



ASX/MEDIA RELEASE

20 February 2015

Kiliwani North Update

Bounty Oil & Gas NL ("Bounty") is pleased to announce a further update on the Kiliwani North Development Licence ("KNDL"), Tanzania. The KNDL contains the Kiliwani North 1 ("KN1") well, which the Aminex PLC led joint venture expect to produce at approximately 20 mmcfd when on-stream. Independently verified resources at Kiliwani North are estimated to be 45 billion cubic feet of gas in place. Bounty holds a 10% interest in the KNDL.

The Tanzanian Petroleum Development Corporation ("TPDC"), through its contractors, has now begun constructing the Skid Metering Unit within the boundaries of the Kiliwani North Development Licence ("KNDL") and have completed laying pipe to the KNDL boundary. Once construction is complete the Kiliwani North 1 well ("KN-1") will be connected to the new Songo Songo processing plant where the gas, once produced, will be processed prior to being transported and sold through the new Dar es Salaam to Mnazi Bay pipeline. The KNDL joint venture has been notified by TPDC that pressure testing of the pipeline is expected to commence during the first half of 2015 and the final construction of equipment to connect is expected within this timeframe in order for commissioning to occur.

The joint venture continues to look forward to signing of the Gas Sales Agreement ("GSA"), which is largely complete but is experiencing delays in closing due to government authorities' approval processes. The joint venture expects the GSA to be signed prior to any gas being delivered for pressure testing or commissioning and Bounty will continue to keep the market informed on developments accordingly.

Bounty CEO, Philip Kelso, commenting said "Aminex PLC the joint venture operator has advised that the Dar es Salaam to Mnazi Bay pipeline is nearing completion and the final stages of construction are now occurring on the Kiliwani North-1 well. Bounty looks forward to first commercial gas production from the field which will place the joint venture including Bounty in the position of being the first new Tanzanian gas producers in recent times."

Philip F Kelso
Chief Executive Officer
Tel: +612 9299 7200
Email: corporate@bountyoil.com

Website: www.bountyoil.com

ABBREVIATIONS

MMcf/d	Millions of cubic feet per day of natural gas
Resources	Discovered and tested resources, not yet fully commercial

INFORMATION REQUIRED UNDER CHAPTER 5 OF ASX LISTING RULES

Estimates of oil and gas 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 25 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.