

Deep Coal Commercialisation Review Underway

Bass Oil Limited (ASX:BAS) is an Australian-listed oil & gas producer that holds a majority interest in eight permits in the Cooper Basin including the 100% owned Worrior and Padulla oil fields and a 55% interest in a South Sumatra Basin 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

- Bass has formally engaged SLB – a global technology company - to perform a technical study that will seek to identify the potential commercialisation of Bass’ deep coal resources in the 100% owned PEL 182 in the Cooper Basin
- Investment in this initial stage follows the previously announced Deep Coal Gas Prospective Resource study which quantified the gas potential contained in PEL 182 at a “best estimate” of 21 TCF of gas in place, along with and accompanying 845 million barrels of condensate in place
- Study deliverables include a geomechanical model to assist in both well and fracture stimulation design two key elements to allow commercialisation
- A Rapid Resource Assessment (RRA) will also be undertaken that will focus on sweet spot identification and assessment of economic exploitation techniques
- The study has commenced and results of the geomechanical study are expected mid year and the RRA results are expected end-September

Bass Oil Limited (“Bass” or the “Company”) (ASX:BAS and BASO) is pleased to announce that it has formally engaged the globally recognised Technology company SLB (formerly Schlumberger) to undertake a deep coal gas commercialisation study in the Bass 100% owned PEL 182. The Directors of Bass consider that progressing activities in PEL 182 has the potential to create significant shareholder value at a time when future Australian domestic gas supply is considerably compromised.

The deep Permian aged coals have previously been recognised to potentially be a major new source of gas in Australia. Gas in the Permian aged coals of the Toolachee, Epsilon and Patchawarra formations has flowed at potentially commercial rates after fracture stimulation.

New technologies and fracture stimulation techniques have changed the commercial potential of deep coal resources. SLB will be utilising its proprietary state of the art log interpretation tools and expertise along with seismic assessment techniques to interpret, de-risk and test the commercial viability of the play.

SLB engagement, to commence immediately, will be split in to two areas. The first will be a geomechanical study followed by a Rapid Resource Assessment (RRA). The geomechanical study will address the well design and fracture stimulation design aspects of optimising recoveries from this potentially significant gas resource.

The RRA phase of the study will look to integrate the geological data gathered from wells in the area along with available seismic data to rank potential prospective areas to economically exploit this potentially significant resource.

Phase 1 of the study will be completed by mid-year and the second phase will be likely be complete around the end of September.

Bass Oil Managing Director, Mr Tino Guglielmo, commented:

“It is well understood that Australia is experiencing significant issues relating to reliable domestic gas supply now and in the foreseeable future. This problem is exemplified by a severe lack of any new material gas discoveries and projects. The issue is getting worse not better.

Bass is in a unique position to have 100% ownership of an asset in PEL 182, that could potentially go some way to rectifying the domestic eastern gas market supply issues.

We know the gas is there in large quantities, however it requires new techniques to unlock the gas, commercially. The work that SLB and Bass will execute over the coming months will significantly increase our understanding of the pathway to commercialising this significant gas resource”, Mr Guglielmo added.

Background

On 16 November 2022 Bass announced the results of an independent study into the prospectivity of the gas bearing potential of the deep coals in this permit. The Deep Coal Gas Prospective Resource study quantified the gas potential contained in PEL 182 at a “best estimate” of 21 TCF of gas in place along with and accompanying 845 million barrels of condensate in place.

The Moolion East deep coal prospect, with an assessed prospective resource of 568 BCF of gas and 22.7 million barrels of condensate, is contained within Bass’ PEL 182 permit. This opportunity is on trend with the Beanbush gas field which has been the focus of efforts by the Santos led Cooper Basin Joint Venture to commercialise this deep coal resource (Figure 1).

The method for developing this significant resource is expected to be similar to the successful unconventional gas plays in North America, utilising horizontal or high angle drilling and fracture stimulation. Santos was the first to attempt to drill horizontally in the coal zone.

Santos drilled, and fracture stimulated the Beanbush 3 horizontal well. The production testing results of the well are not yet in the public domain. The Beanbush 3 well completion report recently became open file on the SA Government database. The report contains a most valuable data set and recorded the challenges encountered whilst attempting to place a horizontal well in the target section.

The results of this well will be a key input that will inform the SLB study that seeks to capture the learnings and calibrate the geological and geomechanical models to assist in designing future wells so they can be drilled in a manner that mitigates against future drilling problems and maximizes the chance of delivering an economic outcome.

See ASX Announcement “Significant Gas Resource Identified in PEL 182 (Bass 100%)”, released 16 November 2022 for further information.

