For personal use only

BASS OIL LIMITED

ASX Announcement

21 October 2020

Quarterly report for the period ending 30 September 2020

Bass Oil (ASX:BAS) is an Australian-listed Indonesian oil producer with a 55% Operator interest in the Tangai-Sukananti licence in the prolific South Sumatra Basin. Bass is committed to creating and maximizing value, leveraging its competitive strengths; its team, operating capability, reputation, and relationships in Indonesia.

HIGHLIGHTS

- **Production for the September quarter averaged 642 barrels of oil per day (bopd) JV share down 9% from the June quarter**
- **Net oil production for September quarter totalled 32,481 barrels[1]**
- **Net oil sales for September quarter totalled 32,727 barrels[1]**
- **Net entitlement oil to Bass for the September quarter totalled 18,314 barrels down 34% generating sales revenue of US$0.69m**
- **Oil price received averaged US$36.71 for the quarter up 47%**
- **Artificial lift, in the form of a sucker rod pump installed in the Bunian 5 well**
- **Bass has taken steps to mitigate against the effect of COVID-19 and depressed oil prices and to date production at Tangai-Sukananti remains largely unaffected**
- **Field operating costs have been reduced to ~US$20 per barrel and the field continues to generate a positive cash contribution**

Comparative Performance:

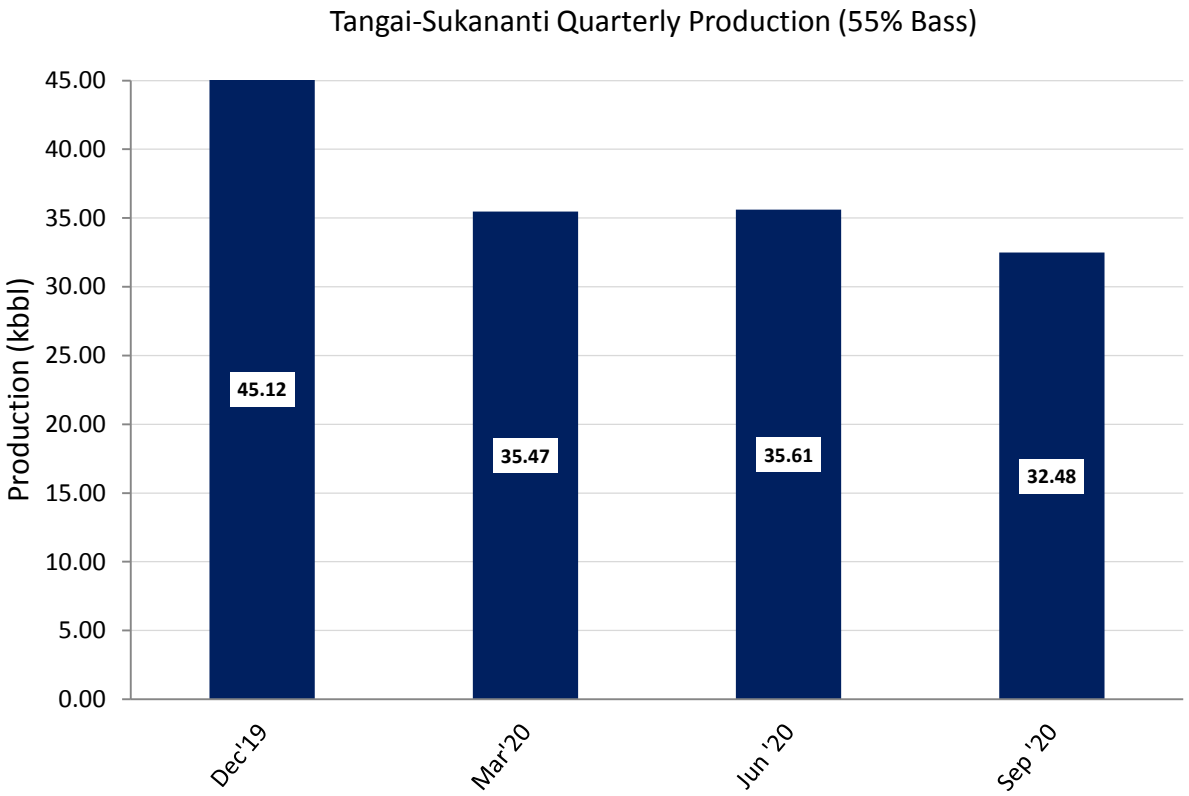
Key Performance Metrics	Sep Qtr Q3 FY20	Jun Qtr Q2 FY20	Qtr on Qtr Change	Sep Qtr Q3 FY19	Yr on yr Change
Net Production[1] (mbbl)	32.48	35.61	-8.8%	36.18	-10.2%
Net Oil Sales[1] (mbbl)	32.73	35.69	-8.3%	36.73	-10.9%
Net Entitlement to Bass (mbbl)	18.31	27.63	-33.7%	22.26	-17.7%
Sales Revenue (US$M)	0.69	0.68	1.5%	1.33	-48.1%
Average Realised Oil Price	36.71	24.90	47.4%	59.33	-38.1%
Cash (US$M)	0.20	0.26	-23.1%	0.27	-25.9%

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)

Bass Oil Managing Director, Mr Tino Guglielmo commented:

"During the September quarter the global fiscal environment has stabilised but still remains in a period of uncertainty as a result of the COVID-19 pandemic. Bass has responded quickly, taking measures to ensure the health and safety of its employees and insulate the company from weaker financial and oil markets. The company is operating low cost assets, has no debt nor significant financial commitments and is well positioned to weather the current depressed state of the global energy industry."

