



ASX/MEDIA RELEASE

30 January 2020

Quarterly Activities Report – End December 2019

Australia

- **December Quarter 2019**
 - Revenue from Oil sales for quarter: \$0.86 million
 - Cash and current assets at 31 December 2019 were \$1.7 million with nil debt
 - Revenue from oil sales for half-year: \$1.972 million

- **Oil development**
 - Planning for tie-in of additional successful 2018/19 oil appraisal wells
 - A further 9 appraisal and exploration wells will be drilled in Naccowlah Block in 2020

- **Oil/Gas exploration**
 - Planning for 2020 commencement of Surat Basin oil and gas production continued
 - Gas exploration in PEP 11, Offshore Sydney Basin is set to continue with the operator now planning 2020 well in lieu of 3D seismic survey

Oil Business - Production:

Bounty produces oil from the Naccowlah Block in SW Queensland.

Production averaged 79 bopd for the quarter. Bounty expects to increase production going forward with four wells awaiting connection - two at Watson North, Wallis 1 drilled last year and Tennaperra 9 completed during the September quarter.

Bounty expects to commence oil production from the Alton area, Surat Basin, SE Queensland in 2020.

Bounty's unaudited petroleum revenue, production and sales for the quarter ended 31 December 2019 are summarised below.

Revenue:

Q2	1 October to 31 December 2019	\$
ATP 1189P ⁽²⁾	Bounty Share (2% Interest) - Oil	861,856
	Total Revenue ⁽¹⁾	861,856

(1) GST exclusive

(2) Naccowlah Block

Production:

Q2	1 October to 31 December 2019	Unit
ATP 1189P	Bounty Share (2% Interest) bbls	7,100
	Total Production bbls	7,100

Sales:

Q2	1 October to 31 December 2019	Unit
ATP 1189P	Bounty Share (2% Interest) bbls	8,300
	Total Sales bbls	8,300

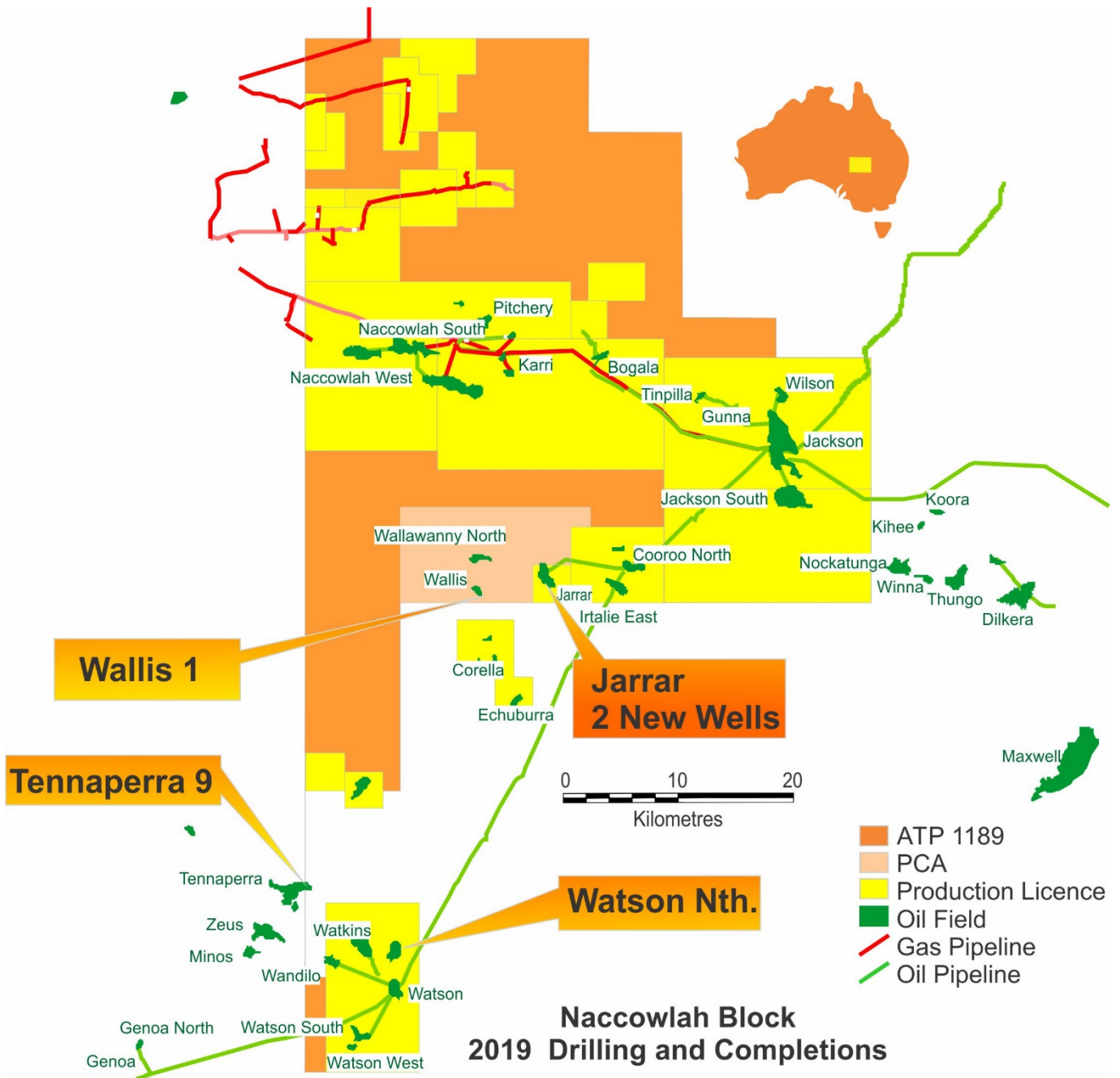
Oil Business – Production and Development:**SW Queensland****ATP 1189P Naccowlah Block and Associated PL's - Bounty 2%**

