



## ASX/MEDIA RELEASE

29 July 2021

### Quarterly Activities Report – End June 2021

#### ▪ *Highlights*

- Bounty completes 2020/2021 Australian oil drilling campaign with 7 successful oil wells with 5 of the new wells on line.
- Bounty ended June 2021 in a strong position with cash and current assets at 30 June 2021 of \$1.8 million with nil debt
- Unaudited revenue from oil sales for full year ended 30 June 2021 was \$1.47 million

#### ▪ *Oil Development – Naccowlah Block*

- Naccowlah Block oil delineation and development drilling will be late 2021 focus
- Operator has identified 12 additional development and NFE (near field exploration) targets with 3D seismic
- 2021: Planning for 5 new appraisal and NFE oil wells advancing

#### ▪ *Oil/Gas Exploration*

- Gas exploration: PEP 11 joint venture supporting national gas strategy by actively advancing plans to drill, Offshore Sydney Basin
- PEP 11 permit in good standing as Bounty and the operator continue preparations to drill the Baleen Gas Prospect including booking a semi-submersible drill rig for the program
- Preparations for oil production continuing at Alton area in Surat Basin

**Oil Business - Production:**

Bounty produces oil from the Naccowlah Block in SW Queensland.

Production during the quarter was 43 bopd. Average realised oil price for the quarter was AUD 77.5/bbl.

Bounty expects to commence oil production from the Alton area, Surat Basin, SE Queensland in late 2021.

Bounty's unaudited petroleum revenue production and sales for full-year and for the quarter ended 30 June 2021 are summarised below.

**Revenue:**

		\$
<b>Q1:Q4</b>	<b>Full Year to 30 June 2021</b>	<b>1.47 million</b>
<b>Q4</b>	<b>1 April to June 30 2021</b>	
ATP 1189P <sup>(2)</sup>	Bounty Share (2% Interest) - Oil	\$422,500
	<b>Total Revenue <sup>(1)</sup></b>	<b>\$422,500</b>

(1) GST exclusive (2) Naccowlah Block

**Production:**

		Bbls/Unit
<b>Q1:Q4</b>	<b>Full Year to 30 June 2021</b>	<b>18,585</b>
<b>Q4</b>	<b>1 April to June 30 2021</b>	
ATP 1189P	Bounty Share (2% Interest) bbls	3,911
	<b>Total Production bbls</b>	<b>3,911</b>

**Sales:**

		Bbls/Unit
<b>Q1:Q4</b>	<b>Full Year to 30 June 2021</b>	<b>21,407</b>
<b>Q4</b>	<b>1 April to June 30 2021</b>	
ATP 1189P	Bounty Share (2% Interest) bbls	5,385
	<b>Total Sales bbls</b>	<b>5,385</b>

