BOUNTY OIL & GAS NL

(ABN 82 090 625 353)

INTERIM FINANCIAL REPORT

Interim Financial Report for the half-year ended 31 December 2023
(Including Directors' Report and Financial Report)

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DIRECTOR'S REPORT

For the Half Year Ended 31 December 2023

The directors of Bounty Oil & Gas NL ("Bounty" or "the company") submit the interim financial report of Bounty and its subsidiaries ("the Group") for the half year ended 31 December 2023. The attached Bounty Interim Financial Report forms part of this report. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follow:

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

Graham Charles Reveleigh	*(Non-Executive Chairman)*
Charles Ross	*(Non-Executive Director)*
Sachin Saraf	*(Executive Director) (appointed 19 September 2022)*

Mr. G Reveleigh was re-elected as a director of the company at the Annual General Meeting on 29 November 2023.

Review of Operations

For Bounty's schedule of permits, interests and acreages (see Bounty's 2023 Annual Report and Bounty's website: www.bountyoil.com).

1. Highlights

Group Petroleum Sales

- Petroleum revenue for the half year to 31 December 2023 was $0.84 million on sales of 6,143 barrels of crude oil.
- Petroleum revenue for the 12 month calendar year to 31 December 2023 was: $1.50 million.

Oil development

- Bounty expects to maintain its oil production volumes from Naccowlah Block; SW Queensland in 2024 and with strong A$ oil prices revenue will be stable. Oil appraisal drilling continued in 2023 with new discoveries in the Watkins North 1 and Watkins North 2 (Bounty 10% interest) Wells which were cased and prepared for production. Further appraisal/development wells are programmed for 2024/2025. Naccowlah drilling is expected to maintain Block oil reserves.
- Bounty is preparing to resume oil production at Alton (PL 2) in the Surat Basin, Queensland now there is some clarity on crude oil marketing. Higher oil prices around A$134/bbl are expected to continue and this will upgrade Bounty's oil resources at Alton.

Oil/Gas exploration

- Petroleum Exploration Permit 11 (PEP 11) Offshore Sydney Basin: At the end of the period Bounty maintained its 15% interest in PEP 11 and continuation of the title was re-confirmed by order of the Federal Court of Australia in February 2023. The National Offshore Petroleum Titles Administrator ("NOPTA") is still considering a fresh decision on applications by the JV to extend PEP 11 and a decision is anticipated in the next 3 months.

- Cerberus Project; Carnarvon Basin, West Australia: In 2021 Bounty entered a farmin agreement with Coastal Oil and Gas Pty Ltd. (Coastal) to earn a 25% interest in the Cerberus Project a 600 mmbbl potential oil exploration project, in four offshore permits within Carnarvon Basin, West Australia and is waiting for funding progress by the operator.

- There were no exploration impairments during the period.

2. Overview

The principal activity of the group during the 6 months to 31 December 2023 was oil production and oil and gas exploration and development. Bounty's secondary activity is investment in listed securities. No significant change in the nature of these activities occurred during the financial half year.

During the period the economic entity made a net loss after tax of $653,000 (HY: 31 December 2022 loss: $198,000) (rounded off to nearest thousand).

The operating loss for the half-year was determined after taking into account the following material items (rounded off to nearest thousand):

- Petroleum revenue of $837,000
- Direct petroleum operating expenses of $491,000
- All other general administration expenses and employee benefits of $477,000
- Group net loss before non-cash items of $111,000
- Non cash amortisation, depreciation and rehabilitation provision of $544,000.

Revenue from oil production operations for the period was $837,000 (December 2022 HY: $1,106,000).

Petroleum revenue for 12 month calendar year to 31 December 2023 was: $1.50 million.

In the half year to 31 December 2023 Bounty invested total capital expenditure of $991,000.

Details of exploration and development operations and cash flows for the half year ended 31 December 2023 have been reported by the company to the Australian Securities Exchange in the Quarterly Activity Reports and Appendix 5B for each of the quarters ended 30 September and 31 December 2023 and in additional announcements on particular items.

3. Production Operations - ATP 1189P Naccowlah Block and Associated PL's; SW Queensland.

Half year revenue from petroleum production was $ 837,000 down 24% on the previous half year (HY: December 2022: $ 1,106,000). Revenue was derived from crude oil produced from Bounty's production joint venture interest in the Naccowlah Block Petroleum Leases.

Oil Production

Revenue for the period was accrued from production of 6,198 bbls of crude oil and sales of 6,143 bbls.

At the end of the period Bounty's oil production averaged 34 bopd.

Gas Production

There was no gas production in the period.

Production Facilities

During the period Bounty participated in installing pipelines and other production infrastructure in Naccowlah Block to lift oil from the 2023 discoveries at Watkins North and to move produced oil to the transportation system.

Production optimisation continued and contributes significantly to maintaining production. The pace of further development drilling is reviewed in the light of oil price movements.

4. Oil Development Drilling Operations

Any drilling or production optimisation / well workover expenses have been classified under production operations. During the period, Bounty also expended $81,000 (December 2022 HY: $77,000) on other development operations.

Bounty had one (1) well from prior period drilling awaiting tie-in and all other cased oil discovery wells from 2023 were close to tie in or on production in the period from July 2023 to the end of the reporting period.