Location: Surrounding Jackson, Naccowlah and Watson Oilfields

Four wells are awaiting connection – Tennaperra 9 drilled in early September 2019, Watson North 2 and 3 drilled in 2019 and Wallis 1 drilled in 2018.

Background

The Naccowlah Block comprises 2,556 km² approximately 40% of which is covered by ATP 1189 (N) and the remainder in 25 petroleum production leases (PL's) and a Potential Commercial Area application around Wallis 1.



Activities during the Quarter

The operator undertook well optimisation work and planning for the 2020 drilling campaign.

Significant Activities Next Quarter

Two additional wells at Jarrar Field are proposed following up on the success of Jarrar 4 and 5. One will be a development well between Jarrar 4 and 5 and the other an appraisal well. A further 7 wells in Naccowlah Block are being planned for 2020 to continue to maintain production and reserves.

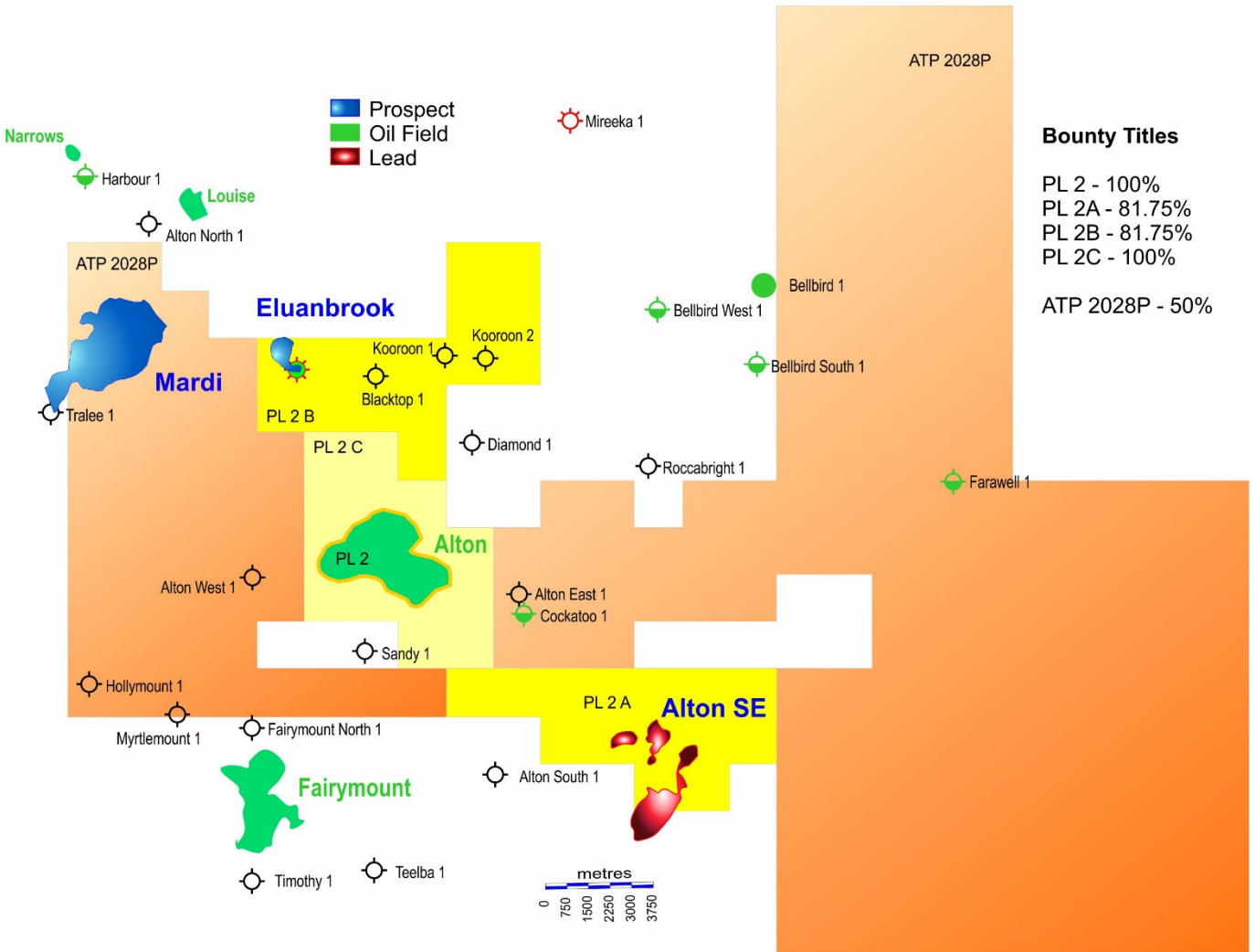
Reserves increased in the financial year to 30 June 2019.

Oil Business – Development:

Southern Surat Basin Onshore Queensland

PL 2 and PL 2C Alton Oilfield Bounty - 100%; PL 2A/B Kooroon Joint Venture – Bounty 81.75%; ATP 754P – Bounty 50%.

Location: 70 km northeast of St. George, SE Queensland.



Bounty’s estimates of its oil reserves and resources in the Southern Surat Basin are:-

Category	bbls
Development reserves – Alton Field	167,000
Exploration – Mardi Prospect (ATP 754P)	210,000 – 400,000
Delineation – Eluanbrook Prospect Updip	186,000 - 200,000
Total	563,000 - 600,000

Bounty’s oil resources in the Southern Surat Basin are light oils (high API) derived from Permian coals (Cooper Basin equivalent).

Background

A summary of the Southern Surat Basin interests is set out above. Alton has had historical production of over 2 million barrels from the early Jurassic age Evergreen Formation.

PL 2 2020 Development Operations

Bounty now owns the elements of a significant oil production project in and around Alton and holds:

- 100% of the Alton Oilfield and PL 2 Alton.
- Development reserves: 167,000 bbls of recoverable oil in the early Jurassic age Basal Evergreen sand reservoir included with a potential 1.136 million bbls of 2P reserves located in the three sands of the Boxvale/Evergreen members.
- Production facilities at Alton Oilfield.
- Surrounding exploration acreage where there is considerable potential for further reserve additions with undrilled locations and attic oil in the Evergreen Formation and possibly extensive oil in the Lower Showgrounds Formation which has been proven as a high productivity sand in the area.

