

## Bass operations update

### Indonesian Oil Operations Update – February 2020

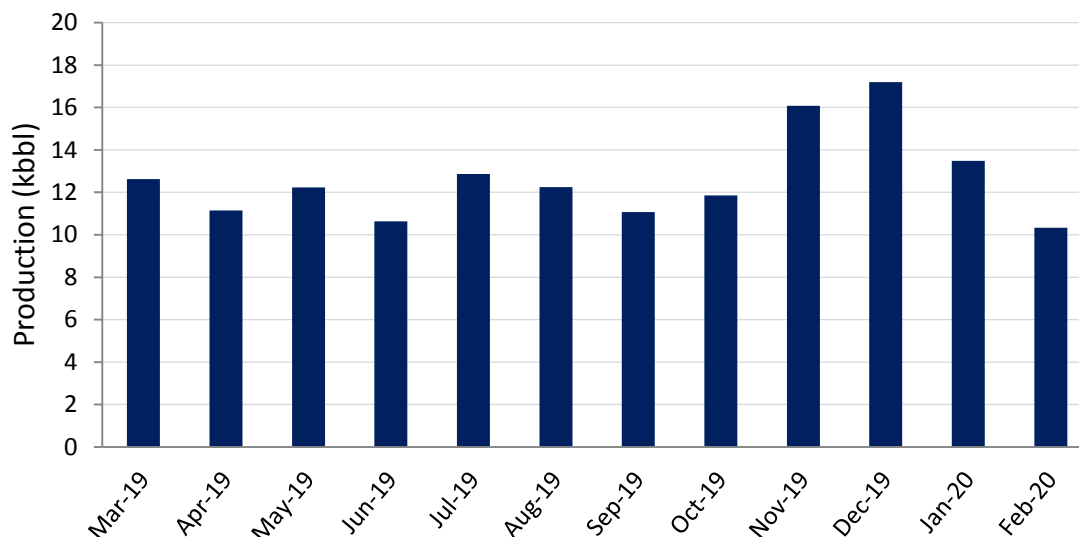
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#### Highlights

- Monthly production in February averaging 648 bopd JV share down from the January due to pump maintenance, inlet header repairs and water handling restrictions
- Production is recovering and expected to return to previous levels in coming months once the field is optimized with a workover rig performing pump repairs and installations whilst also addressing water handling limits
- February production totalled 18,794 barrels of oil JV share or 10,337 barrels net to Bass
- February sales totalled 18,589 barrels of oil JV Share or 10,224 barrels net to Bass
- Monthly average oil price was US\$55.00 per barrel – oil sold is classified as ICP and attracts a premium to WTI pricing
- The fields continue to generate positive cash contributions to the business with field operating costs at ~US\$20 per barrel
- Bass continues to evaluate high impact business development opportunities
- The recent deterioration of the oil and financial markets may present additional opportunities where the Company is able to secure assets on more attractive terms

#### Monthly Production and Sales:

**Tangai-Sukananti Historical Production (55% basis)**



Australian-based, Indonesian oil producer, Bass Oil Limited (ASX:BAS) reports that monthly average oil production for February was 648 bopd. Total field production for the month was 18,794 barrels of oil JV Share or 10,337 barrels of oil Bass share. February oil sales totalled 18,589 barrels of oil JV Share or 10,224 barrels Bass share.

The average monthly realised oil price for February was US\$55.00 compared with a monthly average oil price of US\$63.91 per barrel recorded in January. Bass receives ICP crude pricing which generally trades at a premium to West Texas Intermediate (WTI) crude oil. The fields continue to generate positive cash contributions to the business with field operating costs at ~US\$20 per barrel, thus insulating the Company from the current volatility in the global oil price.

### **Production Operations**

Field production decreased in February due to, water handling restrictions, repairs to the plant inlet header from Bunian 3 and the performance of the Bunian 5 well.

Bunian 5 water cut from the TRM 3 reservoir has increased gradually to 22% as expected. However, as the well is on natural flow, this has reduced the rate of total fluid production. The team is now preparing to install a pump in the well to restore production to between 500 to 700 barrels of fluid per day. In the meantime the well is producing from the K reservoir at a restricted rate due to water handling limitations.

The pump in Bunian 1 was repaired and the well brought back online mid month and was cleaning up.

The production facility has been undergoing modifications to allow for further increases in production from the Bunian 5 well and other higher water producing wells. The Company is aiming to increase total production capacity of the facility to over 1000 bopd in the coming months.

### **Well work-overs and Development**

The Bunian 4 well was worked over and brought on test. Bunian 4 is located on the flank of the Bunian structure. Initial indications from the well tests suggest that the oil at this down-dip location is being effectively drained by the highly productive Bunian 3 well situated up-dip on the Bunian structure.

During the month the rig completed the conversion of the Tangai 4 well to a water injector. Tangai 4 will host the field pilot for the Smart-Water injection trial. The pilot is targeting a 10% increase in field recovery via the injection of tailored low salinity water. The pilot will commence in late Q1 2020.

The rig has now moved to the Tangai 3 well location to perform a pump repair.

### **Business Development**

Bass continues to evaluate a number of a number of onshore Indonesian opportunities as the Company looks to add additional prospective oil properties to its portfolio in 2020.

Bass believes that the recent deterioration of the oil and financial markets may present additional opportunities where the Company is able to secure assets on more attractive terms.

Addition of these target business development opportunities would firmly place the Company in the mid-tier/junior ASX listed oil and gas producer sector, i.e. 2,000-5,000 boepd. The Company will update the market on these developments as appropriate.

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

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**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 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 December 2019, the Tangai-Sukananti KSO was producing on average 1009 bopd from 4 wells (100% JV share). Bass reports Net Entitlement 2P Oil Reserves of 0.602 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 16% of issued capital.

