

Onshore Indonesian Oil Operations Update – June 2018

Release Date: 20 July 2018

Highlights

- **Continuing high monthly average oil price of US\$68.54 realised from sales from the Company's 55%-owned Tangai-Sukananti oil field in onshore Sumatra, Indonesia**
- **June production volumes totalled 11,010 barrels of oil (JV share) or 6,055 barrels (net to Bass)**
- **June oil sales volumes totalled 11,350 barrels of oil (JV Share) or 6,240 barrels (net to Bass)**
- **Production and sales impacted by scale problems at production wells – remediation program underway**
- **Upgrades to well pumps at two existing wells expected to double production at these wells**
- **Planning advanced for a two well drilling program at Tangai-Sukananti with expected drilling to commence in the December quarter 2018**

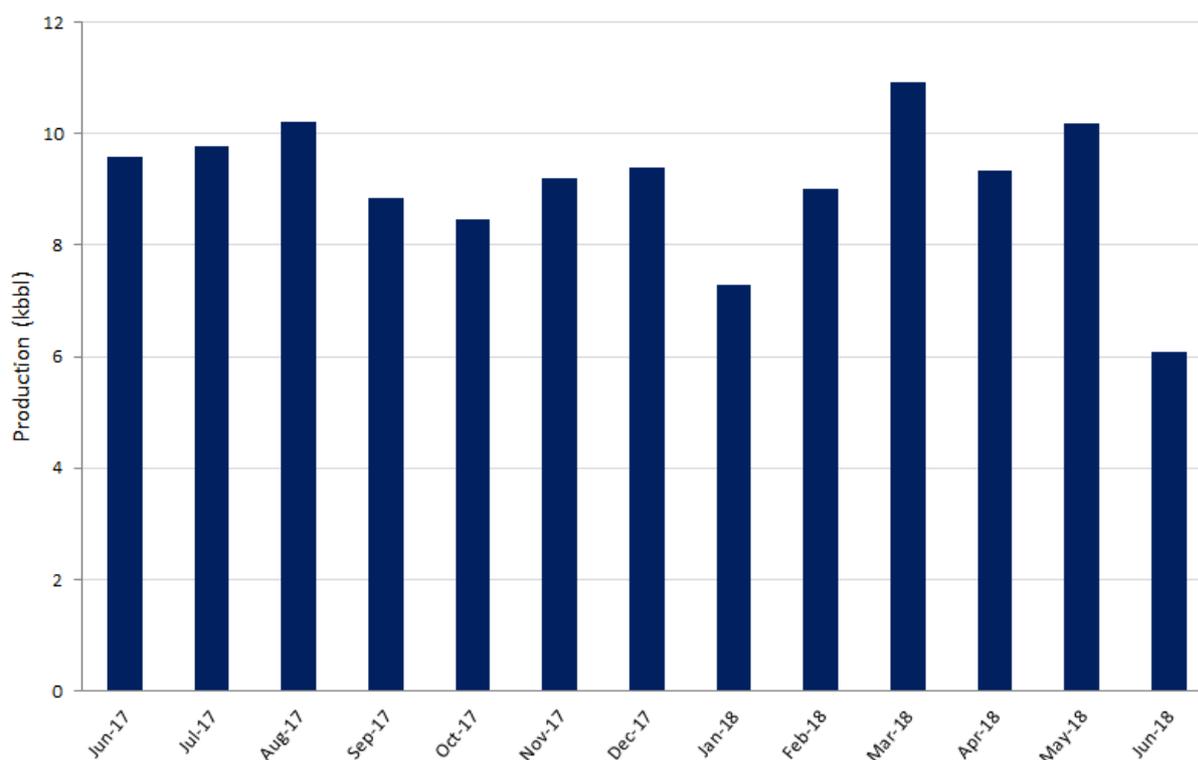
Monthly Production and Sales:

Australian-based oil producer, Bass Oil Limited (ASX:BAS) is pleased to provide its monthly operations update for June 2018.

Total field production at Tangai-Sukananti for June was 11,010 barrels of oil (JV Share) or 6,055 barrels of oil (net to Bass), a 40% reduction on production for May. Production in this month was impacted by scale development at the production wells.

June oil sales equalled 11,350 barrels of oil (100% JV Share) or 6,240 barrels (net to Bass). Oil was at an average realised oil price of US\$68.54 per barrel, a 3% price decrease on the prior month.

Tangai-Sukananti Historical Production (55% basis)



Production Operations

Total production in June was impacted by the underperformance of the Bunian 1 and 3 wells.

The Bunian 1 sucker rod pump is showing signs of pump wear. Bass is planning to replace the Bunian 1 pump with an Electric Submersible Pump (ESP) during the September Quarter. The ESP is expected to significantly increase the offtake from this well, increase pump reliability and run life.

Bunian 3 production has been impacted by scale formation in the wellhead and the upper section of the wellbore. During the month, Bass field personnel identified a reduction in performance of the Bunian 3 well, isolating the problem to scale development in the wellbore. A wireline unit was mobilised to perform a scale clean out with the well returned to production early in July. The well was offline for one week.

Development Planning:

Bass continued the detailed planning and approvals process for the 2018 drilling program scheduled to commence in the December quarter 2018. The scope of the program includes the drilling of up to two development wells, at Bunian 5 and Tangai 5.

It is expected that the drilling of these two proposed development wells will significantly increase the production capacity of the Tangai-Sukananti field as well as increase developed reserves.

Planning work for the upgrade of the Bunian and Tangai production facilities continues. A facility upgrade is required to process the additional oil and fluid production anticipated following the completion of the drilling phase of the work program.

Business Development:

Bass continues to evaluate a number of potential onshore Indonesian acquisition targets, particularly those closest to its existing oil production infrastructure, as the Company looks to add additional prospective oil properties to its portfolio during 2018.

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About Bass Oil Limited:

Bass Oil Limited (ASX:BAS) 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 20% of issued capital.