PL 2 Alton has very significant potential upside from four undrilled locations. Alton is 440 km west of Brisbane and oil will be transported and sold into the Brisbane Refinery.

Activities during the Quarter and Next Quarter

Bounty continued to progress compliance documentation as a prelude to preparation for work over of 2-3 wells and plans to commence production at Alton in 2020 while it generates a full field development plan. This will be followed by an up-dip appraisal well at Eluanbrook in the northwest section of PL 2.

Initial gross revenue of \$1,250,000 p.a. from 45 bopd out of the Evergreen Formation is anticipated followed by development with potential recoverable oil of 167,000 bbls.

Surat Delineation/Exploration

Further Programmes

PL 2 and ATP 2028P

To date Bounty has identified two oil prospects – Mardi (in ATP 2028P formerly ATP 754P) and Eluanbrook Up dip (PL 2B) in the oil fairway which have potential recoverable resources of between 200,000 and 400,000 barrels and upside of over 2 MMbo.

After commencement of oil production at Alton Field Bounty will pursue the drilling and development of these targets.

Summary

As operator of PL 2 and holding half of ATP 2028P Bounty sees potential for oil projects in the Southern Surat area to deliver 200 - 300 bopd (\$6 million pa gross revenue) once the work overs and drilling operations outlined above have been completed.

Exploration:

Nappamerri Trough Eromanga Basin, NE South Australia – Bounty 23.28% in section above the Permian

Location: 50 Km northeast of Moomba, South Australia.

There was no material joint venture activity in the quarter.

Rough Range Project Onshore Carnarvon Basin – WA

L 16 – Bounty 100%

Location: Exmouth Gulf – WA

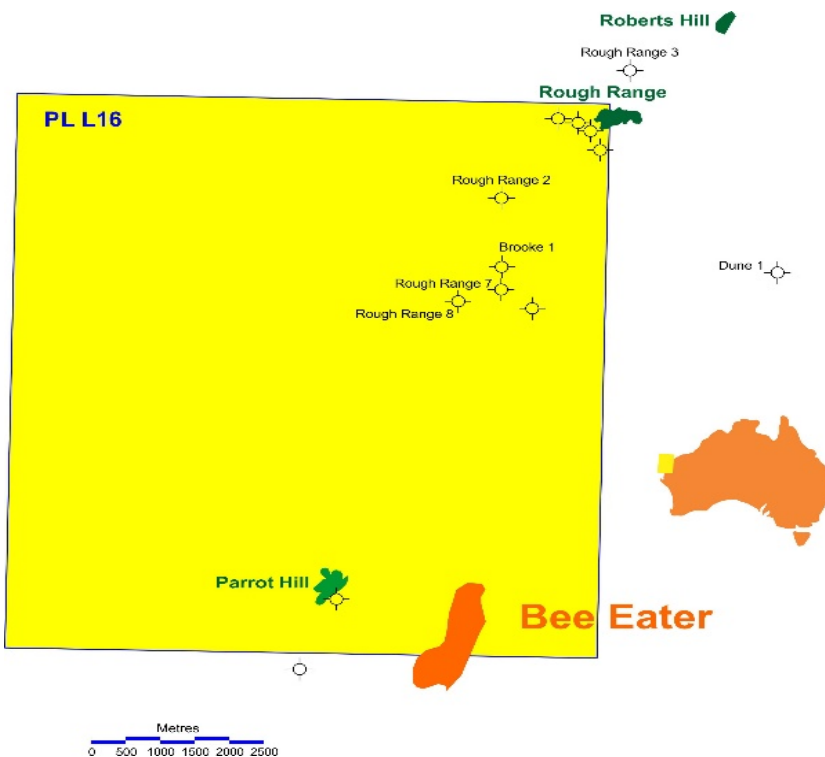
Background

Rough Range 1 was the first oilfield ever discovered in Australia, this was followed up by two other discoveries: Roberts Hill 1 and Parrott Hill 1. The principal undrilled prospect is the 3 million bbl potential Bee Eater prospect in the southern section of L 16.

