

Kiwi 1 Extended Production Test (EPT) Update

Bass Oil Limited (ASX:BAS) is an Australian-listed oil & gas producer that holds a majority interest in eight permits in the Cooper Basin including the 100% owned Worrior and Padulla oil fields and a 55% interest in a South Sumatra Basin KSO. The Company is debt free and committed to creating value by leveraging the competitive strengths of its team, operating capability, reputation, and relationships in both Australia and Indonesia.

Highlights

- Bass to commence Kiwi 1 Extended Production Test (EPT) as soon as possible
- All regulatory approvals received and long lead equipment available
- Workover rig contract being finalised with mobilisation to site as soon as logistics allow – currently estimated end April
- The objectives of the test are to confirm the potential field size and gas composition
- The results are expected to be known within 60 days of commencement of the test with commercial gas offtake agreements to be negotiated thereafter
- A successful test at Kiwi may upgrade the gas potential of the surrounding area

Bass Oil Limited (“**Bass**” or the “**Company**”) is pleased to announce the Kiwi 1 EPT will commence as soon as practicable now that the Company has received project approvals as well as the equipment required to complete the well for the production test.

Earthworks at the site will commence as soon as road access is re-established. This will then allow for the workover rig to be mobilised. Wild Desert Rig 4 has been identified as the rig to be used to complete the Kiwi well and it is anticipated to be mobilised around late April. The results of the test will likely be known within 60 days of commencement or around mid-year.

The Kiwi project represents a potential early entry into the Australian east coast gas market for Bass. Recent press commentary is firmly suggesting the gas market will soon be short of gas around the time Kiwi gas could become available.

Kiwi 1 was drilled in 2003 as an exploration well, resulting in a Triassic age, Callamurra Member gas discovery which flow tested at 9.6 million cubic feet per day on drill stem test. The discovery, which was drilled on a 2D seismic data set, was originally thought to contain a sub commercial quantity of gas. A 3D seismic survey was subsequently acquired over the area. Bass has interpreted the survey and upgraded the potential size of Kiwi discovery. This has resulted in a revised assessment of a mean Contingent Resource of 5.24 BCF and a 3C Contingent Resource of 11.5 BCF.

Bass has increased confidence that Kiwi contains a commercial volume of gas, providing the pathway for the Company to enter the eastern states' gas market. The Company has also identified other prospects and leads, on trend with the Kiwi that, as a result of a successful test, may be significantly upgraded (Figure 1).

Bass Oil Managing Director, Mr Tino Guglielmo, commented:

“The Kiwi 1 EPT is a key milestone for Bass’ growth plans in the Australian gas market. The main objective of this test is to gather the data required to confirm commerciality and to upgrade the potential of the surrounding prospects and leads.”

“We have received a number of enquires from third party gas wholesalers interested in contracting gas from Kiwi and we will be running these negotiations in parallel to enable us to monetise the gas once the test is finalised and it demonstrates the commercial potential of the field.”

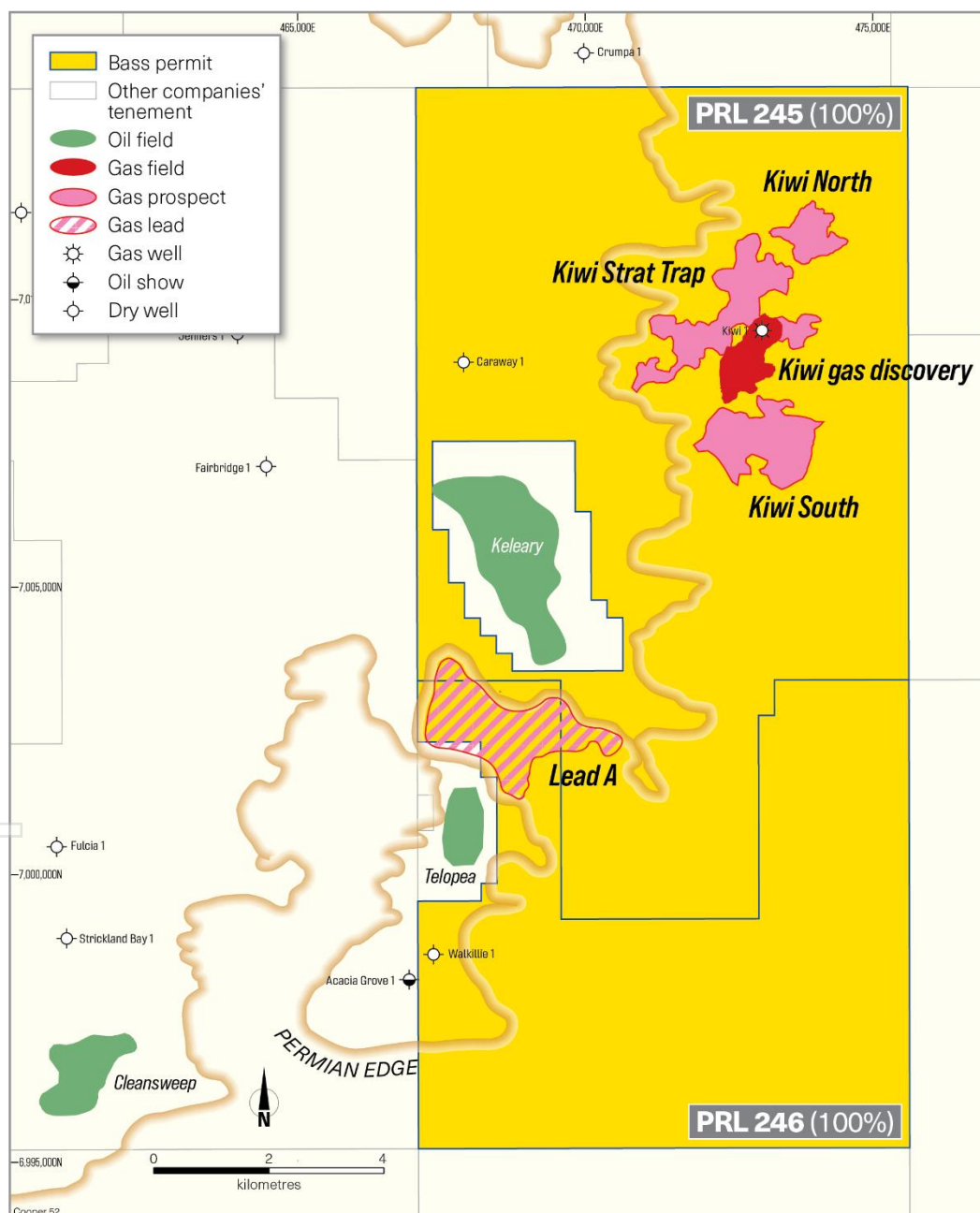


Figure 1: Ex PEL 90K block location map

This announcement has been authorised for release by the Board of Directors of Bass Oil Limited.

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About Bass Oil Limited:

Bass Oil Limited (ASX:BAS) is an Australian-listed oil producer that holds a majority interest in eight permits in the Cooper Basin (Australia) including the 100% owned Worrior and Padulla oil fields and a 55% interest in a South Sumatra Basin (Indonesia) KSO. The Company is debt free and committed to creating value by leveraging the competitive strengths of its team, operating capability, reputation, and relationships in both Australia and Indonesia.

Bass is building towards a substantial onshore Australian and Indonesian oil & gas business with a clear focus on expanding production in the Cooper Basin and in South Sumatra. Bass has a strong and committed shareholder base with the Board and management holding over 10% of the issued capital.

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