



**ASX/MEDIA RELEASE**

30 October, 2015

**Quarterly Activities Report – End September 2015**

**Highlights:**

***Australia***

- Quarter ended September 2015 revenue totalled \$0.455 million on crude oil production of 5,889 bbls
- Tanzania gas sales expected to add around \$2.5 million pa to revenue from next Quarter onwards
- High impact Oil Business strategy moving Bounty's 100% AC/P 32, Timor Sea project to farmout and drill:-
  - At Azalea Prospect, where completion of seismic project has outlined a major stratigraphic target with potential 500 MMbbls oil in place and 100 MMbbls recoverable
  - Azalea has direct hydrocarbon indicators
  - AC/P 32 work commitment variation approved by NOPTA and Permit in good standing

***Tanzania – Nyuni Block***

- Kiliwani North Facilities testing imminent
- Kiliwani North preparing to commence production next Quarter with stabilised production at 25 MMcf/day by end 2015
- The Songo-Songo Gas Processing Plant is complete and expected to be hot tested shortly
- Gas Sales Agreement complete but awaiting payment protection guarantees
- Nyuni PSA – new 3D seismic planned to image deep water turbidite gas plays of up to 1.3 TCF potential.

**Oil Business****Production:**

Bounty produces from two areas – Naccowlah Block and Utopia Oil Field in SW Queensland. The Downlands Field in the Surat Basin Queensland is shut in pending lease renewal and development.

Sales revenue increased to \$455,270 for the quarter primarily due to higher sales volumes.

Production was at 65 bopd. Kiliwani North coming on stream will add \$2.5 – \$3 million pa over the coming quarters.

Bounty's unaudited petroleum revenue, production and sales for the quarter ended 30 September 2015 are summarised below.

**Revenue:**

| <b>Q1</b>     | <b>1 July - 30 Sept 2015</b>    | <b>\$</b>      |
|---------------|---------------------------------|----------------|
| PL214, Utopia | Bounty Share (40% Interest) (2) | 139,914        |
| ATP 259       | Bounty Share (2% Interest)      | 315,356        |
|               | <b>Total Revenue (1)</b>        | <b>455,270</b> |

(1) GST exclusive.

(2) Estimates.

**Production:**

| <b>Q1</b>     | <b>1 July - 30 Sept 2015</b>         | <b>boe</b>   |
|---------------|--------------------------------------|--------------|
| PL214, Utopia | Bounty Share (40% Interest) bbls (1) | 2,368        |
| ATP 259       | Bounty Share (2% Interest) bbls      | 3,491        |
|               | <b>Total Production boe</b>          | <b>5,889</b> |

(1) Estimates.

**Sales:**

| <b>Q1</b>     | <b>1 July - 30 Sept 2015</b>     | <b>Boe</b>   |
|---------------|----------------------------------|--------------|
| PL214, Utopia | Bounty Share (40% Interest) bbls | 2,160        |
| ATP 259       | Bounty Share (2% Interest) bbls  | 4,182        |
|               | <b>Total Sales boe</b>           | <b>6,342</b> |

**Development:**

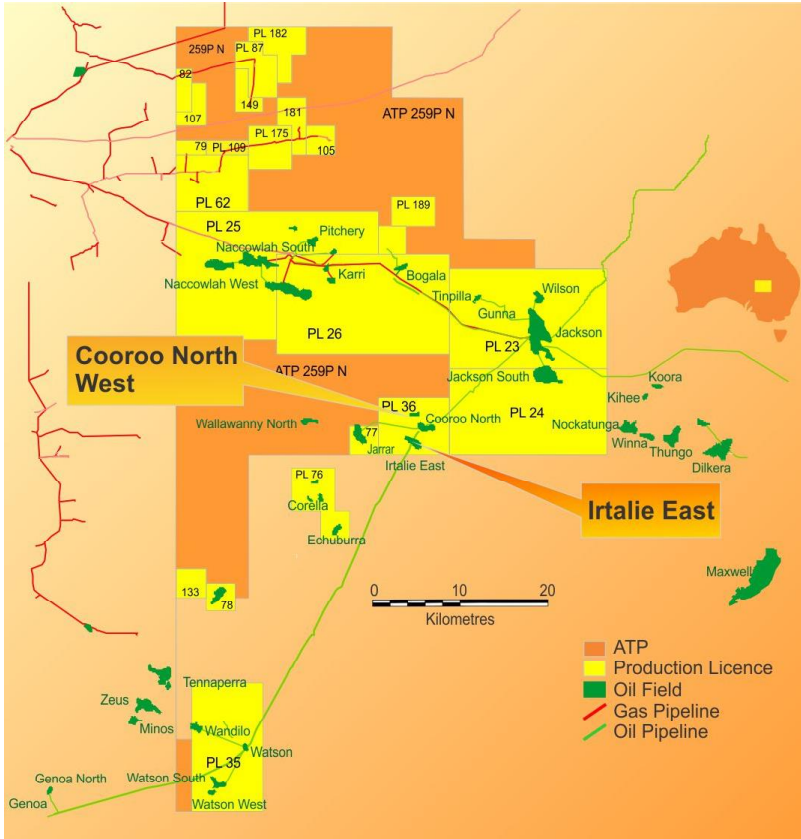
**Utopia Block; PL 214 and ATP 560P Eromanga Basin, SW Queensland – Bounty 40%**