Activities during the Quarter and next Quarter

Bounty is re-mapping regional seismic data sets and the geological database attempting to image the principal structures in the region. This is challenging due to poor surface statics. The targets are relatively shallow at around 1100 metre depth to target.

Seismic re-processing for L16 is planned for 2020.



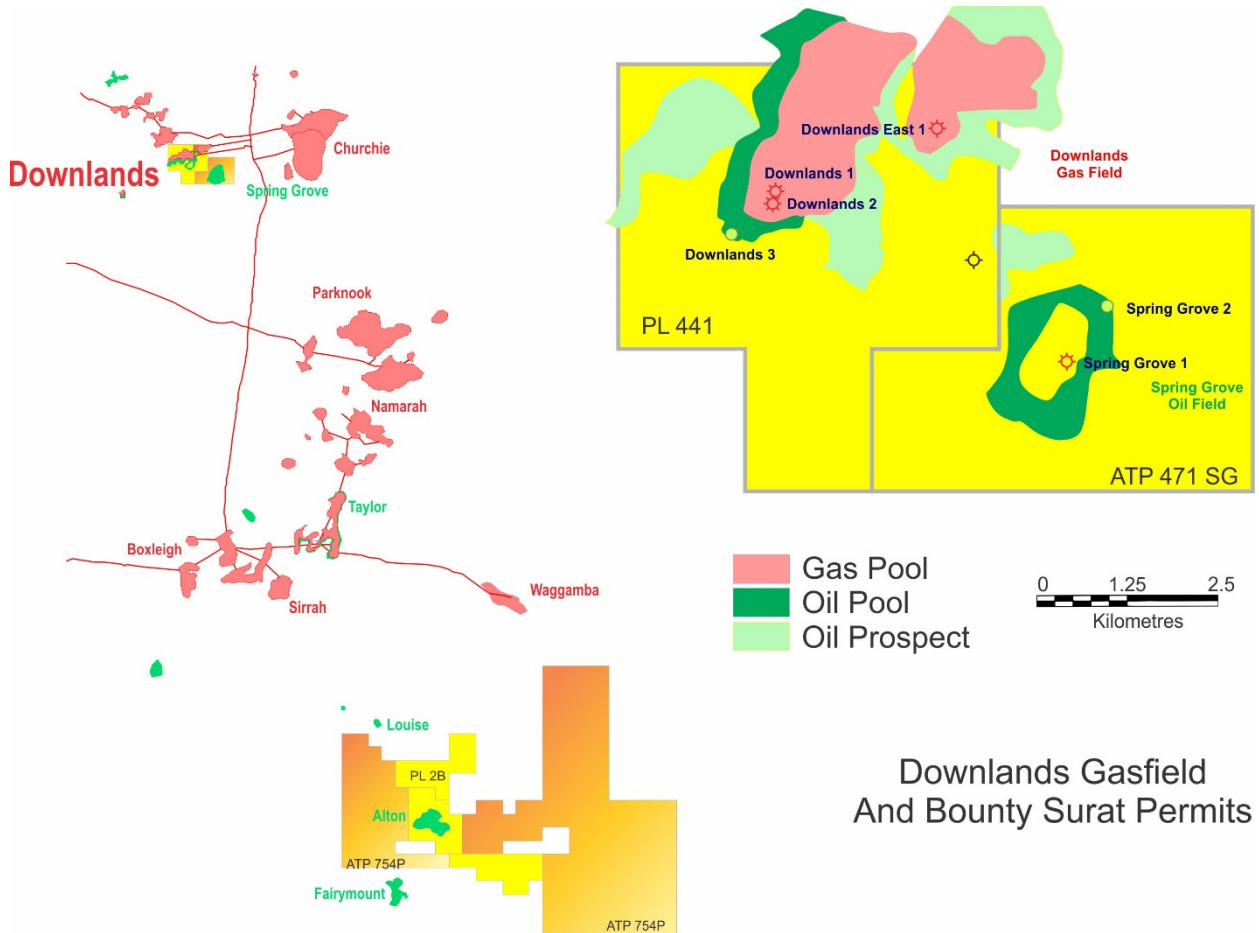
Gas/Condensate Business (incl. associated Oil development)