At the end of 2023 the Block operator; Santos Limited; was evaluating proposals for development and appraisal wells at several locations in the Block as well as installing new production infrastructure.

During the period Bounty held 100% of the Alton Block JV (including the Alton Oilfield) Surat Basin, SE Queensland and an 81.75% interest in the surrounding PL 2 Alton Kooroon JV Blocks A and B. It held other development permits in the Surat Basin and is undertaking reservoir studies and well integrity system work as a prelude to commencing oil production from the Alton area in the 2024 period.

5. Exploration and Evaluation Operations

During the period, Bounty expended $58,000 on exploration and evaluation in connection with its other wholly owned and joint venture interests located in Queensland, New South Wales and Western Australia, both onshore and offshore.

Major Growth Projects

Cerberus Project Offshore Carnarvon Basin WA – Bounty right to earn 25% with options to earn up to 50%

Location: 70 km. East of Barrow Island WA

Titles: EP 475, 490 and 491, TP 27 totalling 3,759 km2 - Bounty right to earn 25% - 50% (Cerberus Permits)

Background:

On 7 October 2021 Bounty entered a farmin agreement with Coastal Oil and Gas Pty Ltd (Coastal) to earn a 25% interest in the Cerberus Permits. The project is right in the heart of Australia's most active oil production area and offers a large number of prospects and leads, many drill ready, with prospective resources of over 600 million barrels.

Bounty has contributed $600,000 to the farmin joint account and has completed its initial expenditure. It may earn a 25% interest in the Cerberus Permits by paying a further A$5.5 million towards the cost of drilling 3 wells and retains an option to earn an additional tranche of 25% by pro rata contributions to the well costs or finding farmin partners. The project is targeting oil in a lower Triassic source rock and reservoir sequence at the base of the Locker Shale, in lookalikes to the highly successful Dorado Project (2C reserves of 344 MMboe) being developed by Santos Limited and Carnarvon Petroleum Ltd in the

Browse Basin to the northeast. The parties are also reinterpreting data to assess deeper Permian gas potential (see below).

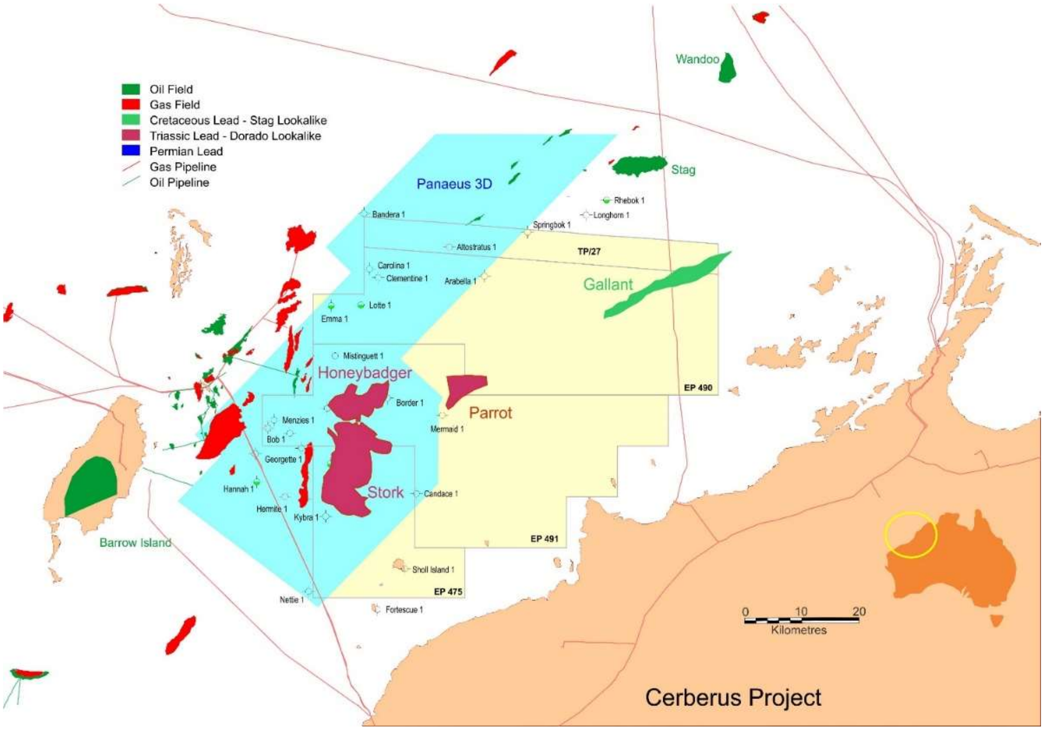

Figure 1

During the year ended 2023 Bounty assisted in obtaining an extension of the permit term and suspensions of the current work programs for EP 475 which was approved by the West Australia state regulator on 13 July 2023; contingent on a firm drill commencement by May 2024.

- The Farmin Agreement (FIA) with Coastal continues and both the FIA and notice of option exercise have been registered by Bounty against the key Cerberus Permits.
- Bounty continued minor expenditure on this project during the period.
- Seismic interpretation on the re-processed 3D seismic data demonstrated deeper gas potential in the Permian age sequences.
- Potential funding options for drilling were explored.