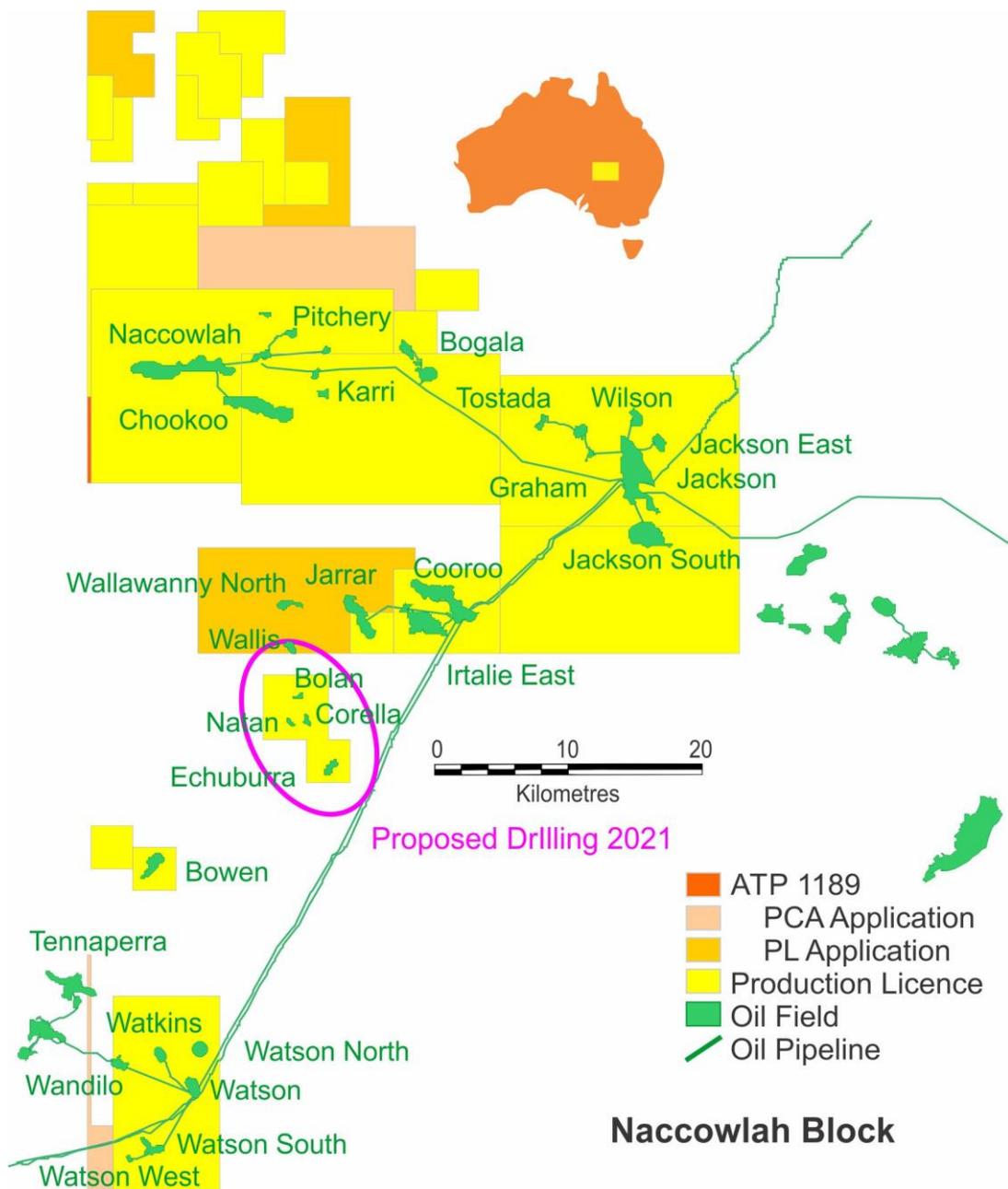
**Oil Business – Production and Development:****SW Queensland****ATP 1189P Naccowlah Block and Associated PL's - Bounty 2%**

**Location:** Surrounding Jackson, Naccowlah and Watson Oilfields

**Background - Summary**

The Naccowlah Block comprises 1,804.5 km<sup>2</sup> approximately 6% of which is covered by ATP 1189 (N) and Potential Commercial Area (PCA) application and the remainder in 23 petroleum production leases (PL's) and 3 PL applications.

**NACCOWLAH BLOCK, COOPER BASIN, SW QUEENSLAND**



**Naccowlah Block**

**Activities during the Quarter**

Four wells are awaiting further studies prior to connection – Tennaperra 9, Watson North 2 and 3 drilled in 2019 and Cooroo NW 3 drilled and cased in the June 2020 quarter.

**Significant Activities Next Quarter / 2021**

Five wells, three appraisal and 2 NFE wells, are being planned for 2021. These wells will appraise the same Birkhead zone reservoir as the previous wells but further along trend in the Natan-Bolan-Corella area (see map above). The Watson-Watkins area in the south of the Block is the next area in which further development and appraisal drilling targets will be focussed.

The operator is also preparing to build additional pipelines in the greater Cooroo/Natan-Bolan-Corella area of Naccowlah Block to transport additional developed oil from the recent successful drilling campaigns.