Production:

Downlands PL 441; PPL 58 (Bounty 100%) and PCA 159(ex ATP 1190) (Spring Grove) Bounty 24.748%

Surat Basin, Queensland –

Location: 2km north of the town of Surat



Downlands Gasfield
And Bounty Surat Permits

Activities during the Quarter

Downlands

Bounty is conducting negotiations to produce gas for sale to be delivered through its 100% owned Downlands gas compression plant and pipeline and into the SE Queensland market.

Bounty continued a full facilities and environmental review of the project. Bounty will later appraise the Downlands 3 oil discovery.

PCA 159 (ex ATP 1190) (Spring Grove JV)

This oil discovery adjoins PL 441 to the southeast and the Potential Commercial Area application over the Spring Grove oil discovery awaits DNRME approval.

Gas Growth Projects:

PEP 11 - Offshore Sydney Basin, New South Wales – Bounty 15%

Activities during the Quarter

The operator Asset Energy Pty Limited and Bounty undertook a 2D seismic survey in PEP 11 in March 2018 and the permit is in good standing. Control of the operator reverted to interests associated with Mr David Breeze in mid-2019.

Bounty and Asset have since co-operated to advance to a drill test of the previously well-defined Baleen Prospect in 2020.

The 2018; 200-line km 2D seismic survey was undertaken in the area of the Baleen prospect and with AVO analysis of that seismic data the Baleen target area has been further refined. Current planning is that the proposed well will be drilled in that Baleen target area located approximately 30 km south east of Newcastle.

During the quarter the PEP11 Joint Venture reviewed the work program and resolved to proceed with the drilling of a well in the Baleen area subject to approvals from NOPTA and other regulatory authorities and financing. The operator and Bounty have now made application to NOPTA to change the current Permit conditions to proceed with the drilling of an exploration well in lieu of a 500 square km 3D Seismic Survey.

As a result with major gas supply issues developing in eastern Australia Bounty and the operator are now moving PEP 11 to a drill ready status. The current permit expiry date is in March 2021. The application to NOPTA includes the extension of the permit title for up to two years to enable the drilling of an exploration well. Subject to approval there will be no requirement to undertake the 500 sq. km 3D seismic program.

The PEP11 project lies in the offshore Sydney Basin adjacent to the NSW coast, extending from Sydney to Newcastle and situated in Commonwealth waters. In addition to Baleen the PEP 11 project has significant structural targets with potential for multi TCF natural gas resources.

PEP 11 covers 4,576 sq. km immediately adjacent to the largest gas market in Australia and is a high impact exploration project. PEP 11 remains one of the most significant untested gas plays in Australia. The PEP 11 JV has demonstrated considerable gas generation and migration in the offshore Sydney Basin, with the previously observed mapped prospects and leads being highly prospective for gas. In 2010 it drilled New Seaclem 1 and demonstrated capacity to drill in this permit.

The JV is planning aimed at advancing Baleen to a drill test in late 2020.

Oil Growth Projects:

AC/P 32 – Offshore Vulcan Sub-basin, Ashmore and Cartier Territory - Bounty 100%

Activities during the Quarter

Efforts at farmout of the well commitment in AC/P 32 continued over several years without success and Bounty relinquished AC/P 32 during the quarter.

Corporate

Current Assets (unaudited) – 31 December 2019

At the end of the quarter cash, net receivables and held for sale investments were around \$ 1.7 million.

Bounty is seeking payment for gas sales revenue from the operator of the Kiliwani North joint venture.

Appendix 5B is attached.