Cerberus Activities - 2024

Drill timing is dependent on progress by the operator to obtain drill funding. Until that point Bounty will monitor progress

PEP 11 Offshore Sydney Basin – Bounty 15%

PEP 11 is a 4576 square km gas exploration permit covering the northern section of the offshore Sydney Basin.

It is 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.

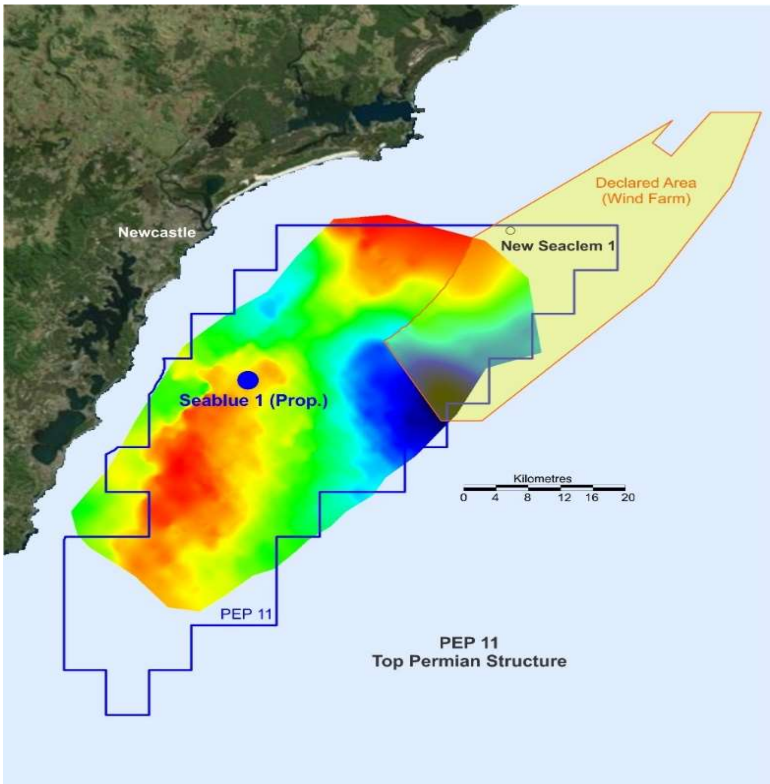

Figure 2

In December 2021 the Federal Government announced that PEP 11 would not be extended.

In March 2022 the Commonwealth - New South Wales Offshore Petroleum Joint Authority (Joint Authority) gave formal notice of that decision and refused Bounty's and Asset Energy's Applications for a variation and suspension of the conditions to which PEP 11 is subject. The Joint Authority also declined a related application for extension of the PEP 11 term.

Asset Energy as the PEP 11 Joint Venture operator commenced proceedings in the Federal Court of Australia (Proceedings) (WAD106/2022) ("the Federal Court") challenging the refusals.

On 14 February 2023 the Federal Court ordered:

- The decision of the Joint Authority to reject Asset Energy's applications is set aside;
- The decision of the Joint Authority must now be remade according to law; and
- Asset Energy is entitled to its reasonable costs.

The Applications then reverted to NOPTA for re-consideration. To assist NOPTA in such re-consideration Asset Energy and Bounty continued to progress the Applications for the variation and suspension of the work program conditions and related extension of PEP 11. In the half-year to 31 December 2023 Bounty and Asset Energy filed additional material with NOPTA in support of the Applications including a commitment to drill an exploration well for gas most likely the proposed Seablue 1 well on the Baleen Prospect subject to extension of PEP 11.

Work continued separately in securing a rig and contractors in preparation for the drilling of the Seablue 1 well.

On 14 July 2023; the Hon Chris Bowen, Minister for Climate Change and Energy, gazetted/designated an area off the Hunter Region of NSW as suitable for offshore wind energy development. Part of that area overlaps PEP 11 (see Figure 2). The joint venture considers that any wind energy project which may be developed in the Declared Area will not have any material impact on the gas prospective areas in PEP 11.

The Renewal / Extension applications are pending.

During the half-year to 31 December 2023 the registered holders including Bounty continued to comply with the PEP 11 conditions and it remained current. At the end of the period decisions on the Applications for extension were still pending. The joint venture anticipates those decisions shortly. The above conditions continue to indicate a material uncertainty that may affect the ability of Bounty to realise the carrying value of $0.86 million for its interest in the PEP 11 exploration permit in the ordinary course of business – see Note 2e Estimates in the notes to the Financial Statements comprising the Interim Report.

Corporate – Current Assets

As at 31 December 2023 Bounty had current assets of $1.55 million including $ 0.95 million cash and no debt. At 31 December 2023 the value of Bounty's listed investments on a mark-to-market basis was $15,000.

Equity Issues and Share Options

During the half year there were no new issue of ordinary shares or options to subscribe for ordinary shares by the Company or any other entity comprising the consolidated entity. No ordinary shares of the company were issued pursuant to exercise of options during the half year ending 31 December 2023.

On 16 January 2024, the Company issued 128 million ordinary shares with 1 free attaching listed option (ASX code: BUYO) via a share placement at $0.009 (0.9 cent) to raise $ 1.152 million before issue expenses. The shares were allotted pursuant to the Company's placement capacity under ASX listing rule 7.1 and 7.1A. A further 10 million listed options were issued to the Broker involved in the Placement.

