

31 October 2022

## Quarterly report for the period ending 30 September 2022

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

- Production during the September 2022 quarter averaged 862 barrels of oil per day (bopd), an increase of 46.4% compared to the June 2022 quarter
- This is the first full quarter of production from the Tangai-5 development well and the quarter includes two months of oil production from the Cooper Basin assets
- The Company generated sales revenue of US\$1.56 million (average oil price of US\$96.00 received)
- The Company completed the acquisition of interests in eight Cooper Basin tenements from Beach Energy Limited and Cooper Energy Limited on 1 August 2022

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

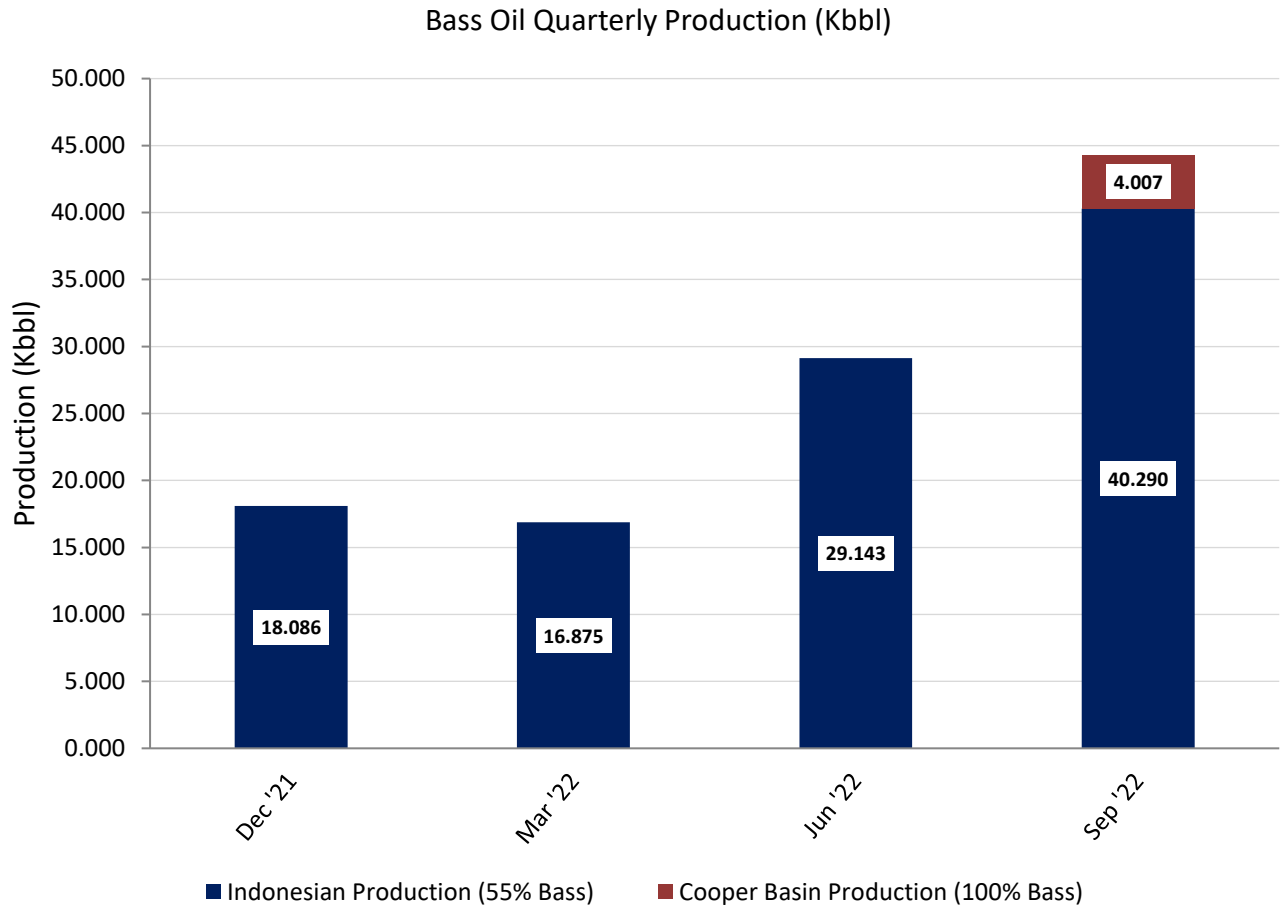
*“This was a quarter which saw the positive impact on the business from the successful implementation of the first two of Bass’ strategic growth initiatives. This quarter saw the first full quarter of production results from the successful Tangai-5 development well in Indonesia. This was followed by the completion of the value accretive Cooper Basin Transactions on the first of August adding 65 barrels of oil per day of high margin oil production. The Company is targeting an ambitious production growth target of up to 500 bopd in the first 12 months from the Cooper basin assets.”*

