



ASX/MEDIA RELEASE

30 April 2020

Quarterly Activities Report – End March 2020

▪ *Highlights*

- Bounty continues as successful junior oil producer with participation in onshore Australian oil drilling
- Cash and current assets at 31 March 2020 were \$1.54 million with nil debt
- Revenue from oil sales for first three quarters was \$2.6 million

▪ *Oil Development*

- Drilled 3 successful oil wells at Jarrar Field and one P&A well at Cooroo NW during the quarter
- Planning for tie-in of six successful 2019/20 oil appraisal wells
- A further 4 appraisal wells scheduled for Naccowlah Block in current campaign, at Cooroo and Cooroo NW Fields
- Further oil drilling in 2020 likely to be deferred in current oil price trough

▪ *Oil/Gas Exploration*

- Alton Petroleum Lease 2 in Surat Basin renewed
- Gas exploration in PEP 11, Offshore Sydney Basin is set to continue with the operator now planning well in lieu of 3D seismic survey

Oil Business - Production:

Bounty produces oil from the Naccowlah Block in SW Queensland.

Production continued at lower rates during the quarter. Wallis 1 came online this quarter leaving three wells from last year and the three successful wells drilled this quarter to be connected. Bounty oil production was lower during the quarter due to depletion but should improve later in 2020 as the 6 successful wells which were cased and suspended at the end of the period are completed and tied into the gathering system.

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

Bounty's unaudited petroleum revenue, production and sales for the quarter ended 31 March 2020 are summarised below.

Revenue:

| Q3 | 1 January to 31 March 2020 | \$ |
|--------------------------|-------------------------------------|----------------|
| ATP 1189P ⁽²⁾ | Bounty Share (2% Interest) - Oil | 594,000 |
| | Total Revenue ⁽¹⁾ | 594,000 |

(1) GST exclusive

(2) Naccowlah Block

Production:

| Q3 | 1 January to 31 March 2020 | Unit |
|-----------|-----------------------------------|--------------|
| ATP 1189P | Bounty Share (2% Interest) bbls | 5,568 |
| | Total Production bbls | 5,568 |

Sales:

| Q3 | 1 January to 31 March 2020 | Unit |
|-----------|-----------------------------------|--------------|
| ATP 1189P | Bounty Share (2% Interest) bbls | 6,576 |
| | Total Sales bbls | 6,576 |