The Issue Price of $0.009 a share represented an 18.2% discount to the last trading price of $0.011; and a 14.2% discount to the 15-day VWAP of $0.0105.

Contingent Assets and Contingent Liabilities

During the reporting period, the Group agreed to acquire a 100% controlling interest in Ranger Energy Pty Ltd (a personally related entity of the CEO) for a cash purchase consideration of $260,000. When The acquisition will expand the Group's oil development interests in Surat basin, Queensland by the addition of PL46 Fairymount oil field comprising proved oil reserves/resources and production tangibles for treatment and storage of oil produced from both PL 2 Alton and PL46 Fairymount. Completion of the acquisition agreement was pending at the end of the reporting period.
Except for this matter as at the date this report, there were no contingent assets or liabilities, other than those exploration commitments set out in Note 12 of the Financial Statements.

There was no litigation involving Bounty Oil & Gas NL during the half-year or subsequently.

Events Occurring After The Reporting Period

As noted above under note Equity Issues and Share Options, on 16th January 2024 the Company raised $1.152 million before issue expenses via a Share Placement.

No other matters or circumstances have arisen since the end of the half year ended 31 December 2023 that in the opinion of the directors has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the review for the half year ended 31 December 2023 is attached.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of *Corporations Act 2001*.

On behalf of the Directors

Graham Reveleigh
Chairman

Dated: 15 March 2024

For further details of the activities of the Group, see the Bounty Oil & Gas N.L. website www.bountyoil.com.

For abbreviations and technical terms see the last page of the Interim Financial Report.

G. C. C. Business & Assurance Pty Ltd

ABN 61 105 044 862

GPO Box 4566 Sydney NSW 2001
Telephone: (02) 9231 6166
Facsimile: (02) 9231 6155
Email: gmga@gccbusiness.com.au

Suite 807, 109 Pitt Street, Sydney

AUDITOR'S INDEPENDENCE DECLARATION

BOUNTY OIL & GAS NL AND CONTROLLED ENTITIES
ABN 82 090 625 353

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001.

In accordance with s 307C of the Corporations Act 2001, we are pleased to provide the following declaration of independence to the directors of Bounty Oil & Gas N.L. As the auditors for the review of Bounty Oil & Gas N.L and controlled entities for the year ended 31 December 2023, we declare that, to the best of our knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

GCC Business + Assurance Pty Ltd

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GCC Business and Assurance Pty Limited
Graeme Green FCA
Director
(Authorised Audit Company No. 307963)

Dated: 25 February, 2024.

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2023

		Half-year ended	
		31-Dec-23	31-Dec-22
	Notes	**$**	$
Revenue	4	**837,261**	1,106,079
Net Investment income	4	**22,511**	(11,367)
Other income	4	**2,423**	1,192
Direct petroleum operating expenses		**(491,537)**	(510,230)
Changes in inventories		**(20,571)**	(13,589)
Employee benefits and contractor expense		**(236,815)**	(377,532)
Depreciation expense		**(64,048)**	(51,584)
Amortisation of oil producing assets		**(103,297)**	(120,307)
Occupancy expense		**(91,962)**	(80,358)
Corporate activity costs		**(83,171)**	(78,409)
Rehabilitation expense		**(376,618)**	(4,700)
Foreign exchange gain/(loss)		**(2,720)**	8,408
General legal and professional costs		**(27,120)**	(47,722)
Other expenses		**(17,133)**	(18,243)
Loss before Tax		**(652,797)**	(198,362)
Income tax expense		**-**	-
Loss for the period from continuing operations		**(652,797)**	(198,362)
Loss for the period		**(652,797)**	(198,362)
Other comprehensive income for the year, net of income tax		**-**	-
Total comprehensive loss for the period		**(652,797)**	(198,362)
Total comprehensive loss attributable to owners of the parent		**(652,797)**	(198,362)
Earnings per share			
Basic (cents per share)		**(0.05)**	(0.01)
Diluted (cents per share)		**(0.05)**	(0.01)

The consolidated statement of profit and loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position
for the half-year ended 31 December 2023

	Notes	31-Dec-23 $	30-Jun-23 $
Assets			
Current assets			
Cash and cash equivalents		**947,718**	1,237,761
Trade and other receivables		**565,595**	155,567
Inventories		**23,064**	43,636
Other current financial assets	5	**15,585**	68,484
Total current assets		**1,551,962**	1,505,448
Non-current assets			
Other receivables		**60,850**	60,850
Exploration and evaluation assets	6	**2,501,848**	2,173,261
Production and development assets	6	**4,234,826**	3,721,980
Property, plant and equipment	7	**1,086,008**	1,087,122
Total non-current assets		**7,883,532**	7,043,213
Total assets		**9,435,494**	8,548,661
Liabilities			
Current liabilities			
Trade and other payables		**2,720,803**	1,526,508
Provisions		**150,395**	126,706
Total current liabilities		**2,871,198**	1,653,214
Non-current liabilities			
Provisions		**1,589,103**	1,267,457
Total non-current liabilities		**1,589,103**	1,267,457
Total liabilities		**4,460,301**	2,920,671
Net assets		**4,975,193**	5,627,990
Equity			
Issued capital	8	**47,426,757**	47,426,757
Reserves		**201,600**	201,600
Retained losses		**(42,653,164)**	(42,000,367)
Equity attributable to owners of the parent		**4,975,193**	5,627,990
Total equity		**4,975,193**	5,627,990