### Comparative Performance:

Key Performance Metrics	Sep Qtr Q3 FY22	Jun Qtr Q2 FY22	Qtr on Qtr Change	2022 YTD	2021 YTD	Yr on yr Change
Net Production <sup>1</sup> (mdbl)	44.30	29.14	52.0%	90.32	62.90	43.6%
Net Oil Sales <sup>1</sup> (mdbl)	43.15	28.08	53.7%	87.84	62.27	41.1%
Net Entitlement to Bass (mdbl)	15.48	15.03	3.0%	38.65	32.50	18.9%
Sales Revenue (US\$M)	1.56	1.70	-8.2%	4.10	2.11	94.3%
Average Realised Oil Price	96.35	110.55	-12.8%	101.64	63.76	59.4%
Cash (US\$M)	3.21	1.78	80.5%	3.21	0.61	426.2%

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)

## Production



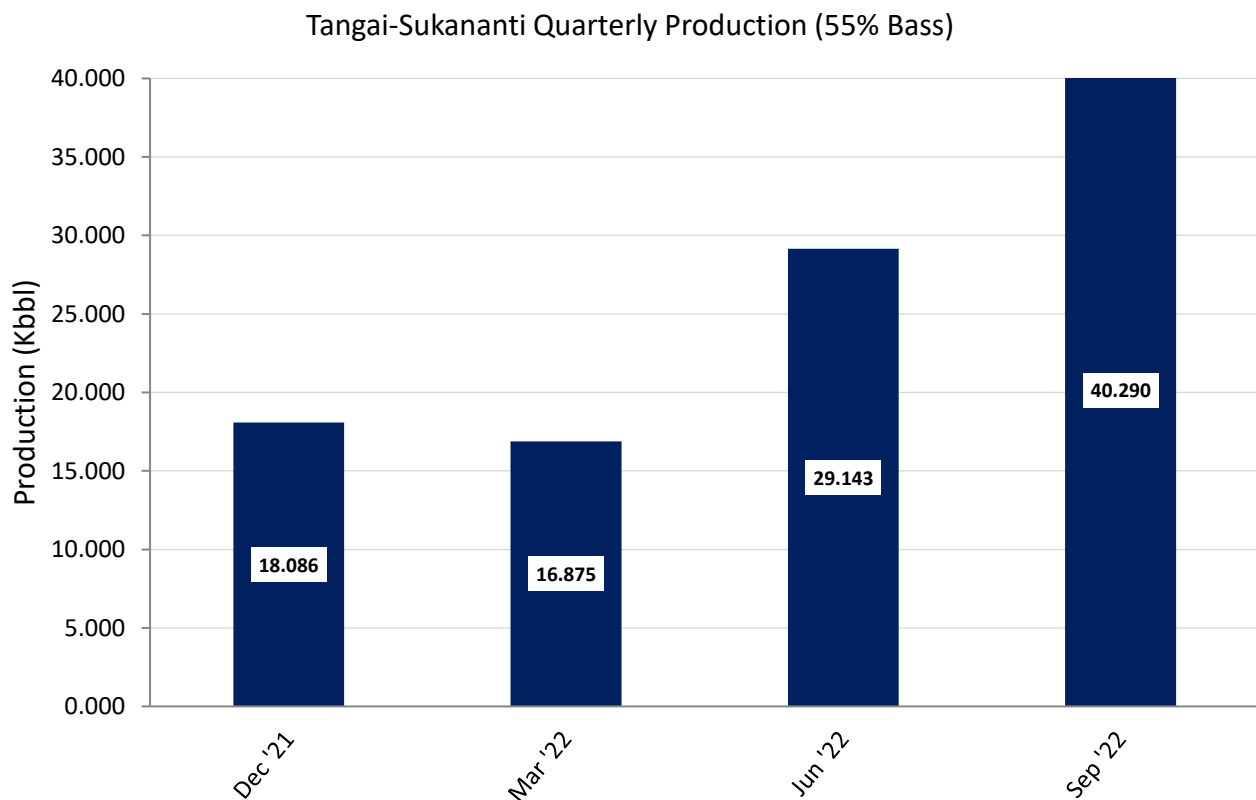
Production for the September quarter increased 52% on the June quarter. The Tangai 5 development well has increased production in Indonesia by 38.3 % and the acquisition of the Cooper basin producing assets has further increased production from 1 August 2022. The contribution of the first two months of production from the Cooper basin assets was 4007 barrels of oil.

