



ASX/MEDIA RELEASE

5 September 2014

Kiliwani North Gas Project Update



36" pipeline segments Kiliwani North Project

Bounty Oil & Gas NL ("Bounty") updates progress on the commercialisation of its Kiliwani North Gas Project.

Aminex PLC ("Aminex") is the operator of Bounty's Tanzanian joint venture projects through their Tanzanian subsidiary Ndovu Resources Limited.

Commercial Background

The Tanzanian Petroleum Development Corporation ('TPDC') has financed and is constructing the main 36" south-north pipeline system (East Tanzania Gas Pipeline), the Songo-Songo 24" lateral and the Songo-Songo Gas Processing Plant. It will also construct the tie-in line from the Plant to the Kiliwani North Gas Field (see Figure 1 below).

First Kiliwani North commercial gas is due to be delivered into the new 36" regional pipeline system in early 2015. It will be Bounty's first commercial production in Africa. Initial production from the well is expected to be 20 million cubic feet per day (approximately 3,500 boepd).

TPDC is constructing the sales pipeline directly to Kiliwani North at its cost, allowing the joint venture to sell its production at the wellhead which will eliminate all capital expenditure exposure to infrastructure and greatly simplify the process of selling sales gas. Kiliwani North gas will be metered and sold directly to TPDC.

Kiliwani North will be only the third producing gas field in Tanzania's history and the first new one to come on stream for several years. This will be a material turning point for Bounty as it progresses from being an explorer into an East African producer.

Progress to Gas Sales

The Gas Sales Agreement ("GSA") with the TPDC has been largely negotiated, with no material issues remaining.

Resource Background

The East African coastal margin has become one of the world's hotspots for hydrocarbons over the last few years and the joint ventures position was established well before the current surge of interest and the deep water drilling successes. Bounty's original vision in securing an acreage position in this region some years ago, well ahead of the larger companies, and increasing its interest in the Kiliwani North Development Licence to 10% has proved to be correct. We have significant acreage across onshore, transition zone and deep water opportunities offering near-term commercialisation as reported in this release as well as the possibility of eventually supplying longer-term LNG projects. Bounty's task is to capitalise on the excellent acreage which we have secured. Commercialising the existing discovery at Kiliwani North in 2015 will be achieved well ahead of the larger, deep water ventures. The joint venture's drilling success rate has been good. The ingredients are all in place for Bounty to grow in this exciting region.

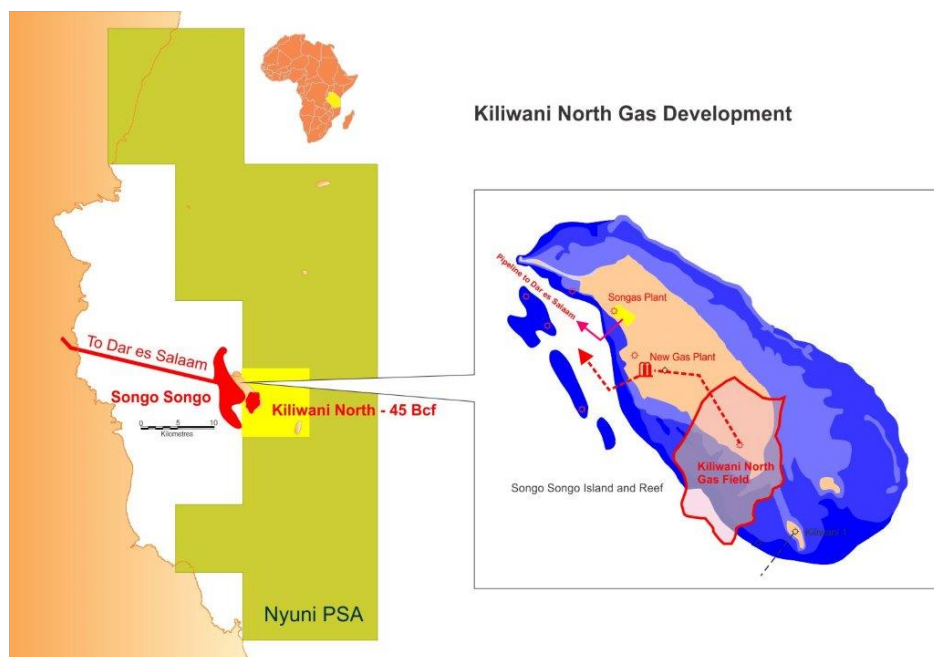


Figure 1 - Kiliwani North Development Location

Participants in the Kiliwani North Development Licence are:

Ndovu Resources Ltd. (Aminex)	65% (operator)
RAK Gas	25%
Bounty Oil & Gas NL	10%.

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[The information in this report that relates to or refers to petroleum or hydrocarbon production, development and exploration 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 30 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy. 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.]

ABBREVIATIONS

BBLS:	Barrels of oil
Boepd	barrels of oil equivalent per day