**Location:** 30 km south/east of Tarbat/Ipundu oil fields and 45km south/east of Eromanga.

**Background**

**Significant Activities during Quarter**

Production was maintained during the quarter but no other significant activities were undertaken. A dispute with the operator, Oilwells Inc. of Kentucky, as to ongoing operations and joint venture costs and falling oil prices delayed further development.



**Significant Activities 2016**

Future activities involving development drilling and well work overs are still under review subject to resolving the dispute with the operator.

**ATP 1189P Naccowlah Block and Associated PL's SW Queensland - Bounty 2%**

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

**Background**

The Naccowlah Block comprises 2,544 km<sup>2</sup> approximately 40% of which is covered by ATP 1189 (N) and the remainder in 22 petroleum production leases (PL's) covering producing fields. Production is 40 bopd net to Bounty.

**Significant Activities during Quarter**

Production was maintained at ~40 Bopd.

**Significant Activities next Quarter and Beyond - 2015/16 Development**

Again the oil price decline in 2015 has affected the economics of further development drilling however optimisation work continues and twelve

month payback projects addressing in-well bore opportunities will be carried out aimed at maintaining production at 2015 levels as far as possible. Later Development Plans were completed for a number of Petroleum Leases.

**Exploration:**

**Southern Surat Basin Onshore Queensland**

**ATP 754P – Bounty 50%, PL 2A/B – Bounty 24.25%, PL 2C – Bounty 36.5%**

**Location:** 40 km northeast of St. George, SE Queensland.

**Significant Activities during the Quarter**

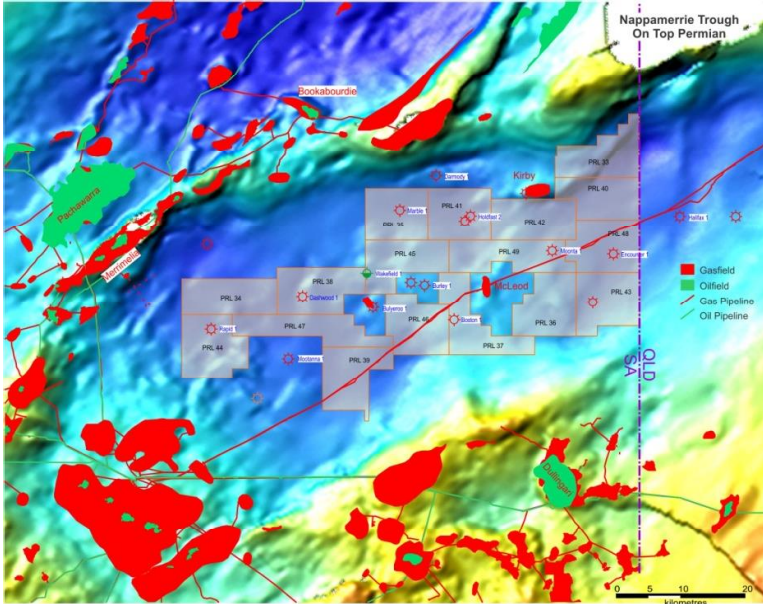
*Petroleum Lease (PL) 2:* PL 2 contains a structure up dip from the Eluanbrook 1 oil and gas well with potential for 200,000 bbls of recoverable oil .The renewal work program anticipates the drilling of Eluanbrook 1 up dip. During the quarter Bounty completed several reviews aimed at determining whether it will increase its interests in Kooroon Blocks 2A and 2B.