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
for the half-year ended 31 December 2023

	Note	Ordinary share capital $	Option reserve $	Accumulated losses $	Total $
Balance at 1 July 2022		47,426,757	201,600	(39,089,178)	8,539,179
Loss for the period		-	-	(198,362)	(198,362)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(198,362)	(198,362)
Shares issued during the period	8	-	-	-	-
Share issue transaction costs		-	-	-	-
Balance at 31 December 2022		**47,426,757**	**201,600**	**(39,287,540)**	**8,340,817**
Balance at 1 July 2023		47,426,757	201,600	(42,000,367)	5,627,990
Loss for the period		-	-	(652,797)	(652,797)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(652,797)	(652,797)
Shares issued during the period	8	-	-	-	-
Share issue transaction costs		-	-	-	-
Balance at 31 December 2023		**47,426,757**	**201,600**	**(42,653,164)**	**4,975,193**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the half-year ended 31 December 2023

	Half-year ended	
	31-Dec-23	**31-Dec-22**
	$	**$**
Cash flows from operating activities		
Receipts from petroleum operations	745,778	1,087,988
Payments to suppliers and employees	(501,521)	(1,444,536)
Interest and dividend received	2,423	804
Net cash used in operating activities	246,680	(355,744)
Cash flows from investing activities		
Payments for exploration and evaluation assets	(78,363)	(181,824)
Payments for oil production & development assets	(291,309)	(285,255)
Payments for property plant and equipment	-	(3,796)
Payments for acquisition of a controlled entity	(250,000)	-
Proceeds from sale of available-for-sale financial assets	85,410	-
Net cash used in investing activities	(534,262)	(470,875)
Net decrease in cash and cash equivalents	**(287,582)**	**(826,619)**
Cash and cash equivalents at the beginning of the period	1,237,761	3,162,884
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,461)	(12,376)
Cash and cash equivalents at the end of the period	**947,718**	**2,323,889**

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements for the half-year ended 31 December 2023

1. Corporate information

The financial report of Bounty Oil and Gas NL and its controlled entities ("the Group") for the Half-Year ended 31 December 2023 was authorised for the issue in accordance with a resolution of the Directors.

Bounty Oil & Gas N.L. is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

2. Summary of significant accounting policies

The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The interim financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report. It is also recommended that this report be considered together with any public announcements made by the Group during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The interim financial report were authorised for issue on 15 March 2024.

a. Basis of preparation and accounting policies

The interim financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by the Group during the interim reporting period, in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies adopted in this interim financial report are the same as those policies applied in the 2023 Annual Report, except for the adoption of new standards and interpretations as of 1 July 2023, noted below:

New accounting standards and interpretations:

The Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2023.

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 2023 Annual Report as a consequence of these amendments.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2023. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business.

New accounting standards for application in subsequent period:

There are amendments and revisions to accounting standards that have not been early adopted, however these changes are not expected to result in any material changes to the Group's financial performance or financial position.

b. Basis of consolidation

The interim financial statements comprise the financial statements of Bounty Oil and Gas N.L. and its controlled entities ("the Group").

c. Interests in joint operations

The Group is involved in joint operations. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;

Notes to the consolidated financial statements for the half-year ended 31 December 2023

c. Interests in joint operations (continued)

- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

d. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the full year financial report as at and for the year ended 30 June 2023.

e. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation of uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

During the half-year to 31 December 2023 and at the end of the period the registered holders of Petroleum Exploration Permit (PEP 11) including Bounty were awaiting the regulators decisions on their Applications for extension of PEP 11 and they were still pending. The joint venture anticipates those decisions shortly. The above conditions continue to indicate a material uncertainty that may affect the ability of Bounty to realise the carrying value of $868,000 for its 15% interest in PEP 11 in the ordinary course of business. Further details are contained in the Directors Report herewith.

f. Going concern basis

The directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors' cash flow forecasts project that the group will continue to be able to meet its liabilities and obligations (including those exploration commitments (disclosed in Note 12) as and when they fall due for a period of at least 12 months from the date of signing of this financial report. The cash flow forecasts are dependent upon the generation of sufficient cash flows from operating activities to meet working capital requirements; contemplating issue of equity by the Group; the ability of the Group to manage discretionary exploration and evaluation expenditure on non-core assets via farmout or disposal of certain interests and or a reduction in its future work programmes. The directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are satisfied as to the ability of the Group to implement the above.

g. Fair value measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets and liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards.

AASB 13 requires the disclosure of fair value information by the level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that a significant input to the measurement can be categorised into as follows:

- level 1: Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
-level 2: Measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Notes to the consolidated financial statements for the half-year ended 31 December 2023

g. Fair value measurement (continued)

-level 3: Measurements based on unobservable inputs for the asset or liability.

