

## Quarterly report for the period ending 31 March 2017

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Release date 21 April 2017

### HIGHLIGHTS

- Shareholders overwhelmingly approve acquisition of Cooper Energy's 55% interest in the Tangai-Sukananti production assets
- Acquisition of the Tangai-Sukananti KSO completed on 28 February 2017
- Strong net cash position of A\$1.299 million as at 31 March 2017 after acquisition costs
- Production of 14,514 bbl oil (100% JV) at the Tangai-Sukananti KSO or 7,983 bbl oil (net to Bass) for month of March 2017 - first month under Bass' control
- Fields currently performing well – production in excess of 600 bopd (100% JV) or 330 bopd (net to Bass)
- Shareholders approve change of company name to Bass Oil Limited
- Tino Guglielmo appointed Bass' Managing Director and CEO

### CORPORATE & OPERATIONS

#### Completion of Tangai-Sukananti KSO Acquisition

On 13 February 2017, Bass shareholders overwhelmingly approved the acquisition of Cooper Energy's 55% interest in the Tangai-Sukananti KSO. This satisfied the final outstanding condition precedent prior to completion of the transaction. The Company subsequently completed the transaction on 28 February 2017 which marked the transformation of Bass from an Australian-focused company with exploration assets in the offshore Gippsland Basin to a company with production assets located in South Sumatra, Indonesia.

As a result of the transaction, Bass has now taken on an existing, well-credentialed, Indonesia-based team, providing the Company with a solid foothold in the regional market. Bass believes that Indonesia currently presents significant growth opportunities. The Company has recently commenced a focused search for additional acquisitions.

In line with the binding agreement, Bass has transferred A\$500,000 cash consideration and issued 180 million fully paid ordinary shares in the Company to Cooper Energy. Cooper Energy will also receive a further A\$2.27

million cash payable in four instalments between 31 December 2017 and 31 December 2018 as well as additional payments made up of existing receivables as they fall due.

### **Strong Cash Generation**

At the end of the quarter, Bass had a total cash balance of A\$1.299 million after the majority of the transaction costs were paid. The company is in a strong financial position and has the requisite working capital for a South-East Asia-focused production business seeking growth through strategic acquisition.

### **Positive Field Performance with Development Upside**

Production for the month of March 2017 equaled 14,514 bbl oil (100% JV share) or 7,983 bbl oil (net to Bass). Production was impacted by the shutdown of the Bunian-3 well for a scheduled bottom hole pressure survey. The field is currently performing well with production in excess of 600 bopd (100% JV share) or 330 bopd (net to Bass).

The Indonesian-based team has identified development and optimisation opportunities capable of adding up to 350 bopd (100% JV) in production from two wells. Field work to implement these opportunities is scheduled to commence in early Q3 2017.

### **Change of Name**

Bass shareholders have approved the change of the Company's name to Bass Oil Limited. This name better reflects the Company's change of focus from Australian exploration activities to a South East Asian focused company with producing assets in Indonesia. The ASX code remains unchanged (ASX:BAS).

### **Appointment of Managing Director and CEO**

During the quarter, the Company announced that Mr Tino Guglielmo accepted the position of Managing Director and CEO following completion of the acquisition of the Indonesian producing assets. Mr Guglielmo is a well-credentialed petroleum executive with a proven track record of creating shareholder value. He was previously an executive director of Bass.

## **EXPLORATION ACTIVITIES**

### **Permit Management - VIC/P68 (Bass 100%), PEP 150 (Bass 15%) and VIC/P41**

In December 2016, the National Offshore Petroleum Administrator (NOPTA) advised Bass that its application for a suspension and extension of the permit duration for Vic/P68 was successful. Year 3 now expires on 3 November 2017 with year 5 of the primary term now ending 3 November 2019. Year 3 requires the acquisition of 225 square km of 3D seismic. Bass is reviewing future options for the permit including farm out or sale.

In relation to PEP 150, minimal activity and expenditure has been undertaken given the Victorian Government moratorium on onshore exploration activities. The Government is also planning a permanent ban on the use of fracture stimulation. The joint venture is currently evaluating its position in response to these developments. Bass also advises that its interests in Vic/P41 were relinquished during the quarter.