**ATP 754P:** During the quarter Origin Energy group sold its 50% working interest in ATP 754P to Armour Energy Limited. Bounty waived its pre-emptive rights on the sale interest and elected to retain its 50% interest. The partners are still awaiting determination from the Queensland Government on an amended work programme.

**Nappamerri Trough Eromanga Basin, NE South Australia – Bounty 23.28% in section above the Permian**

**Location:** 50 Km northeast of Moomba, South Australia.

**Background Land Position**



The former PEL 218 has been replaced with 17 Petroleum Retention Licences (PRL) covering the deep basin gas in which Bounty has no interest. However in the post Permian section in each PRL Bounty has a 23.28% and now has very secure title to a major gas exploration Block in the Cooper Basin

**Significant Activities during the Quarter**

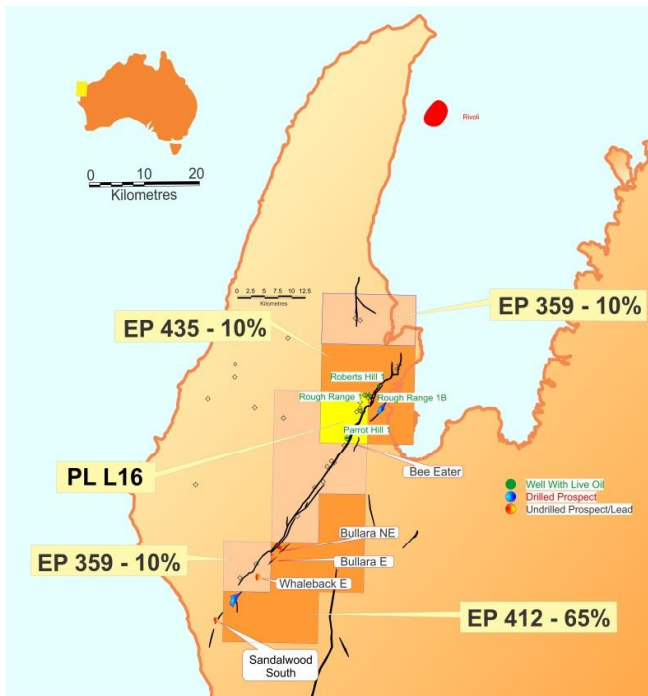
There was no material joint venture activity in the quarter.

Wakefield 1 remains suspended pending a joint venture decision to undertake cased hole testing.

**Rough Range Project Onshore Carnarvon Basin – WA**

**EP 412 – Bounty 65%, EP 359, 439 and L 16 – Bounty 10%**

**Location:** Exmouth Gulf – WA



**Background**

Rough Range 1 was the first oilfield ever discovered in Australia, this was followed up by two other discoveries: Roberts Hill 1 and Parrott Hill 1. Rough Range is the only pool to have been produced and is still capable of delivering crude. The accumulations all occur at the crest of the Miocene age Rough Range anticline, which is in places both strongly faulted and hard to image on seismic.

**2015/16 Programme**

Bounty is working with the operator Rough Range Oil Pty Limited to vary the work commitments on the Exploration Permits and is conducting a full review of the further oil potential in L16 with emphasis on the areas adjacent to Roberts Hill 1 and Parrott Hill 1.

Bounty’s review is aimed at potentially placing the Rough Range pool on L16 back into production. In addition several new leads and prospects have been

generated targeting oil migrating prior to the Rough Range Anticline.

**High Impact Oil Growth Projects:**

**AC/P 32 – Offshore Vulcan Sub-basin, Ashmore and Cartier Territory - Bounty 100%**

**Location:** Offshore 500 Km northwest of Darwin, NT.

**Background**

This 336 km<sup>2</sup> permit is located within the oil prolific Vulcan Sub-basin and is surrounded by oil and gas fields. Bounty has identified stratigraphic prospects and leads which have the potential to contain very significant oil resources.

Interpretation and evaluation of the reprocessed seismic and inversion has defined the Azalea Prospect with a potential 500 million barrels of oil in place of which over 100 million barrels would be recoverable. The work to date has established as far as possible that:-

- the sands in the Azalea Prospect are high porosity, sealed along strike and up dip,
- the fluids contained in the prospect’s sands are different from proven water wet sands in an adjacent well, and
- there are direct indications of a possible hydrocarbon charge.

In addition to Azalea; Bounty has established new structural stratigraphic leads with potential in the 10 – 40 million barrel recoverable range.

**Significant Activities during the Quarter**

During the Quarter NOPTA granted a work commitment variation for AC/P 32 and the title is in good standing. Bounty continued seismic studies and farmout activities, seeking a partner to drill an exploration well at Azalea and a follow up appraisal well.