The carrying values of financial assets and liabilities recorded in the financial statements approximates their respective fair values, determined in accordance with the accounting policies described above and adjusted for capitalised transaction costs, if any.

h. Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and,
- at least one of the following conditions is also met:

i) the exploration and evaluation expenditures are expected to be recouped through successful exploration, development and commercial exploitation of the area of interest, or alternatively, by its sale; or,
ii) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable petroleum reserves or resources and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, geophysical surveys, studies, exploratory drilling, sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then re-classified to development.

i. Production and development assets

The group follows the full cost method of accounting for production and development assets whereby all costs, less any incentives related to the acquisition, exploration and development of oil and gas reserves are capitalised. These costs include land acquisition costs, geological and geophysical expenses, the costs of drilling both productive and non productive wells, non producing lease rentals and directly related general and administrative expenses. Proceeds received from the disposal of properties are normally credited against accumulated costs.

When a significant portion of the properties is sold, a gain or loss is recorded and reflected in profit or loss.

With respect to production assets, depletion of production and development assets and amortisation of production facilities and equipment are calculated using the unit of production method based on estimated proven oil and gas reserves. For the purposes of depletion calculation proved oil and gas reserves before royalties are converted to a common unit measure.

The estimated costs for developing proved underdeveloped reserves, future decommissioning and abandonments, net of estimated salvage values, are provided for on the unit of production method included in the provision for depletion and amortisation.

In applying the full cost method of accounting, the capitalised costs less accumulated depletion are restricted from exceeding an amount equal to the estimated discounted future net revenues, based on year end prices and costs, less the aggregate estimate future operating and capital costs derived from proven and probable reserves.

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the field on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit of production calculations are dealt with on a prospective basis.

Notes to the consolidated financial statements for the half-year ended 31 December 2023

3. Operating segment information

Identification of reportable segments

Information reported to the Chief Operating Decision Maker, being the CEO, for the purposes of resource allocation and assessment of the performance is more specifically focused on the category of business units. The Group's reportable segments under AASB 8 Operating Segments are therefore as follows:

Core Petroleum Segment - Oil and gas exploration, development and production
Secondary Segment - Investment in listed shares and securities.

Segment revenue and results	**Segment revenue**		**Segment profit/(loss)**	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
Core oil & gas segment	**$**	$	**$**	$
Production projects	**837,261**	1,106,079	**173,210**	426,682
Development projects	**-**	-		
Exploration projects	**-**	-	**(14,000)**	(14,000)
Secondary segment				
Listed securities (unrealised/realised gains and losses)	**22,511**	(11,367)	**22,511**	(11,367)
Total from continuing operations	**859,772**	1,094,712	**181,721**	401,315
Other revenue			**(297)**	9,600
Central admin costs and directors remuneration			**(834,221)**	(609,277)
Loss before tax			**(652,797)**	(198,362)

Revenue reported above represents revenue/income generated from external sources. There were no intersegment sales during the period (2022: nil).

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 1. Segment profit/(loss) in this Note represents the profit/(loss) earned by each segment without allocation of central administration costs and directors remuneration, other investment revenue such as interest earned, finance costs and income tax expense.

Information about major customers

Included in the revenue arising from direct sales of petroleum of $824,000 (2022: $1,093,000) is revenue of approximately $549,000 (2022: $728,000) which arose from sales to the Group's largest customer. Revenue from the Group's second largest customer was approximately $275,000 (2022: $365,00). No other single customer contributed 10% or more to the Groups revenue for both 2023 and 2022.

Other segment information	**Amortisation, depreciation & depletion**		**Additions to non-current assets**	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
Core oil & gas segment	**$**	$	**$**	$
Production projects	**146,570**	150,878	**581,308**	307,740
Development projects	**-**	-	**81,110**	77,177
Exploration projects	**14,000**	14,000	**328,587**	58,439
Secondary segment	**-**	-	-	-
Other	**6,775**	7,013	**-**	3,796
Total	**167,345**	171,891	**991,005**	447,152

Notes to the consolidated financial statements for the half-year ended 31 December 2023

3. Segment information (continued)

	Impairment losses(expenses)		Exploration write off	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
Core oil & gas segment	**$**	$	**$**	$
Production projects	**-**	-	**-**	-
Development projects	**-**	-	**-**	-
Exploration projects	**-**	-	**-**	-
Secondary segment				
Total	**-**	-	**-**	-

	Segment assets		Segment liabilities	
	31-Dec-23	30-Jun-23	**31-Dec-23**	30-Jun-23
Core oil & gas segment	**$**	$	**$**	$
Production projects	**3,322,110**	2,928,300	**3,560,242**	2,160,223
Development projects	**2,077,429**	1,996,319	**-**	71,171
Exploration projects	**2,655,848**	2,173,261	**290,646**	38,836
Secondary segment				
Listed securities	**15,585**	68,484	**-**	-
Unallocated	**1,364,522**	1,382,297	**609,413**	650,441
Total	**9,435,494**	8,548,661	**4,460,301**	2,920,671

Geographical segment information

The following table details the group's geographical segment reporting of revenue and carrying amount of assets in each geographical region where operations are conducted.

