ASX Announcement

Bass Oil Ltd to Raise $3m to fund development drilling at Tangai-Sukananti

Release date: 5 July 2019

Key Highlights:

- **Company to raise funds via Placement and Non-Renounceable Entitlement Offer to fund development drilling of up to two low risk development wells**
- **Drilling program is expected to double field production capacity, up from 700 barrels of oil per day (bopd) to approximately 1,400 bopd.**
- **Bass directors and management have committed to participate in the Entitlement Offer**
- **Funds raised for the:**
  - **Drilling of up to two low risk Bunian development wells**
  - **Repayment of the final installment of the deferred consideration to Cooper Energy Ltd – $770,000**
  - **Business Development initiatives**

Bass Oil Limited (ASX:BAS) ("Bass" or the "Company") is pleased to announce that it has successfully arranged a $0.15 million private placement to sophisticated and professional investors through the issue of New Shares at $0.002 (0.2 cents) per share (the '**Placement**'). The Placement includes a 1 for 2 free attaching option ('**Option**') exercisable at $0.004 on or before 30 July 2021.

The issue price represents a discount of approximately 33% to the last closing price of $0.003 and a 10% discount to the 5-day volume weighted average price (VWAP).

In parallel, the Company also announces a ~$2.7 million pro rata non-renounceable entitlement offer of new shares on a 1 for 2 basis, at an issue price of $0.002 (0.2 cents) per share (the '**Rights Issue'**). The Rights Issue includes a 1 for 2 free attaching option ('**Option**') exercisable at $0.004 on or before 30 July 2021.

The Rights Issue will provide an opportunity for all eligible shareholders to participate in the capital raising on the same terms as the Placement.

Funds from the Placement and Rights Issue will be used for:

- **Repayment of Cooper borrowings** $770,000 by 31 July 2019
- **Drilling of up to two low risk Bunian development wells**, one in October 2019 and the second in October 2020
- **Business Development initiatives**, joint studies, acreage release applications and bilateral negotiations - Funds raised will enable Bass to expand its onshore Indonesian oil production footprint through value-accretive acquisitions

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Managing Director, Tino Guglielmo commented:

Bass is entering an exciting phase in its history as it will shortly complete the procurement process to secure a drilling rig to spud the Bunian 5 well expected in October of this year. This well is expected to double field production capacity, up from 700 barrels of oil per day (bopd) to facility limits of approximately 1,400 bopd.

Our business development initiatives are progressing well with the Company in detailed evaluation on a number of opportunities as well as progressing technical and commercial discussions on the short-listed opportunities.

Finally, I am pleased, that after completion of the final payment of the deferred consideration Bass will own outright its 55% interest in the Tangai-Sukananti producing property. This property has established our reputation as a competent operator and trusted joint venture partner. It is the platform upon which we will build a successful business in Indonesia.

Details of the Placement

The Company will issue up to a total of 75,000,000 New Shares at an issue price of $0.002 (0.2 cents) per Share to raise approximately $0.15 million (before costs). Additionally, the Company will issue 37,500,000 free attaching Options, exercisable at $0.004 on or before 30 July 2021.

The Placement Shares and Options are expected to be issued on Monday, 8 July 2019 under the Company's Listing Rule 7.1 placement capacity and are therefore not subject to shareholder approval.

Placement Options are the same class as the Rights Issue Options. Assuming the minimum holder requirements are satisfied Bass will apply to the ASX for the Options to be quoted, upon the completion of the Rights Issue.

The Placement will be made to a number of unrelated qualified, sophisticated and professional investors at an approximate discount of 33% to the closing price of BAS shares on 4th July 2019 and a 10% discount to the 5-day VWAP.

Details of the Rights Issue

The Rights Issue will be offered to all eligible shareholders registered on the Record Date for the Rights Issue pursuant to an offer document and a notice under section 708AA(2)(f) of the Corporations Act. The rights issue will close on 25 July 2019 (unless extended).

The Rights Issue will be non-renounceable and will not be underwritten.

The issue of the Rights Issue shares and placement of any shortfall to the Rights Issue to non-related parties of the Company is not subject to shareholder approval.

Rights Issue Timetable

Date of Lodgment of Prospectus with ASIC and ASX	5 July 2019
Notice of Rights Issue sent to Shareholders	8 July 2019
Existing Share quoted ex-rights	9 July 2019
Record Date to determine Entitlements under Rights Issue	10 July 2019
Prospectus with Entitlement and Acceptance Form dispatched to Eligible Shareholders Acceptances Open	12 July 2019
Closing Date for acceptances	25 July 2019
New Securities are quoted for ASX trading on a deferred settlement basis	26 July 2019
Company notifies ASX of under subscriptions	30 July 2019
Issue of New Shares and New Options	30 July 2019
Despatch of holding statements	31 July 2019

The above dates are indicative only and may change without notice.

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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 May 2019, the Tangai-Sukananti KSO was producing on average 710 bopd from 4 wells (100% JV share). Bass reports Net Entitlement 2P Oil Reserves of 0.602 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.

