

18 January 2017

## INDONESIAN ACQUISITION UPDATE – JANUARY 2017

# Acquisition of Tangai-Sukananti asset approved by Pertamina – transaction on track for completion February 2017

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### HIGHLIGHTS

- **Pertamina has approved the sale of the Tangai-Sukananti KSO interest to Bass removing a key condition precedent associated with the acquisition**
- **Independent Expert has concluded that the acquisition is fair and reasonable**
- **Bass to take on all existing, Indonesian based employees**
- **Higher than expected production rates continue on Tangai-Sukananti asset**

Bass Strait Oil Company (ASX: BAS) advises that PT Pertamina EP, the Indonesian petroleum regulator, has approved the transaction which will see Bass complete the acquisition of a 55% interest in the Tangai-Sukananti KSO, South Sumatra basin, Indonesia from Cooper Energy Limited (ASX:COE).

This approval satisfies the last remaining condition precedent associated with the Share Sale Agreement executed by Bass and Cooper Energy on 19 October 2016, before shareholders vote to approve the transaction at a General Meeting to be held on Monday 13 February 2017. The Notice of Meeting (NOM) was dispatched to shareholders 12 January 2017. Annexed to the NOM is an Independent Experts (IE) report commissioned by Non Interested Directors in which the IE concludes that the proposed transaction is both fair and reasonable to the non-associated shareholders.

### BASS TO TAKE ON ALL EXISTING INDONESIAN BASED EMPLOYEES AS PART OF THE ACQUISITION

As part of the transaction, Bass will assume operatorship of the asset and the services of Cooper Energy's current Indonesian based team. This highly skilled team has been managing the asset since inception of the project in 2010. More recently the team has been undertaking production optimisation activities which have seen oil production rate increase from 500 barrels per day to between 600 to 800 barrels per day (100% JV share).

Bass expects to grow this team as it seeks to acquire further oil assets in the region. Bass believes it is uniquely placed, with this team on the ground in Indonesia, and its cash generating initial acquisition, to identify and complete further acquisitions and development projects in the region.

## TANGAI-SUKANANTI ASSET CONTINUES TO PERFORM ABOVE EXPECTATION

Bass can confirm that the improvements in production rates as announced in November 2016, have continued. It is expected that this will produce a materially increase net cash flow for the first quarter of 2017. Bass will advise the market when the final production results for the quarter have been received and confirmed.

The effective date for the acquisition is 1 October 2016, meaning all oil sales post this period are to the benefit of Bass.

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**Bass Strait Oil Company (ASX:BAS)** is an ASX listed exploration and production company featuring low cost oil production in Indonesia. Bass has realigned its corporate strategy following the landmark acquisition of Cooper Energy's 55% interest in the Tangai-Sukananti production assets located in the prolific oil & gas region of South Sumatra, Indonesia. The acquisition will provide Bass with a strong 2P reserves position of 1.73 million barrels of oil (as reported in Cooper Energy 2016 annual report). Bass is building a substantial oil & gas business with a clear focus on opportunities in the South-East Asia region. Bass has a strong and committed shareholder base with Board and management holding in excess of 20% of issued capital.

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