	Revenue		Carrying amounts of non-current assets	
	31-Dec-23	31-Dec-22	**31-Dec-23**	30-Jun-23
	$	$	**$**	$
Australia	**862,195**	1,095,904	**7,883,532**	7,043,213
Total	**862,195**	1,095,904	**7,883,532**	7,043,213

4. Revenue and other income

	31-Dec-23	31-Dec-22
Sales revenue:	**$**	$
Oil and gas sales	**823,633**	1,092,779
Revenue from tariffs	**13,628**	13,300
Total sales revenue	**837,261**	1,106,079
Investment income:		
Investment income from financial assets at fair value through Profit and loss (held for trading listed shares)		
Net realised gain/(loss)	**24,014**	-
Net unrealised gain/(loss)	**(1,503)**	(11,367)
Total investment income	**22,511**	(11,367)
Other income:		
Interest and dividend received	**2,423**	1,192
Total other income	**2,423**	1,192
Total revenue	**862,195**	1,095,904

Notes to the consolidated financial statements for the half-year ended 31 December 2023

5. Other non current financial assets	Note	31-Dec-23	30-Jun-23
		$	$
Financial assets at fair value through profit and loss - shares in listed corporations		15,585	68,484
Total non current financial assets		**15,585**	68,484

6. Non current assets

(a) Production and development assets

SW Queensland			
Joint operation interest in ATP1189 Naccowlah Block – at cost	13	**4,326,187**	3,850,977
Less: Amortisation		**(2,845,036)**	(2,758,398)
East Queensland			
PL 441 Downlands – at cost		**4,760,437**	4,700,614
Less: Depletion and amortisation		**(2,518,608)**	(2,518,608)
Less: Impairment		**(2,082,006)**	(2,082,006)
Rehabilitation costs – all petroleum properties		**516,423**	533,082
All other development assets		**2,077,429**	1,996,319
Total production and development assets		**4,234,826**	3,721,980

(b) Exploration and evaluation assets

Exploration assets	**2,501,848**	2,173,261
Total exploration assets	**2,501,848**	2,173,261

7. Plant property and equipment

Opening balance	**1,087,122**	798,937
Expenditure incurred during the period	**62,934**	391,351
Less: Depreciation expense	**(64,048)**	(103,166)
Balance carried forward	**1,086,008**	1,087,122

8. Issued capital

(a) Share capital	**47,426,757**	47,426,757
(b) Movement in fully paid ordinary shares	**No. of Shares**	No. of Shares
Balance at beginning of period	**1,370,500,982**	1,370,500,982
Shares issued during the period	**-**	-
Balance at end of period	**1,370,500,982**	1,370,500,982
(c) Movement in listed options		
Balance at beginning of period	**290,565,681**	290,565,681
Options issued during the period	**-**	-
Lapsed during the period	**-**	-
Balance at end of period	**290,565,681**	290,565,681

9. Controlled entities

Set out below are the Group's controlled entities at 31 December 2023. The controlled entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each entity's country of incorporation or registration is also its principal place of business.

Name of entity	Country of Incorporation	Class of shares	Equity holding %	
			31-Dec-23	30-Jun-23
Ausam Resources Pty Ltd.	Australia	Ordinary	**100%**	100%
Interstate Energy Pty Ltd.	Australia	Ordinary	**100%**	100%
Rough Range Oil Pty Ltd.	Australia	Ordinary	**100%**	100%

Notes to the consolidated financial statements for the half-year ended 31 December 2023

10. Financial instruments

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described in note 2(f) above, and based on the lowest level input that is significant to the fair value measurement as a whole.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The financial assets and liabilities of the Group are recognised in the consolidated statement of financial position in accordance with the accounting policies set out in Note 2 of the 2023 Annual Report.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Trade and other receivables
The carrying value is a reasonable approximation of fair value due to the short-term nature of trade receivables.

Available for sale investments
The fair value of available for sale investments is determined by reference to their quoted market price on a prescribed equity stock exchange at the reporting date, and hence is a Level 1 fair value measurement.

Trade and other payables
The carrying value is a reasonable approximation of fair value due to the short-term nature of trade payables.

11. Impairment of oil and gas properties

During the half year impairments, if any, were made as follows:	**31-Dec-23**	31-Dec-22
	$	$
	-	-

In accordance with the Group's accounting policies and procedures, the Group performs its impairment testing at the end of each reporting period. A number of factors represented indicators of impairment. As at 31 December 2023, no impairment was deemed necessary. Further commentary on impairment is included in the Directors' Report.

Key assumptions used for current period:	**2023-2024**	**2026+**
Crude oil price (US$)	**$80.00**	$70.00
Average AUD:USD exchange rate	**$0.65**	$0.70
CPI (%)	**5.0%**	4.0%
Pre-tax discount rate (%)	**8.0%**	7.0%

12. Contingencies and commitments

During the reporting period, the Group agreed to acquire a 100% controlling interest in Ranger Energy Pty Ltd (a personally related entity of the CEO) for a cash purchase consideration of $260,000. The acquisition will expand the Group's oil development interests in Surat basin, Queensland by the addition of PL46 Fairymount oil field comprising proved oil reserves/resources and production tangibles for treatment and storage of oil produced from both PL 2 Alton and PL46 Fairymount. Completion of the acquisition agreement was pending at the end of the reporting period.
Except for this matter as at the date this report, there were no contingent assets or liabilities, other than those exploration commitments set out below.
In order to maintain current rights of tenure to its licences and permits, the company has certain obligations to perform work in accordance with the work programmes, as approved by the relevant statutory body, when the permits are granted. These work programs form the capital commitment which may be renegotiated, varied between permits, or reduced due to farm-out, sale, reduction of permit/licence area and/or relinquishment of non-prospective permits. Work in excess of the work programs may also be undertaken.

