly productive Tangai field. The engineering team are continuing with well design and planning.

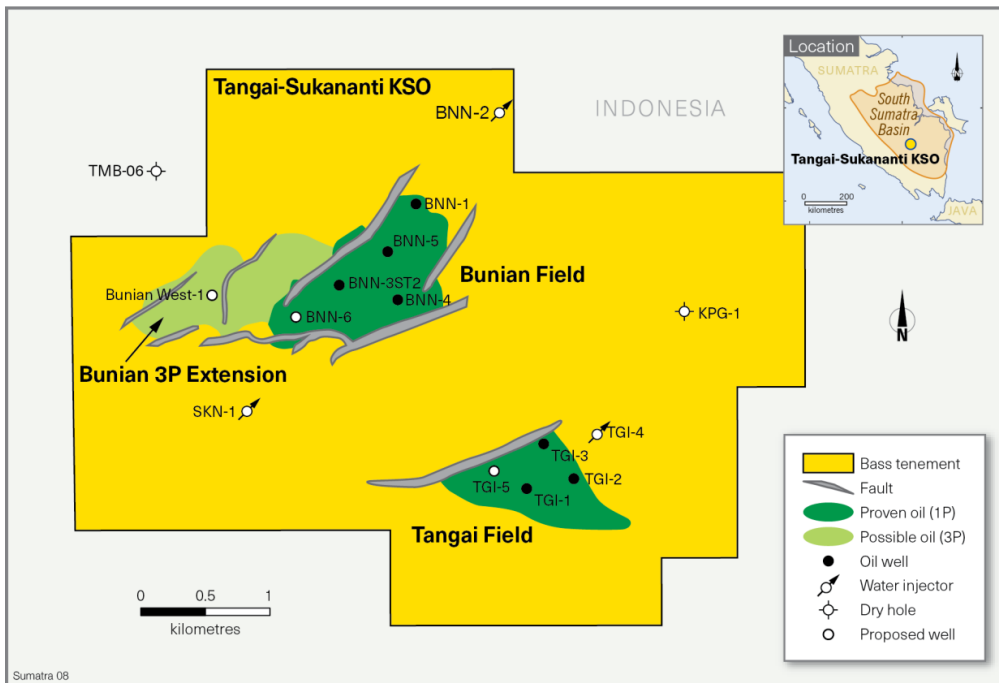


Figure 1: Tangai-Sukananti KSO Location Map

Corporate:

Cash Position

As at 30 September 2021, Bass' cash reserves increased 205% from the June 2021 quarter to US\$0.61m.

Capital Raising

Between August and early October 2021 Bass completed a successful capital raising totalling A\$2,537,560 before costs to fund its Cooper Basin Portfolio acquisition, well optimisation activities and drilling of the Tangai-5 well in Indonesia.

The capital raise comprised a \$1,000,000 placement to sophisticated and professional investors which was completed on 26 August 2021 (**Placement**) and a \$1,537,560 Non-Renounceable Rights Offer which closed on 30 September 2021 (**Rights Offer**).

The Placement involved the issue of 500,000,000 new ordinary shares at \$0.002 per share and 250,000,000 free attaching options exercisable at \$0.004 on or before 30 September 2024. Existing shareholders were then provided the right to subscribe for one (1) share for every five (5) Bass shares held via the Rights Offer and 768,780,242 new new ordinary shares and 384,390,150 options were issued on the same terms as the Placement. Peak Asset Management was issued 125,000,000 options on the same terms as the Placement to facilitate the Placement and Underwrite the Rights Offer.

In all, a total of 1,268,780,242 new shares and a total of 759,390,150 new options have been issued. All new options are currently listed on the Australian Securities Exchange (ASX:BASO).

Oil Price

Bass receives ICP crude pricing, linked to the benchmark Brent crude, which trades at a premium to West Texas Intermediate (WTI) crude oil. The Company realised an 8% increase in the average oil price for the September quarter to US\$69.77. The Company has no oil hedges in place and no debt.

Timing of payment

Due to a processing delay, Bass did not receive its September oil proceeds until 4 October 2021. Therefore, the Company's cash position increased to US\$0.85m as at 4 October 2021.

Business Development:

Following an extensive review of acquisition opportunities both in Indonesia and Australia, Bass announced that it had entered into a conditional sale and purchase agreement with Cooper Energy Limited to acquire three non-operated Cooper Basin assets on 12 July 2021. The portfolio includes a 30% interest in the producing Worrior oil field and other acreage which exhibit material exploration potential. The acquisition was agreed for a total cash consideration of A\$650,000.