Bounty's schedule of permits: See table on Bounty's website: www.bountyoil.com

For further information, please contact:

Philip F Kelso
 Chief Executive Officer
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 Email: corporate@bountyoil.com

Website: www.bountyoil.com

ABBREVIATIONS

AVO:	Amplitude versus offset analysis of seismic data
ATP:	Authority to Prospect for petroleum
BCF:	Billion cubic feet (of natural gas)
BBLS:	Barrels of oil
Bopd; boepd	barrels of oil per day; barrels of oil equivalent per day
DST	Drillstem test with a drill rig to test if hydrocarbons flow to the surface from a reservoir.
DNRME	Department of Natural Resources, Mines and Energy (Queensland)
EOR	Enhanced oil recovery
JOA	Joint operating agreement
JV	joint venture
MDRT	Measured Depth below drilling rig Rotary Table
MMbbls:	Million barrels of oil.
MMBOE:	Million barrels of oil equivalent.
MMcf/d	Millions of cubic feet per day of natural gas
Mscf	Thousand standard cubic feet of gas
NOPSEMA:	National Offshore Petroleum Safety and Environmental Management Authority
NOPTA	National Offshore Petroleum Titles Authority
PL:	Petroleum production lease
P_{mean}	The average (mean) probability of occurrence
P90	90% probability of occurrence
P10	10% probability of occurrence
PSA:	Production Sharing Agreement
TCF:	Trillion cubic feet (of natural gas)
Contingent Resources	Discovered resources, not yet fully commercial
Prospective Resources	Undiscovered resources

INFORMATION REQUIRED UNDER CHAPTER 5 OF ASX LISTING RULES

Estimates of oil volumes presented in this announcement are:

- Reported at the date of this release
- Determined as an estimate of recoverable resources in place unadjusted for risk
- Best Estimate Prospective Resources unless specified as 2C in which case they are Proved and Probable Contingent Resources
- Estimated using probabilistic methods unless indicated with an "*" in which case they are deterministic
- If specified as " boe" then they are converted from gas to oil equivalent at the rate of 182 bbls \equiv 1 million standard cu ft of gas
- Reported at 100% project equity unless specifically stated as net to Bounty

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

QUALIFIED PERSON'S STATEMENT

1. The petroleum Reserve and Resources estimates used in this report and;
2. The information in this report that relates to or refers to petroleum or hydrocarbon production, development and exploration;
3. Is based on information and reports prepared by, reviewed and/or compiled by the CEO of Bounty, Mr Philip F Kelso. Mr Kelso is a Bachelor of Science (Geology) and has practised geology and petroleum geology for in excess of 45 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy.
4. Mr Kelso is a qualified person as defined in the ASX Listing Rules: Chapter 19 and consents to the reporting of that information in the form and context in which it appears.

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

BOUNTY OIL & GAS NL

ABN

82 090 625 353

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	768	1,882
1.2 Payments for		
(a) exploration & evaluation	(19)	(36)
(b) development	(39)	(133)
(c) production	(317)	(693)
(d) staff costs	(177)	(411)
(e) administration and corporate costs	(92)	(152)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – GST received/(paid)	(43)	(23)
1.9 Net cash from / (used in) operating activities	81	435

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	(21)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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	(13)	(13)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(13)	(34)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(19)	(19)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(19)	(19)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,166	814
4.2	Net cash from / (used in) operating activities (item 1.9 above)	81	435
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13)	(34)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(19)	(19)
4.5	Effect of movement in exchange rates on cash held	(30)	(11)
4.6	Cash and cash equivalents at end of period	1,185	1,185

5. Reconciliation of cash and cash equivalents 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	1,020	1,101
5.2 Call deposits	165	65
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,185	1,166

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(94)
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	

Directors' fees and other fringe benefits are paid to related entities in accordance with service contracts.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	(317)
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	

Payments for Joint venture and development drilling operations under items 1.2 (a) to 1.2 (c) inclusive.

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

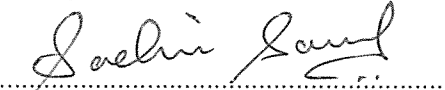
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(50)
9.2 Development	(50)
9.3 Production	(300)
9.4 Staff costs	(175)
9.5 Administration and corporate costs	(50)
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	(625)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	ACP 32 Timor Sea	Exploration Permit	100%	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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:  Date: 30 January 2020
(Company Secretary)

Print name: SACHIN SARAF

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.