## Oil Price

Bass realised an average oil price for the September 2022 quarter of US\$96.35, a 12.8% decrease on the June 2022 quarter. The Company has no oil hedges in place.

## Indonesia:

### Production



Production for the September quarter increased significantly with the successful Tangai-5 development well being online for the full quarter. The Company produced 40,290 barrels of oil (55% basis) during the quarter, up 38.3% from the June 2022 quarter and sold 40,670 barrels of oil (net to Bass), up 45% from the June 2022 quarter. The net entitlement oil to Bass decreased to 12,999 barrels for the September 2022 quarter after Domestic Market Obligation (DMO).

Later in the quarter, production was impacted by water handling limitations which resulted in the Tangai 1 well being shut in for most of September as well as the impact of expected natural field decline. The engineering team is looking at solutions for the water handling bottleneck.

Entitlement oil was adversely impacted by a downward revision to the August revenues reflecting a delay in the approval of past project cost recoveries. These cost recoveries are expected to increase net entitlement oil and revenues in the December quarter.

### Field Development

The Tangai-5 development well provided a significant boost to overall field production in the September quarter. The well was commissioned in May 2022 is performing strongly as expected. 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).

Bass has started planning for a future drilling program which will likely include the Bunian 6 development well, targeting the undrained oil in the south west of the Bunian field. The potential for an additional development well in the Tangai field will also be evaluated following the success of Tangai 5.

## 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 average oil price for the September 2022 quarter of US\$96.00, a 13.2% decrease on the June 2022 quarter.

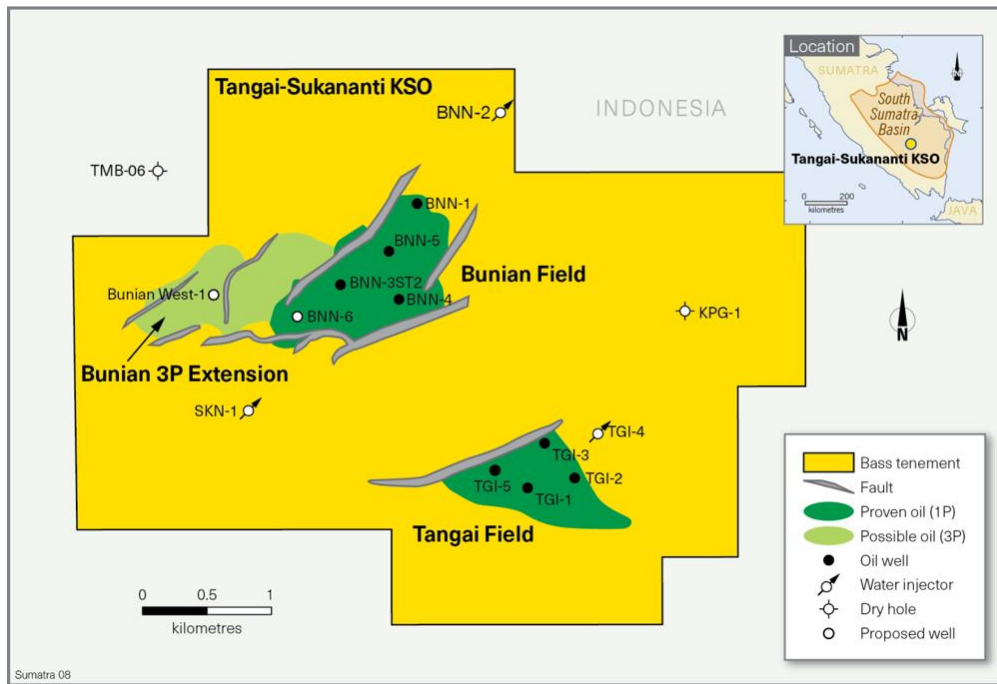


Figure 1: Tangai-Sukananti KSO Location Map

## Cooper Basin:

This is the first quarter for reporting on operations in the Cooper basin. Bass assumed ownership and operatorship effective from 1 August 2022. Following the end of the Quarter, the South Australian Government approved the transfer of titles and registration on 21 October 2022.