Field Performance:



Production for the quarter was 32,481 barrels of oil (55% basis), down 8.8% from the previous quarter. Quarterly oil sales were 32,727 barrels of oil net to Bass, down 8.3% from the previous quarter. The net entitlement oil to Bass was 18,314 barrels of oil for the September quarter after Domestic Market Obligation (DMO), down 34% reflecting the effects of the increased oil price on cost recoveries and an active work program carried out in the March quarter.

Production performance during the quarter was affected by the removal of the Bunian 5 well from production to allow the installation of a sucker rod pump. The well was offline for approximately 45 days and has since been returned to production with production levels expected to return to around 700 bopd.

Field Development:

The static & dynamic reservoir models for the Bunian field have been updated integrating the results from the Bunian 5 well. This update includes the results of a passive seismic and acoustic impedance studies which have improved the understanding of the subsurface reservoir distribution. The study has identified a number of potential drilling locations which will be matured for a future drilling program.

For personal use only

Corporate:

Cash Position

As at 30 September 2020, Bass cash reserves were US$0.20m. Cash reserves decreased from the previous quarter due to the implementation of a limited capital program which included the installation of the Bunian 5 pump and further geological & field studies following the 2019 drilling program.

The Company realised a 47% increase in the average oil price for the September quarter to US$36.71. Bass receives ICP crude pricing, linked to the benchmark Brent crude which trades at a premium to West Texas Intermediate (WTI) crude oil. The company has no oil hedges in place.

The Company reacted quickly to the reduction in oil prices and as such the business continues to generate positive cash contributions with total operating costs at ~US$20 per barrel. The Company is well insulated from the current volatility in the global oil price.

Business Development:

Bass is reviewing a number of onshore Indonesian and other opportunities outside of Indonesia as the fiscal outlook for the energy industry has stabilised and is improving. The Company has not entered into any material contracts or commitments that impact it during this period.

The Company will update the market on developments as appropriate.

For further information please contact:

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

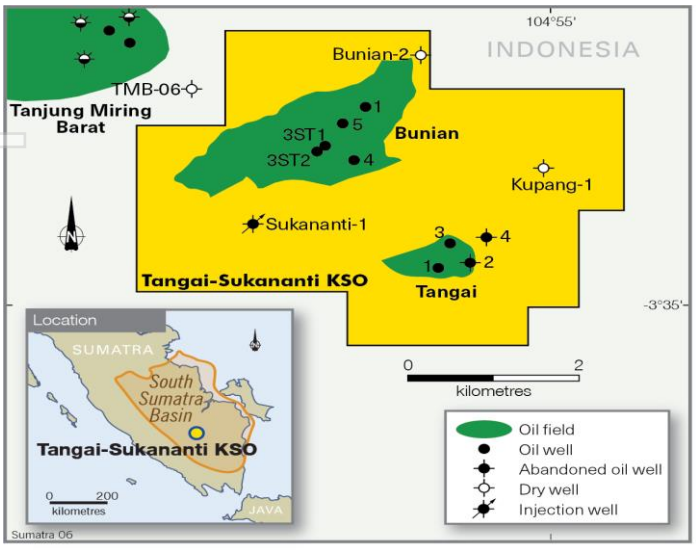
For personal use only

Glossary	
BOPD	Barrels of oil per day
BOEPD	Barrels of oil equivalent per day
mbbl	Thousands of barrels of oil
mmbbl	Millions of barrels of oil
DMO	Domestic Market Obligation (for Oil)
JV	Joint Venture
TS	Tangai-Sukananti KSO
KSO	'kerja sama operasi' (Indonesian) – meaning an operation cooperation contract
Qtr	Quarter
Qtr on Qtr	Quarter on Quarter
Yr	Year
Yr on Yr	Year on Year
US$m	Millions of United States of America dollars

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 September 2020, the Tangai-Sukananti KSO was producing on average 617 bopd from 4 wells (JV share). Bass reports Net Entitlement 2P Oil Reserves of 0.567 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.



For personal use only

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BASS OIL LIMITED

ABN	Quarter ended ("current quarter")
13 008 694 817	**30 SEPTEMBER 2020**

Consolidated statement of cash flows		**Current quarter $USD'000**	**Year to date (9 months) $USD'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	839	3,034
1.2	Payments for		
	(a) exploration & evaluation (if expensed)		
	(b) development		
	(c) production	(705)	(2,467)
	(d) staff costs		
	(e) administration and corporate costs	(105)	(454)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid	(15)	(223)
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**14**	**(110)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)	(81)	(275)
	(e) investments		
	(f) other non-current assets		

For personal use only

For personal use only

Consolidated statement of cash flows		Current quarter $USD'000	Year to date (9 months) $USD'000
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)		
2.6	**Net cash from / (used in) investing activities**	**(81)**	**(275)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	(7)
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		
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)	-	(51)
3.10	**Net cash from / (used in) financing activities**	**-**	**(58)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	265	641
4.2	Net cash from / (used in) operating activities (item 1.9 above)	14	(110)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(81)	(275)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(58)

Consolidated statement of cash flows		**Current quarter $USD'000**	**Year to date (9 months) $USD'000**
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**198**	**198**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $USD'000**	**Previous quarter $USD'000**
5.1	Bank balances	198	265
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**198**	**265**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $USD'000**
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	-

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

For personal use only

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $USD'000**	**Amount drawn at quarter end $USD'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
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.	

8.	**Estimated cash available for future operating activities**	**$USD'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	14
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(81)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(67)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	198
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	198
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	3

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:

For personal use only

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: 21 October 2020

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.

For personal use only