

Onshore Indonesian Oil Operations Update – May 2018

Release Date: 18 June 2018

Highlights

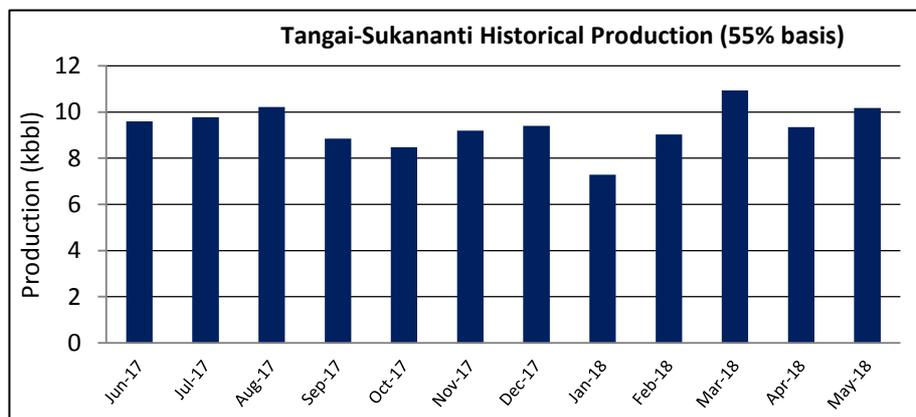
- **New multi-year high monthly average oil price of US\$70.51 realised from sales from the Company's 100%-owned Tangai-Sukananti oil field in onshore Sumatra, Indonesia**
- **9% higher total May production of 18,500 barrels of oil (JV share) or 10,175 barrels (net to Bass)**
- **May oil sales volumes from onshore Tangai-Sukananti totalled 17,000 barrels of oil (JV Share) or 9,350 barrels (net to Bass)**
- **Upgrades to well pumps at two existing wells expected to double production at these wells**
- **Planning for a two well drilling program advanced 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 report in its monthly operations update, a return to the strong production rates expected at Tangai-Sukananti in addition to receiving a new multi-year high realised oil price of US\$70.51 per barrel in May.

Total field production at Tangai-Sukananti for May was 18,500 barrels of oil (JV Share) or 10,175 barrels of oil (net to Bass), a 9% improvement on production for April, and another strong performance subsequent to the completion of field optimisation works earlier in the year.

May oil sales equalled 17,000 barrels of oil (100% JV Share) or 9,350 barrels (net to Bass). Oil was at an average realised price of US\$70.51 (A\$93.67) per barrel, a 7.5% increase on the prior month.



Development Planning:

Bass has commenced the detailed planning and approvals process for the 2018 drilling program scheduled to commence in December 2018. The scope of the program includes the drilling of up to two development wells, at Bunian 5 and Tangai 5. Details on the drilling program will be the subject of a separate ASX release, once the schedule is finalised.

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

A recently completed production optimisation study identified two opportunities to further increase Sumatran production and add significant value to this oil asset. The first is a pump upgrade at the Bunian 1 well, from a sucker rod pump to a high rate Electric Submersible Pump (ESP). This will allow an increase in fluid off-take from this well from 1,000 to 2,500 barrels of fluid per day.

The second project involves the installation of a sucker rod pump in the Tangai 1 well. Tangai 1 has been flowing naturally up until now. The installation of a pump will increase the off-take from 1,000 to 2,000 barrels of fluid per day. It will also assist in mitigating the problems with scale blockages to production.

The pumps are scheduled to be installed and commissioned in the September quarter 2018.

Concurrent planning work for the upgrade of the Bunian and Tangai production facilities is also underway. A facility upgrade is required to process the additional oil and fluid production rates anticipated following the completion of the drilling phase of the work program.

Business Development:

Bass recently announced a step-up in its growth strategy in Indonesia with the appointment of a project acquisition specialist. Dr Simon Brealey, an experienced petroleum geologist, has been appointed to the New Ventures role.

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.

For further information please contact:

Tino Guglielmo

Managing Director

Bass Oil Limited

Ph: +61 3 9927 3000

Email: tino.guglielmo@bassoil.com.au

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.