		Sep Qtr Q3 FY22
<b>Sales Volume</b>		
Crude oil	bbls	2,484
<b>Total sales volume</b>		<b>2,484</b>
<b>Total sales revenue</b>	US\$ million	<b>0.23</b>
<b>Production</b>		
Crude oil	bbls	4,008
<b>Total production</b>		<b>4,008</b>
Capital expenditure	US\$ million	-

Production averaged ~66 barrels of oil a day for the first 61 days. At completion of the transaction the 100% owned Worrior and Padulla fields were producing 65 bopd. Since completion Bass has been optimizing the field set up and has been able to increase production to over 70 bopd at the end of the quarter with no capital expenditure. Revenue from Cooper basin oil sales during the quarter was US\$0.23 million or A\$0.34 million.

## **Oil Price**

The Company realised an average oil price for the September 2022 quarter of US\$96.69 or A\$140.43.

## **Padulla**

The Padulla field consists of two producing wells, Padulla 2 and 3. The field is producing steadily at ~25 bopd with only Padulla 3 on line. The Padulla 2 well has been offline for some time awaiting refurbishment and reinstallation of the engine powering its jet pump. The engine arrived at the field and was reinstalled after the end of the quarter. The well was returned to production and is expected to add up to 12 bopd to field production.

## **Warrior**

The Warrior field has been producing ~40 bopd with only two wells on pump. For some time the Warrior field has had only one pump providing power fluid to the jet-pumped wells. As a result, only two wells, Warrior's 4 and 7 have been on pump. The remainder, wells 2, 6 and 8 are on natural flow or have ceased to flow.

### *Jet Pump expansion*

Existing infrastructure at the Warrior facility can accommodate up to three pumps operating in parallel to provide artificial lift power fluid to increase production from the wells. Bass is confirming that all equipment and materials are available on-site to recommission a second pump as soon as possible for a nominal cost. This additional power fluid will be deployed to return the remaining wells to artificial lift which should result in a further increase in production.

### *Warrior production optimisation program*

Concurrently, Bass is planning a low-cost wireline intervention program to optimise the zones that are open to production. For example, the previous joint venture had scheduled a zone change in the Warrior 4 well from the McKinlay to the Mid Birkhead zone. This change is estimated to increase production by some 40 bopd. Similar zone changes are being planned in the Warrior 6 and 8 wells during the campaign to commence and be completed in the current quarter.

### *Warrior 11 Recompletion*

Bass is planning the workover and return to production of the Warrior 11 well which is currently shut-in. Bass has previously identified attic oil potential in the McKinlay zone in this well that has never been produced. This zone is assessed as capable of 200 to 300 bopd initial production on pump. Planning for this workover is well advanced and is scheduled to occur in the current quarter.

## **Kiwi Gas Feasibility Study**

The Kiwi-1 well, located in the north-eastern section of Bass 100% owned ex PEL 90K, was drilled in 2003 as an exploration well, resulting in a Callamura Member gas discovery with a flow test of 9.6 mmscfd. The discovery was assessed to contain contingent resources in the range of 1.6 to 5.0 bcf (P90 to P10) with a mean recoverable resource of 3.0 bcf in the structural trap. Recent mapping has identified significant upside via a stratigraphic trapping play which offers prospective resource potential of 6.3 to 49.7 bcf (P90 to P10) with a mean of 23.9 bcf.

The Kiwi gas feasibility study has commenced. It has been split into three work packages. The first package was aimed at quantifying the minimum economic potential of the structural closure at the Kiwi discovery. The second, was the evaluation of the stratigraphic upside potential and the third, was to quantify the cost and feasibility of connection into the Cooper Basin gas gathering network.

The first phase, the economic potential of the structural closure, has recently been completed. The second phase, aimed at evaluating the stratigraphic upside, will involve further mapping of the 3D seismic acquired over the area and planning an extended production test of the Kiwi-1, which has never been completed for production.

The feasibility study aimed at quantifying the scope feasibility and cost of the connection of the Kiwi well is into the gas existing Cooper Basin gas gathering network has commenced and is due to be completed in the current quarter. Following completion of this phase of the study the economics of various field development scenarios and various field sizes will be evaluated.

### Deep Permian Coal Gas

Bass 100% owned PEL 182 is situated in the core of the Patchawarra trough. The trough hosts vast quantities of deep Permian aged coals that have long been recognised as a major source of the hydrocarbons discovered in the Cooper basin.