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

Location: Surrounding Jackson, Naccowlah and Watson Oilfields

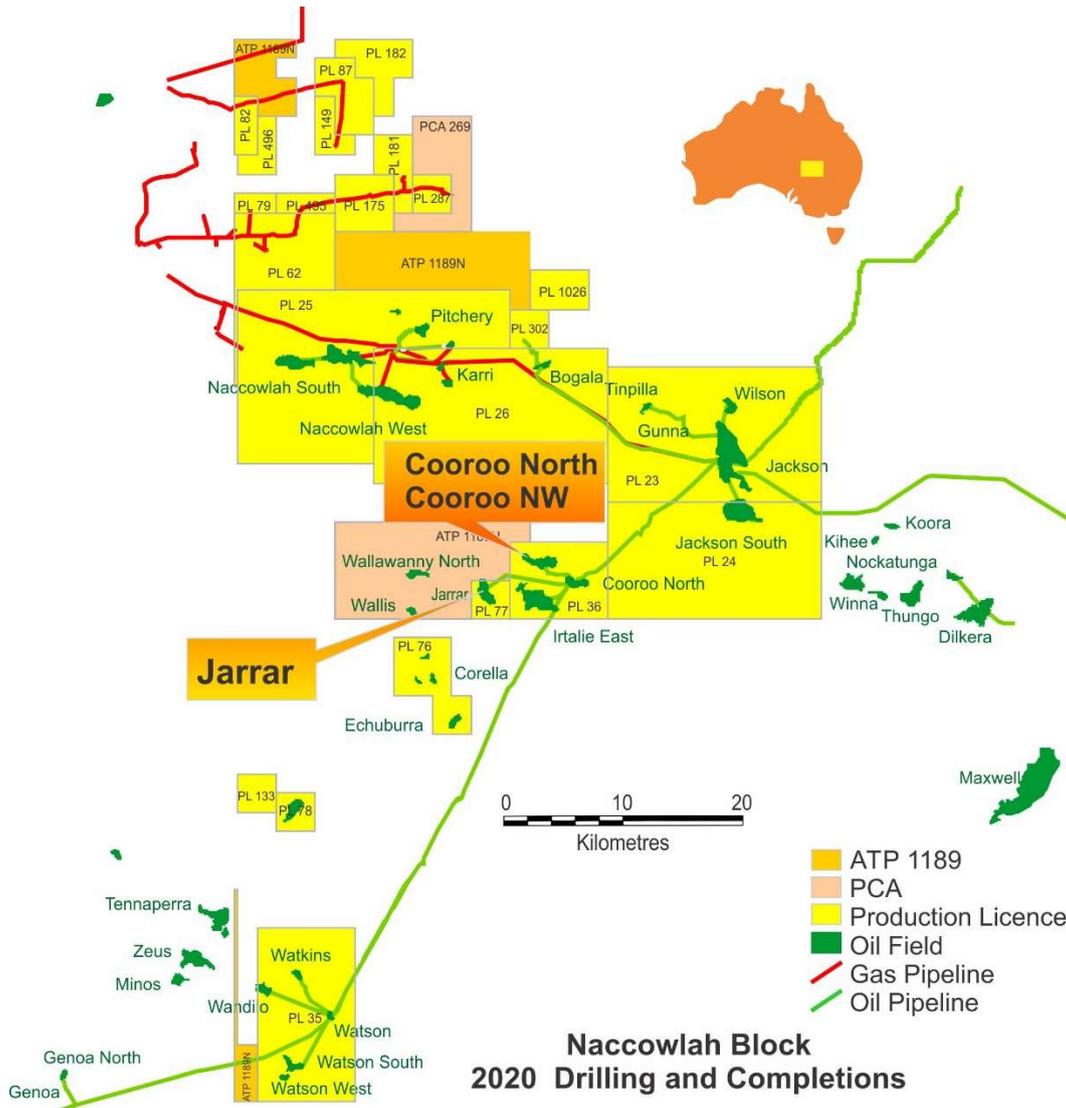
Six wells are awaiting connection – Tennaperra 9 drilled in early September 2019, Watson North 2 and 3 drilled in 2019 and Jarrar 6, 7 and 8 drilled and cased this quarter.

Background - Summary

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 PCA around the Wallis 1 discovery.

At the end of the period further appraisal drilling was continuing at Cooroo NW Field.

NACOWLAH BLOCK, COOPER BASIN, SW QUEENSLAND



Activities during the Quarter

Jarrar Oil Field

One development and two appraisal wells were drilled at Jarrar, all successful Birkhead Formation tests. The three wells were cased and are awaiting completion and tie in.

Cooroo North West Field

Cooroo NW4 was designed to test the outer extent of the Westbourne pool beyond the lowest known oil but was unsuccessful and had to be plugged and abandoned. Cooroo NW 3, commenced drilling at the end of the quarter,

was a successful Westbourne and Birkhead Formation test, and was suspended as future producer from both horizons after the period.

Significant Activities Next Quarter

Three additional wells at Cooroo NW and Cooroo are to be drilled early in the June quarter.

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 and 440 km west of Brisbane, SE Queensland.

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.



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).

PL 2 Development Operations

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

- 100% of the Alton Oilfield and Petroleum Lease 2.
- 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.