The following capital expenditure requirements have not been provided for in the accounts:

	31-Dec-23	30-Jun-23
Payable	**$**	$
Not longer than 1 year	**1,937,000**	1,488,000
Longer than 1 year and not longer than 5 years	**2,600,000**	3,720,000
	4,537,000	5,208,000

There are no lease commitments at the balance date, except short term office lease.

Notes to the consolidated financial statements for the half-year ended 31 December 2023

13. Interest in joint operations

Set out below are the joint arrangements of the Group as at 31 December 2023, which in the opinion of the directors are material to the Group:

Name of the joint arrangement	Principal activity	Measurement Method	Principal place of business	Ownership interest (%)	
				31-Dec-23	30-Jun-23
ATP 1189P Naccowlah block	Production	Proportionate	Adelaide, Australia	**2%**	2%
PEP11	Exploration	Proportionate	Perth, Australia	**15%**	15%

The company holds 2% interest in various Petroleum Leases and part of ATP 1189P, Queensland and associated oil production tangibles and pipelines referred to as the Naccowlah Block.

The accounting policies adopted for the group's joint operations are consistent with those of the previous financial year and corresponding interim reporting period.

14. Events occurring after the reporting period

On 16 January 2024, the Company issued 128 million ordinary shares with 1 free attaching listed option (ASX code: BUYO) via a share placement at $0.009 (0.9 cent) to raise $ 1.152 million before issue expenses. The shares were allotted pursuant to the Company's placement capacity under ASX listing rule 7.1 and 7.1A. A further 10 million listed options were issued to the Broker involved in the Placement.

The Issue Price of $0.009 a share represented an 18.2% discount to the last trading price of $0.011; and a 14.2% discount to the 15-day VWAP of $0.0105.

No other matters or circumstances have arisen since the end of the half year ended 31 December 2023 that in the opinion of the directors has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the Group's state of affairs in future financial years .

15. Company details

Bounty Oil & Gas NL's registered office and its principal place of business are as follows:

Registered Office
Level 7 283 George Street
Sydney, NSW 2000
Tel: (02) 9299 7200

Principal place of business
Level 7 283 George Street
Sydney, NSW 2000
Tel: (02) 9299 7200

Abbreviations

Bbl(s): barrel(s) of oil
mmbo/mmbl: million barrels of oil
Boe: barrels of oil equivalent
MMBOE: million barrels of oil equivalent
BCF: billions of cubic feet of natural gas
TCF: trillions of cubic feet of natural gas
MMcf/d: millions of cubic feet of natural gas (/d per day)
PL: Petroleum production lease
ATP: Authority to prospect for petroleum
Pmean: 50% probability of occurrence
P90: 90% probability of occurrence
P10: 10% probability of occurrence
OOIP/GIIP: Oil or Gas initially in place
Contingent Resources: discovered resources, not yet fully commercial
Prospective Resources: undiscovered resources
2D/3D: 2D seismic data creates a 2 dimensional cross section of data (either in time or depth) & 3D creates a 3 dimensional block of data
AVO: amplitude versus offset processing of seismic data to reveal possible hydrocarbons.
NOPTA: National Offshore Petroleum Title Authority

DIRECTORS' DECLARATION

The directors of Bounty Oil and Gas N.L. declare that:

a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001 and:
(i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
(ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Graham Reveleigh
Director

Dated: 15 March 2024

G. C. C. Business & Assurance Pty Ltd

ABN 61 105 044 862

GPO Box 4566 Sydney NSW 2001
Telephone: (02) 9231 6166
Facsimile: (02) 9231 6155
Email: gmga@gccbusiness.com.au

Suite 807, 109 Pitt Street, Sydney

BOUNTY OIL & GAS NL AND CONTROLLED ENTITIES
ABN 82 090 625 353

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bounty Oil & Gas NL (ASX code: BUY)

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Bounty Oil & Gas NL ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as of 31 December, 2023, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended: and

ii. complying with Accounting Standards AASB134 *Interim Financial Reporting* and the *Corporations Regulations, 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by *Corporations Act 2001*, which has been given to the directors of the Company, would be on the same terms if given to the directors as at the time of this auditor's review report.

G. C. C. Business & Assurance Pty Ltd

Emphasis of matter – Material uncertainty related to the carrying value of the interest in the PEP 11 exploration permit included in Exploration and Evaluation assets

We draw attention to Note 2(e) in the financial report, which indicates that a material uncertainty exists in relation in the Consolidated Entity's ability to realise the carrying value of the company's interest in the PEP 11 exploration permit in the ordinary course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations, 2001.*

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

GCC Business + Assurance Pty Ltd

GCC Business and Assurance Pty Ltd
Authorised Audit Company No. 307963

Graeme Green
Director

Dated: 15 March, 2024