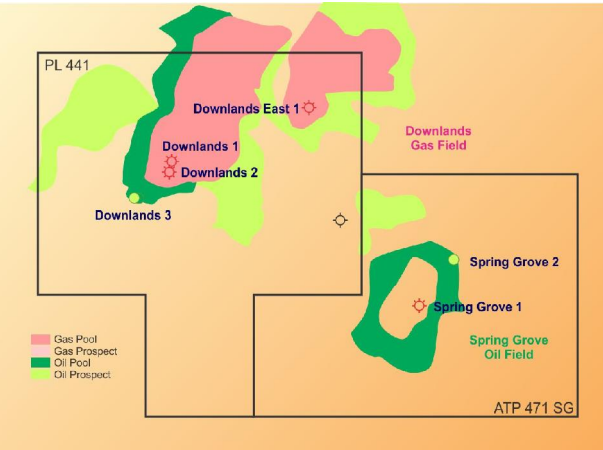
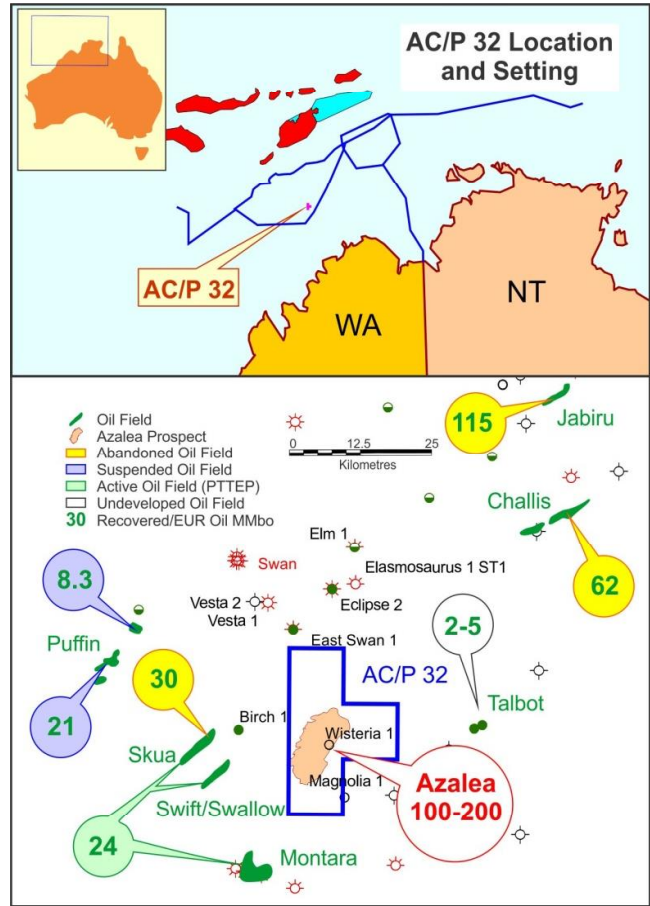
**Significant Activities next Quarter**

Ongoing discussions with potential farm in partners.

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

**Development:**

**Downlands PL 119; PPL 58 (Bounty 100%)and ATP 471 (Spring Grove) Bounty 24.748%, PL 71 Bounty 20% (exploration rights only); Surat Basin, Queensland –**



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

**Significant Activities during the Quarter**

PL 119: During the quarter Bounty continued work on obtaining land access and regulatory approval for renewal of PL119 Downlands and Pipeline Licence 58. Bounty now holds 100% of these proved developed reserves including gas pipelines, gas compression unit and all production infrastructure.

ATP 471 SG: No material joint venture activity was undertaken.

PL 71: During the quarter Origin Energy group sold its working interest in PL 71 to Armour Energy Limited. Bounty waived its pre-emptive rights on the sale and maintained its interest.