For further information please contact:

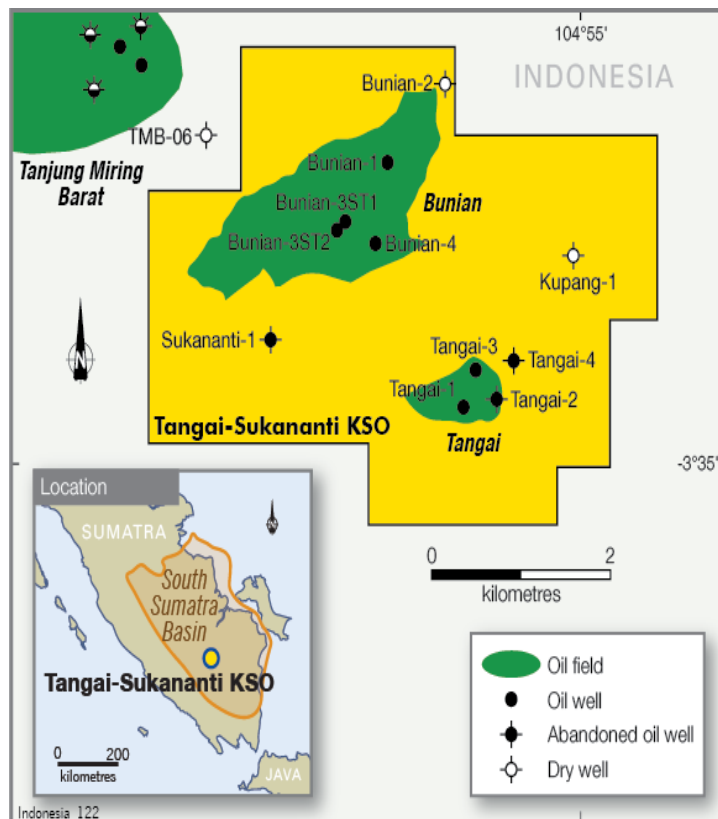
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### About Bass Oil Limited

Bass Oil Limited (ASX:BAS) is an ASX-listed exploration and production company featuring low cost oil production in Indonesia and a management and Board team with a proven track in delivering shareholder value. Bass has realigned its corporate strategy following the landmark acquisition of Cooper Energy's 55% interest in the Tangai-Sukananti KSO producing assets located in the prolific oil & gas region of South Sumatra, Indonesia.

As at 31 March 2017, the Tangai-Sukananti KSO was producing over 600 barrels of oil per day from 4 wells (100% JV share) and contained 2P oil reserves of 1.73 million barrels (net to Bass as at 30 June 2016 reported in the Cooper Energy 2016 annual report). Bass intends to build a substantial oil & gas business with a clear focus on executing 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.



## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

BASS OIL LIMITED

### ABN

13 008 694 817

### Quarter ended ("current quarter")

31 MARCH 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	628	636
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production	(187)	(187)
(d) staff costs		
(e) administration and corporate costs	(188)	(626)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>254</b>	<b>(174)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	-	(17)
(c) investments	(500)	(500)
(d) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Cash acquired as a result of acquisition	855	855
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>355</b>	<b>338</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	772
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(48)	(94)
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 (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(48)</b>	<b>678</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	738	457
4.2	Net cash from / (used in) operating activities (item 1.9 above)	254	(174)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	355	338
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(48)	678
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,299</b>	<b>1,299</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,299	738
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,299</b>	<b>738</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	83
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	35
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	
8.2 Credit standby arrangements	-	
8.3 Other (please specify)	-	
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	600
9.4 Staff costs	-
9.5 Administration and corporate costs	300
9.6 Other	-
<b>9.7 Total estimated cash outflows</b>	<b>900</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	VIC/P41		64.565%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Tangai-Sukananti KSO		0%	55%

**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.



Sign here: .....  
(Director)

Date: 21 April 2017

Print name: PETER MULLINS

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.