

Tangai-Sukananti (Sumatra) – April Oil Operations Update

Release Date: 10 May 2018

Highlights

- April oil sales from onshore Tangai-Sukananti totaled 17,958 barrels of oil (JV Share) or 9,877 barrels (net to Bass) shipped at a multi-year high of US\$65.57/barrel
- Total April production of 16,994 barrels of oil (JV share) or 9,347 barrels (net to Bass)
- Ongoing production optimisation work to remediate pipework scale issues and maintain recently achieved elevated production rates

Monthly Production:

Australian oil producer, Bass Oil Limited (ASX:BAS) is pleased to report in its monthly operations update, strong April oil production and sales from the Company's Indonesian oil production assets.

April oil sales equaled 17,958 barrels of oil (100% JV Share) or 9,877 barrels (net to Bass). Oil was at an average realised oil price of US\$65.57 (A\$85.34) per barrel, a 9.6% improvement on the prior month and prices not seen since late in 2014.

During April, Bass reported total field production of 16,994 barrels of oil (JV Share) or 9,347 barrels of oil (net to Bass). This production rate is 14% lower than the record performance in March this year, but still exceeds monthly production rates prior to March in 2018.

Production towards the end of April was impacted by scale formation in the surface pipework servicing Tangai 1 and Bunian 3. Both wells were shut in to allow scale removal programs to be completed. Production has been restored to the strong levels reported in the March Operations Update of 650 barrels of oil per day (bopd).

The optimisation program aims at realising further production increases throughout May and June.

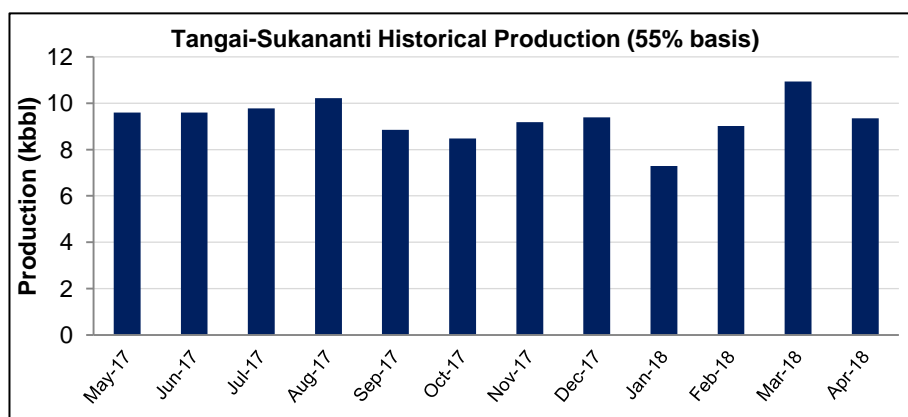




Figure 1 – Bunian 3 scale formation in surface pipework. Note extent of scale almost entirely blocking pipe, hindering flow rates



Figure 2 - Example of clean surface pipework

Development Planning:

Bass is entering the phase of the Tangai-Sukananti development study that will mature development drilling targets for the 2018/19 drilling program. Drilling is anticipated to commence late this calendar year.

Concurrent planning work for the upgrade of the Bunian and Tangai production facilities is also underway. A facility upgrade is required to process the additional oil and fluid production rates anticipated following the completion of the drilling phase of the work program.

Business Development:

Bass continues to evaluate a number of potential onshore Indonesian acquisition targets, particularly those closest to its existing production infrastructure, as the Company looks to add additional prospective oil properties to its portfolio during 2018.

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About Bass Oil Limited:

Bass Oil Limited (ASX:BAS) 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 31 December 2017, the Tangai-Sukananti KSO was producing on average 600BOPD from 4 wells (100% JV share). Bass Oil's Gross (55% share) 2P Reserves at 31 December, 2017 are assessed to be 1.28 million barrels of oil. In accordance with ASX reporting requirements for fiscal environments that use production sharing contracts or similar, Bass reports Net 2P Oil Reserves of 0.67 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 20% of issued capital.