**Oil Business – Development:**

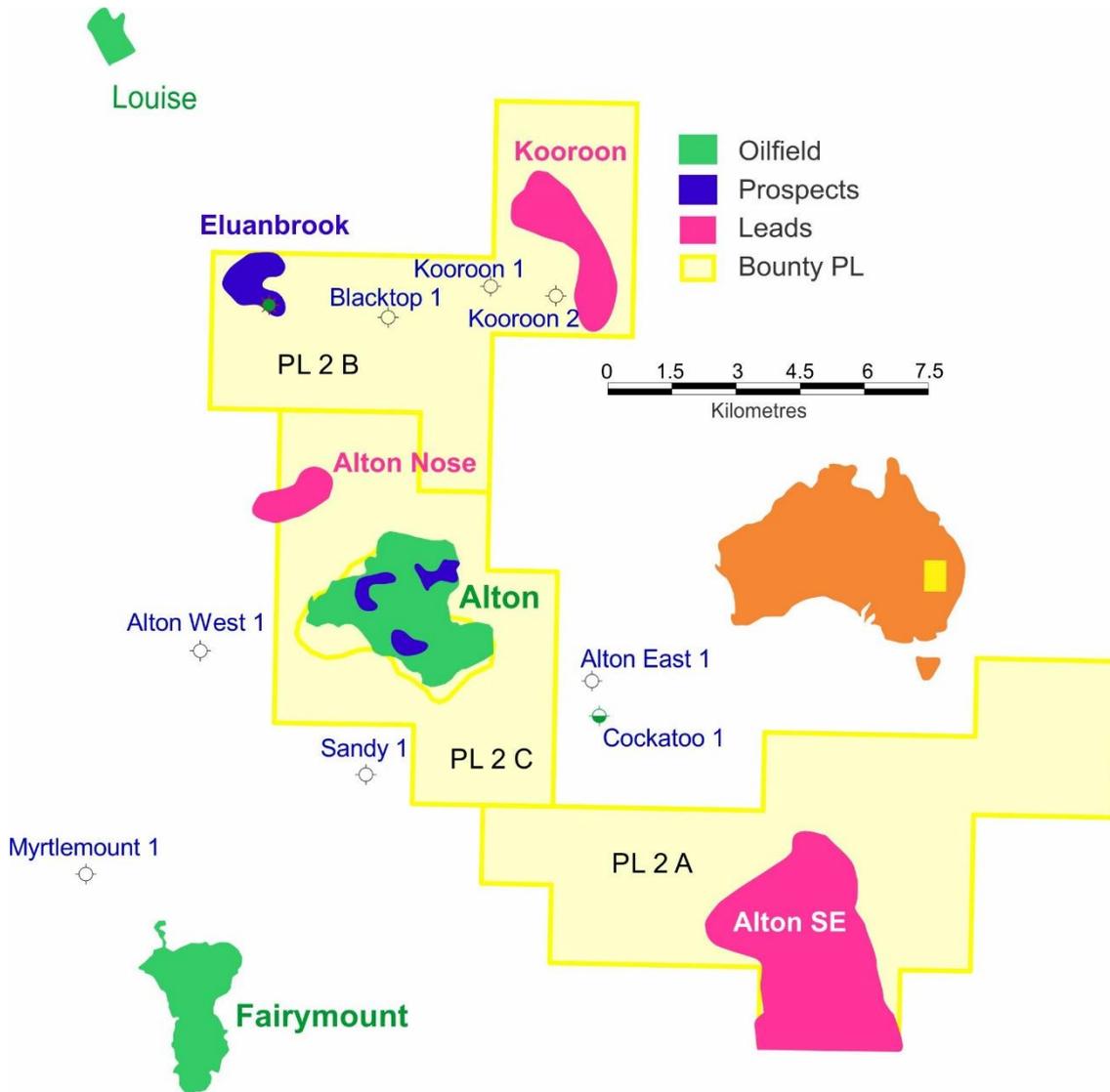
**Southern Surat Basin Onshore Queensland**

**PL 2 Alton Oilfield Bounty - 100%;**

**Location:** 70 km northeast of St. George and 440 km west of Brisbane, SE Queensland.

**Background**

The location of Bounty group Southern Surat Basin interests is shown below. Alton has had historical production of over 2 million barrels from the early Jurassic age Evergreen Formation.



Bounty’s oil resources in the Southern Surat Basin are light oils (high API) derived from Permian coals (Cooper Basin equivalent) and offer 360,000 bbl 2C recoverable oil in proven pools for development.

**Activities during the Quarter and Next Quarter**

Bounty focused on data digitisation, compliance and development planning for 2021 oil production.

The oil prices improved during the quarter and Bounty is proceeding with expenditure and plans to re-commence oil production at Alton.

## 2021 Plans

Bounty is actively planning to work over 2-3 wells at Alton in 2021 and commence oil production while it generates a full field development plan aimed at producing 167,000 bbls of potential recoverable oil of from the Evergreen Formation. Further development will include drilling an up-dip appraisal well at Eluanbrook in the northwest section of PL 2 B and up to 3 attic oil locations within Block 2 C - the Alton Pool. Initial production of 100 bopd is expected from the Evergreen Formation and then moving to develop attic oil.

