

Australia's Bass Oil acquires North Madura PSC to expand its Indonesian portfolio

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HIGHLIGHTS

- Bass to acquire 100% participating interest in highly prospective block adjacent to a number of producing fields
- Bass technical team has evaluated previous work conducted and will commence planning in 2019 for drilling the prospect as soon as possible. Bass will operate the permit.
- Acquisition is in line with the Company's strategy of expanding its Indonesian asset base and compliments its current oil production in the region

Australian-based Indonesian oil producer, Bass Oil (ASX: BAS) is pleased to announce that it has entered into a heads of agreement to acquire a 100% participating interest in the North Madura Production Sharing Contract (**PSC**) which covers an area in coastal shallow waters north of the eastern quarters of the Indonesian island of Java.

The PSC area is adjacent to numerous producing oil and gas fields and existing export infrastructure.

Finalisation of the transaction will be subject to the execution of a detailed sale and purchase agreement and the receipt of regulatory approvals from the relevant Indonesian regulator. The PSC requires the drilling of one well and, in the event of success, two contingent wells.

The acquisition adds to Bass' existing Indonesian energy footprint, which includes oil production from onshore wells in southern Sumatra.

Under the terms of the Heads of Agreement Bass Oil will acquire the 100% participating interest. Bass Oil will also assume the operatorship under the PSC.

North Madura is considered highly prospective, with prior studies of the PSC area, including high definition 2D seismic, identifying a series of structural closures in a stacked shelf-edge carbonate reef system, in water depths of less than 50m.

The leading candidate for fulfilling the well commitment, Reog prospect, has already been identified. Reog lies between two fields producing from the same reef build-up play that has been interpreted at Reog.

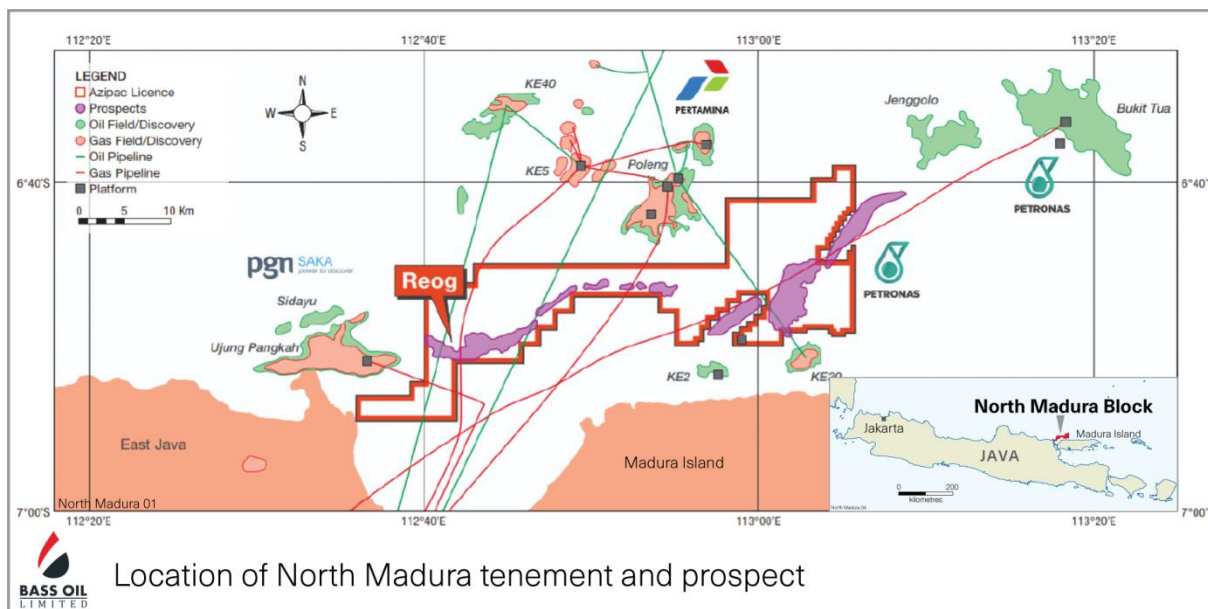


Figure 1: Location Map of the North Madura PSC and leading Prospect, Reog

The two adjacent producing fields are **Ujung Pangkah**, 3 kms to the west, where production last year averaged 9,100 barrels of oil per day (bopd) and 44 million standard cubic feet of gas per day (mmscfg/d); and **Bukit Tua** where production averaged 17,000 bopd and 33mmscfg/d in 2017.

In terms of prospectivity, the previous operator identified more than 20 mapped structural closures at the Top Kujung I Reef level within the North Madura PSC. Within the southern block, the Reog-Dyah Complex area contains a series of SW-NE trending structural closures forming a shelf edge/barrier reef complex at Top Kujung I Reef surface. Of these shelf edge reefs, the Reog prospect is the largest and is located less than 3km from the Ujung Pangkah field.

The acquisition of a 100% interest in the PSC will afford Bass with the opportunity to farm-out interests in the PSC so as to offset risk and to have a partner share in the costs associated with the proposed drilling program. In the event of a new commercial discovery, several commercialisation options have been identified utilising existing infrastructure.

Bass Oil's Managing Director, Mr Tino Guglielmo: "The North Madura PSC provides mid-to long-term substance to Bass' expanding portfolio of exploration and producing oil assets in Indonesia. Bass is excited about the exploration potential of North Madura and will immediately commence in-house technical work with a view to drilling at the earliest opportunity."

For further information please contact:

Tino Guglielmo
Managing Director
Bass Oil Limited
Ph: +61 3 9927 3000
Email: tino.guglielmo@bassoil.com.au

Krista Walter
Strategy, Planning and Investor Relations
Bass Oil Limited
Ph: +61 3 9927 3000
Email: krista.walter@bassoil.com.au

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 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 16% of issued capital.