Activities during the Quarter and Next Quarter

PL 2 has now been renewed. During the quarter Bounty digitised and commenced review of the historic well, production and reservoir data from Alton back to its discovery by Union Oil in 1964. Detailed understanding of this reservoir data is a low cost way to unlock significant potential upside from four undrilled locations at Alton Field.

During the quarter a very significant oil price decline occurred however Bounty is proceeding with minimal expenditure, with its plans for work over of 2-3 wells and re-commencement of production at Alton when prices recover. It will then generate a full field development plan aimed at producing 167,000 bbls of potential recoverable oil of from the Evergreen Formation.

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 there is a material oil price recovery.

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

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 L 16 is planned for later in 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: 2 km north of the town of Surat

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%

Background

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 operator Asset Energy Pty Limited and Bounty undertook a 200km 2D seismic survey in PEP 11 in March 2018 and the permit is in good standing. That survey was undertaken in the area of the Baleen prospect and with AVO analysis of the new seismic data the Baleen target area has been further refined. The Baleen target area is located approximately 30 km south east of Newcastle.

In late 2019 the PEP 11 Joint Venture reviewed the work program and resolved to proceed with the drilling of an exploration well in the Baleen area subject to approvals from NOPTA and other regulatory authorities and financing.

In addition to Baleen the PEP 11 project has significant structural targets with potential for multi TCF natural gas resources.

Activities during the Quarter

In late 2019 the operator and Bounty 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 and to extend the Permit term until March 2023 to enable that drilling. That application was pending at the end of the quarter and the PEP 11 Joint Venture including Bounty anticipate that application will be approved in the coming quarter. Subject to approval there will be no requirement to undertake the 500 sq. km 3D seismic program.

As a result with major gas supply issues developing in eastern Australia Bounty and the operator are well placed to move PEP 11 to a drill ready status.

Oil Growth Projects:

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

Activities during the Quarter

Bounty relinquished AC/P 32 during the quarter.

Corporate

Current Assets (unaudited) – 31 March 2020

At the end of the quarter cash, net receivables and held for sale investments were around \$ 1.54 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:

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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 |
| MMbbbls: | 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 |
| PCA | Potential Commercial Area application Queensland |
| 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 March 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 649 | 2531 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (4) | (40) |
| (b) development | (151) | (284) |
| (c) production | (322) | (1015) |
| (d) staff costs | (156) | (567) |
| (e) administration and corporate costs | (51) | (203) |
| 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) | 6 | (17) |
| 1.9 Net cash from / (used in) operating activities | (29) | 406 |

| | | |
|--|---|------|
| 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 (9 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 | (14) | (27) |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Other (provide details if material) | - | - |
| 2.6 Net cash from / (used in) investing activities | (14) | (48) |

| | | |
|---|----------|-------------|
| 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) |
| 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) |

| | | |
|---|--------------|--------------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 1,185 | 814 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (29) | 406 |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (14) | (48) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | - | (19) |
| 4.5 Effect of movement in exchange rates on cash held | 79 | 68 |
| 4.6 Cash and cash equivalents at end of period | 1,221 | 1,221 |

| 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 | 1,056 | 1,020 |
| 5.2 Call deposits | 165 | 165 |
| 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) | 1,221 | 1,185 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

| Current quarter \$A'000 |
|----------------------------|
| (121) |
| - |

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

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

| Current quarter \$A'000 |
|----------------------------|
| (383) |
| (14) |

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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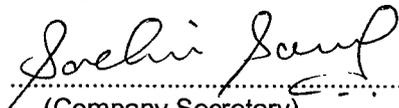
| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|--------------|
| 9.1 Exploration and evaluation | (20) |
| 9.2 Development | (50) |
| 9.3 Production | (300) |
| 9.4 Staff costs | (120) |
| 9.5 Administration and corporate costs | (40) |
| 9.6 Other (provide details if material) | |
| 9.7 Total estimated cash outflows | (530) |

| 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 | | | - | - |
| 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:


.....
(Company Secretary)

Date: 30 April 2020

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.