### Surat Delineation/Exploration

Applications for PCA's covering ATP 2028 were declined and Bounty will focus near term exploration on development of PL 2 Alton while reviewing new exploration activities in the areas adjacent to PL 2.

### 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 analysing 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 early 2021 with a potential drill test contingent on seismic imaging.

### **Gas/Condensate Business (incl. associated Oil development)**

#### **Downlands PL 441; PPL 58 (Bounty 100%) and PCA 159 (Spring Grove) Bounty 24.748%**

##### **Surat Basin, Queensland**

**Location:** 2 km north of the town of Surat

##### **Activities during the Quarter**

##### **Downlands**

During the quarter Bounty continued to refine a development plan to produce sales gas 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.

##### **PCA 159 (Spring Grove JV)**

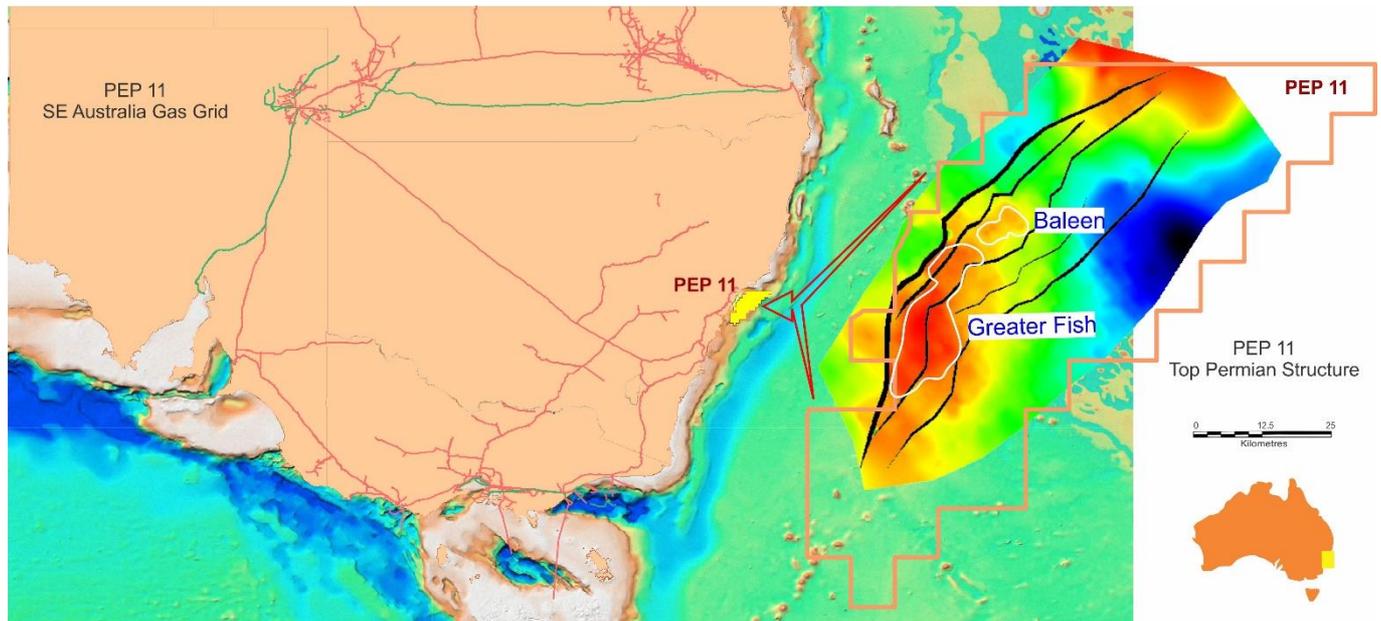
This oil discovery adjoins PL 441 to the southeast and the Potential Commercial Area application over the Spring Grove oil discovery awaits DNRME approval.

## 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 (see Location below). 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.



A 200km 2D seismic survey was completed in March 2018 in the area of the Baleen prospect and with AVO analysis further refined the Baleen target located 30 km southeast of Newcastle.

Joint Venture focus now is a drill test of Baleen where AVO (Amplitude versus Offset) analysis has defined an anomaly in the prospective Early to Mid-Permian sequence. The marine sands of the sequence are the targets especially further seawards where the sands can be expected to have good reservoir characteristics.