The transaction represents a unique opportunity for Bass to acquire a quality portfolio of assets in the Cooper Basin (see figure 2) which will provide a platform to secure additional interests in this prolific hydrocarbon province. The assets are to all be operated by the highly regarded Beach Energy Limited.

The transaction remains subject to a number of conditions precedent and is progressing to completion. For further information on the transaction, please refer to the ASX release dated 12 July 2021.

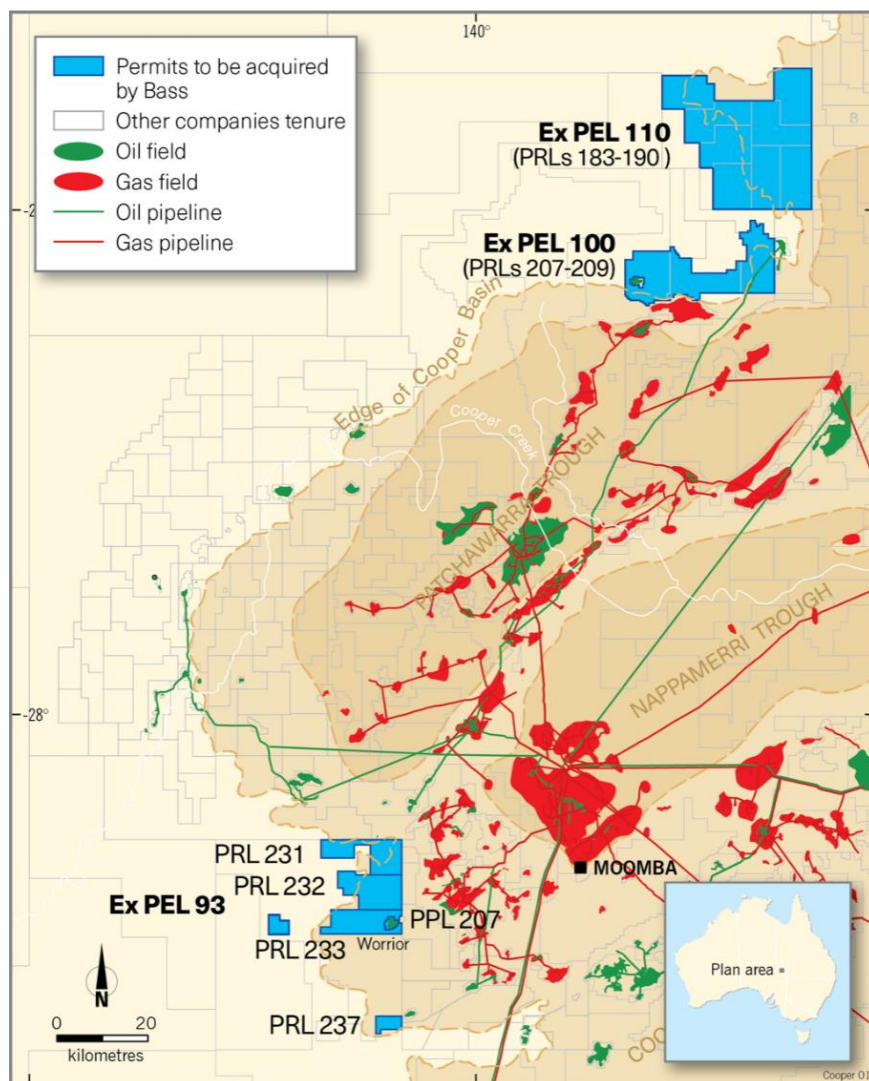


Figure 2: Cooper Basin properties to be acquired by Bass Location Map

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:

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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) (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 following the landmark acquisition of an interest in the Beach Energy operated, Cooper Basin based Worrior field, along with several additional assets that exhibit exciting exploration potential.

As of September 2021, the Tangai-Sukananti KSO produced ~327 bopd from (55% JV share) and Worrior produced ~40 bopd (30% 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

BASS OIL LIMITED

ABN

13 008 694 817

Quarter ended ("current quarter")

30 SEPTEMBER 2021

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (9 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	503	2,591
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production	(536)	(2,129)
(d) staff costs		
(e) administration and corporate costs	(194)	(396)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	-	(5)
1.6 Income taxes paid	(53)	(103)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(280)	(42)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)	(6)	(87)
(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 (9 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	(6)	(87)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	727	727
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	5	5
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(44)	(44)
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)	-	(45)
3.10	Net cash from / (used in) financing activities	688	643

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	208	96
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(280)	(42)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(87)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	688	643

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 (9 months) \$USD'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	610	610

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	610	208
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)	610	208

6.	Payments to related parties of the entity and their associates	Current quarter \$USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	11
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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)	(280)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(6)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(286)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	610
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	610
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.13
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: 26 October 2021

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.