Further information regarding Bass’ current Trading Halt and ongoing Capital Raise will be released to the ASX in a subsequent announcement on 19 April 2024.

This announcement has been authorised for release by the Board of Directors of Bass Oil Limited.

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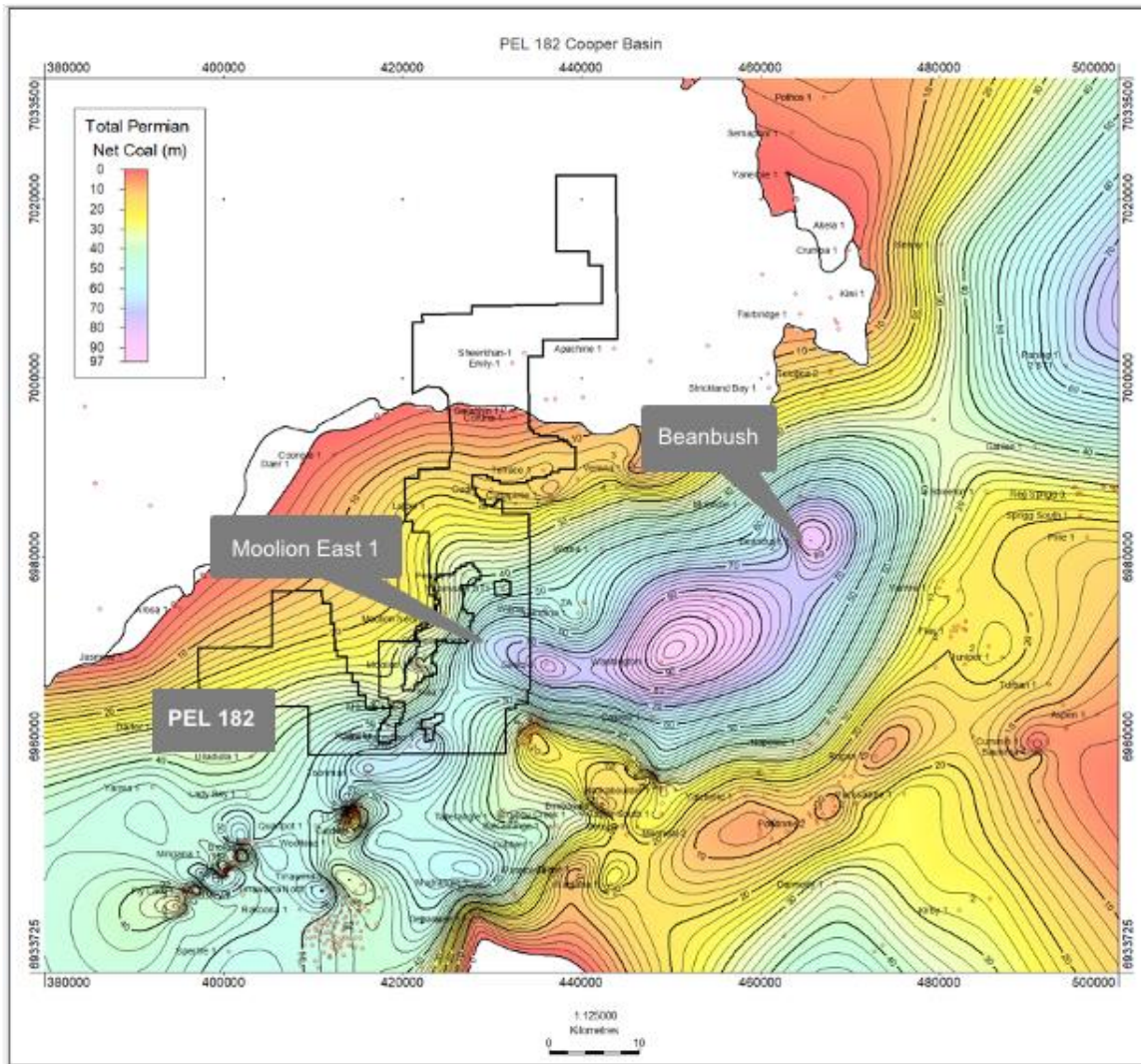


Figure 1: Total net Permian coal thickness in the Patchawarra Trough

About Bass Oil Limited:

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Bass is building towards a substantial onshore Australian and Indonesian oil & gas business with a clear focus on expanding production in the Cooper Basin and in South Sumatra. Bass has a strong and committed shareholder base with the Board and management holding over 10% of the issued capital.

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