#### Activities during the Quarter – Baleen Drill Test

##### *Preliminary*

As outlined in detail in the previous Quarterly Reports the operator, Advent Energy Ltd (Advent), has submitted to NOPTA an application to enable the drilling of the Baleen Prospect in PEP 11 and to change the current Permit conditions to this effect. The permit is in good standing and continues during this review period. The Permit is also suspended under the Federal Government’s COVID-19 - Work Bid Exploration Permits arrangements.

The joint venture proposes also to use drilling program at Baleen to investigate CCS - Carbon Capture and Storage (geo-sequestration of CO<sub>2</sub> emissions) - opportunities in PEP 11. Up to 34% of the total national emissions are from this part of east Australia and independent Government research has indicated at least 2 TCF (Trillion Cubic Ft) of CO<sub>2</sub> storage may be feasible in the offshore Sydney Basin.

Advent has been actively preparing for the drilling programme by securing the services of well management and environmental services to design the well programme and carry out environmental impact assessments of the proposed operations. A Proposal to assess the possibilities of geosequestration of CO<sub>2</sub> in the Sydney Basin are also being considered.

### ***Baleen 1 Well Preparations***

On 8 March 2021 the operator appointed a Drilling Manager under a Preliminary Well Services Agreement with Add Energy relating to the preparation for drilling of the Baleen 1 well to undertake a phased approach to provide technical support in the following areas: -

- Review of current well design documentation
- Develop a suitable well design and cost estimates
- Develop drilling schedule and define a ready to drill tentative window

The scope of work included review of existing data and latest geological prognoses for the well, documentation of the subsurface well design envelope and compilation of a preliminary well design, project costs and schedule to complete the Baleen 1 well. Add Energy delivered its report during the Quarter including Basis of Well Design (BOWD) and rationale for design of the well, the well cost compilation and the project schedule.

Advent subsequently appointed Xodus under a lump sum contract to prepare the Environmental Plan for first submission to NOPSEMA. Xodus's appointment was based on their high quality of engagement, willingness to provide a staged lump sum proposal, and recent experience with NOPSEMA requirements.

The operator followed this report with:

1. Issue of a call for tender for the provision of subsea wellhead equipment, materials and associated services for the Baleen drilling program.
2. A call for tender for the provision of drilling rig services to multiple drilling contractors who have semi-submersible drilling units in the Australasian region.

### **Payments to Related Parties during the quarter**

\$17,000 was paid to an entity related to the CEO towards office rent and \$25,600 was paid to directors as remuneration.

Loans of \$58,700 (net) were repaid by entities related to the CEO and directors.

### **Current Assets (unaudited) – 30 June 2021**

At the end of the quarter cash, receivables and held for sale investments were around \$ 1.8 million.

Appendix 5B is attached.

Bounty's schedule of permits: See table on Bounty's website: [www.bountyoil.com](http://www.bountyoil.com)

For further information, please contact:

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Website: [www.bountyoil.com](http://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	Drill stem 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
P&A	Petroleum well plugged and abandoned
PCA	Potential Commercial Area application Queensland
PL:	Petroleum production lease
$P_{\text{mean}}$	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 or oil and gas exploration entity quarterly cash flow report

Name of entity

BOUNTY OIL &amp; GAS NL

ABN

82 090 625 353

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date ( 12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	224	1,205
1.2 Payments for		
(a) exploration & evaluation	-	(42)
(b) development	(15)	(116)
(c) production	(259)	(1,216)
(d) staff costs	(105)	(376)
(e) administration and corporate costs	(94)	(426)
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 Government grants and tax incentives	5	70
1.8 Other (provide details if material)	10	(20)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(234)</b>	<b>(920)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date ( 12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	59	(115)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>59</b>	<b>(115)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	1430
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(35)
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 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,395</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,575	1,097
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(234)	(920)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	59	(115)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	1,395

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	11	(46)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,411</b>	<b>1,411</b>

<b>5.</b>	<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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,345	1,409
5.2	Call deposits	66	166
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,411</b>	<b>1,575</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(42)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
n/a		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(234)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(234)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,411
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	<b>1,411</b>
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>6</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### 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.

Date: .....29/07/2021.....

Authorised by: .... "By the Board" .....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.