



## **ASX/MEDIA RELEASE**

20 November 2014

### **Chairman's Address – AGM 2014**

I welcome you to the 15<sup>th</sup> Annual General Meeting of Bounty Oil & Gas NL. This is the ninth AGM I have the pleasure of chairing, as Bounty has continued to build its business as a producer and explorer with a strong balance sheet and valuable petroleum acreage.

It is very gratifying indeed to advise you that the Company has passed the \$3 million mark for petroleum revenue earned in the 2014 financial year, the increase being derived largely from increased production in the Naccowlah block. The outlook for next year is even brighter, as income from the production of gas from the Kiliwani North well in Tanzania commences during the early part of next year.

Bounty receives its income from the sale of crude at the Tapis Oil Price. This price has plummeted during the last few months from US\$ 105.00 per barrel to the current price of US\$79.50 per barrel, a fall of approximately 25%. As is always the case, opinion is divided on the length of time this downturn will remain, or indeed, whether or not the price has bottomed. However, if the price remains at or below these levels, it will impact on the income for the year ahead. The world however continues to consume almost 90 million bbls of oil a day and prices will undoubtedly recover still with potential to go past recent peaks.

Work is nearing completion on the surface infrastructure required for us to commercialise our gas pool at Kiliwani North. The coastal trunk main and the 24" lateral to Songo Songo are complete, as is the gas plant at Songo Songo. Construction of the connecting pipeline between the well head and the gas plant is well advanced. The definitive milestone of the signing of the gas supply contract by the Tanzanian Government is anticipated shortly.

I now wish to announce the recent result of our ongoing endeavours to increase shareholder value by the acquisition of suitable projects. For some years now, Bounty has been a minority partner in certain tenements in the Rough Range area of the Carnarvon Basin in Western Australia, where the first commercial oil in Australia was discovered in the 1950s. The company has now signed an agreement with Empire Oil & Gas whereby Bounty acquires all Empire's interests in those tenements, including the oil pool and production facilities at Rough Range and the gas pool at Rivoli. These tenements will be a valuable addition to the company's portfolio, and may provide additional

revenue in the near future. In Southern Queensland, further appraisals wells and tie ins are planned for future growth of our existing oilfields.

Last year I announced at the AGM the preliminary results of the geological re-interpretation of the Azalea lead in AC/P32 in the Vulcan Sub-basin in the Timor Sea, which indicated a potential for 100 million barrels of oil recoverable. The completed study confirmed this volume, and good progress is being made with farming out an interest in the play, with several large international companies studying the data.

I wish to record the deep sorrow felt by myself, the Board and Bounty's staff at the passing of one of our Directors, Mr Gary (Gazza) Higginbotham on 1<sup>st</sup> August 2014. We acknowledge his contribution to the company, and miss his dry sense of humour.

The next year looks bright, and we will continue to grow your company as we have in the past. I wish to thank shareholders for their continued support during the year.

Graham Reveleigh  
Chairman.

[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.]