As previously reported the Cooper basin JV and particularly Santos, has been focusing significant efforts and expenditures in an attempt to commercialise production from the coals in the Patchawarra trough. Santos reported it had recently drilled the Beanbush 3 horizontal well aimed at intersecting these coals and fracture stimulating them. The results of this work have not yet been reported.

Bass recently commissioned independent experts Fluid Energy Consultants to evaluate and quantify the prospective gas resource in the deep Permian coals contained in the Company's PEL 182. This work will be completed in the current quarter.

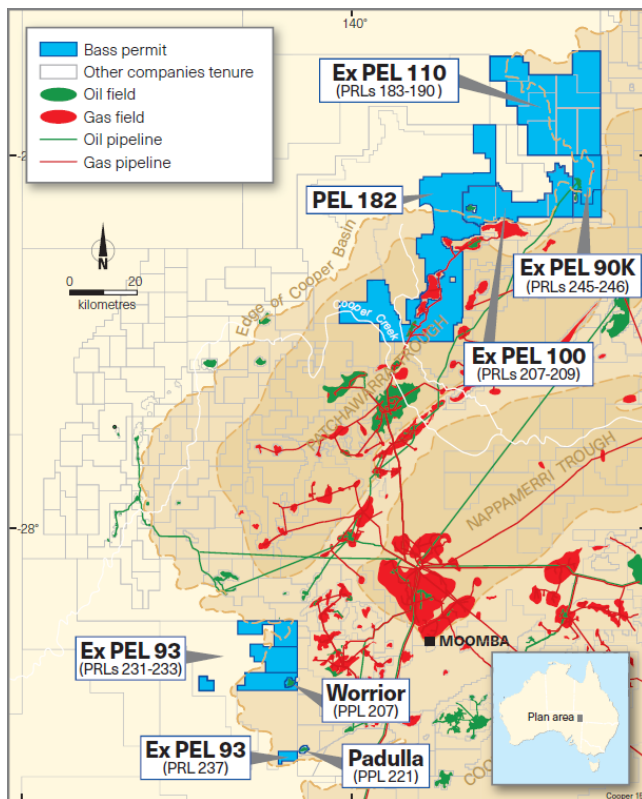


Figure 2: Cooper Basin properties to be acquired by Bass Location Map

## Corporate:

### Cash Position

As at 30 September 2022, Bass' cash reserves increased 426% from the June 2022 quarter to US\$3.21 million or A\$4.94 million. The Company carries no debt.

### Revenue

Oil sales for Bass totaled US\$1.56 million in the September 2022 quarter and US\$4.10 million for the nine months ending 30 September 2022, an increase of 94% on the comparative period ending 30 September 2021, due to increased oil sales and higher oil prices in the period.

### Non-Renounceable Entitlement Offer

During the quarter Bass announced that Peak Asset Management who were acting as Lead Manager to the Rights Issue had placed the remaining Rights Issue shortfall, being 75,980,992 Rights Issue shares and 75,980,992 Rights Issue options to sophisticated and professional investors, thereby raising an additional \$1,228,145. This brings the total Rights Issue and Shortfall funding to A\$4.02 million. The Company intends to use the funds to further enhance the recently acquired Cooper Basin assets, with the aim of increasing free cash flow generation.

## 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%	-	-
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	
<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 September 2022, the Tangai-Sukananti KSO produced ~786 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 September 2022</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$USD'000</b>	<b>Year to date (12 months) \$USD'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,031	3,859
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production	(982)	(2,373)
(d) staff costs		
(e) administration and corporate costs	(287)	(959)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	6
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	(252)	(309)
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>513</b>	<b>222</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements	(901)	(901)
(c) property, plant and equipment	(316)	(922)
(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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$USD'000</b>	<b>Year to date (12 months) \$USD'000</b>
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>(1,217)</b>	<b>(1,823)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,201	3,494
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	(58)	(67)
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)	(3)	(28)
3.9	Other (Unmarketable Parcel Buy-Back)	-	(78)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,140</b>	<b>3,321</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	1,777	1,493
4.2	Net cash from / (used in) operating activities (item 1.9 above)	513	222
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,217)	(1,823)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,140	3,321

## 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 (12 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>3,213</b>	<b>3,213</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	3,213	1,777
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>3,213</b>	<b>1,777</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>
16
-

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)	513
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	513
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,213
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,213
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>6</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: 31 October 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.