**Kiliwani North Development Offshore Tanzania: Bounty 10%**

**Location:** 30 Km offshore from Rufiji Delta Tanzania

**Background:**

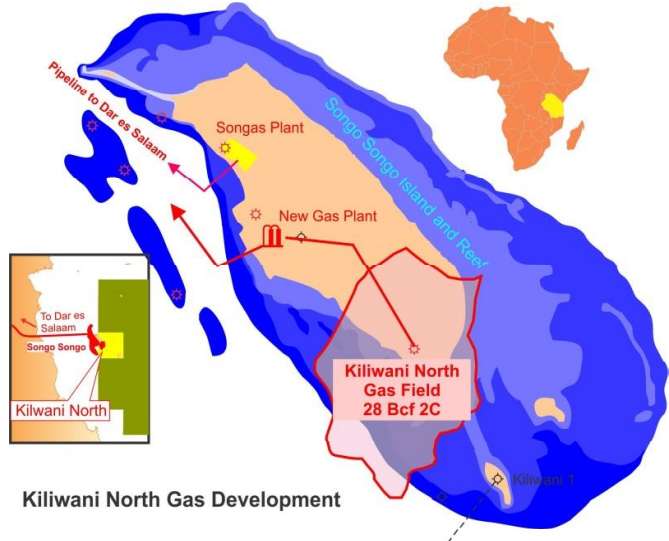
Kiliwani North 1 tested at 40 MMcfg/day from the Kiliwani North Pool located only 2 km. from the new Songo Songo gas plant and pipeline to Dar es Salaam.

**Significant Activities during the Quarter**

Connections to the Kiliwani North Well head were completed and awaiting testing.

The Gas Sales Agreement is essentially completed bar the payment guarantee provisions.

After commencement of production Bounty expects its net revenue from gas sales will be in excess of \$ 2.5 million pa.



**Significant Activities Next Quarter**

All parties involved in the East Tanzania Gas Project expect gas production to commence before then end of 2015.

**Growth Projects:**

**Nyuni Block – Offshore Mandawa Basin Tanzania – PSA: Bounty 5%;**

**Location:** 30 Km offshore from Rufiji Delta Tanzania

**Background**

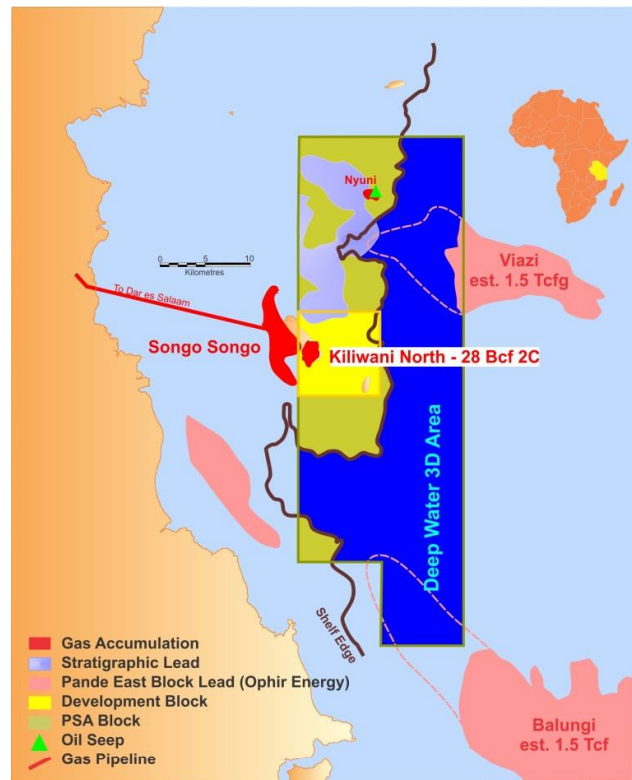
Participation in the Nyuni PSA is giving Bounty direct participation in one of the most dynamic and successful new exploration plays worldwide.

The Nyuni Joint Venture has drilled three wells to date for two new field gas discoveries at Nyuni 1 and Kiliwani North 1. The project is adjacent to recent deep water gas discoveries and has within it seismic amplitude anomalies which may be due to gas in similar settings to the adjacent block.

**Nyuni Block Exploration – 2016**

The Joint Venture will acquire 3D seismic over the deep water part of the Nyuni PSA and is in the final phases of seismic contract negotiations. Planned acquisition is set down for Q1 2016.

The survey is designed to detail the up dip extension of Lead 3 in the adjacent Ophir/RakGas East Pande permit which independent consultants suggest could contain 1.3 TCF gas within the Nyuni PSA area. There are numerous other deep water channel/fan features apparent from the limited seismic coverage available with associated seismic anomalies. The Exploration



Licence is currently under renewal application with a 50% area reduction.

## PEP 11, Offshore Sydney Basin, New South Wales – Bounty 15%

### Background

PEP 11 covers 4,576 km<sup>2</sup> of the offshore Sydney Basin immediately adjacent to the largest gas market in Australia and is a high impact exploration project.

### 2015/2016 Exploration

A geological and geophysical study was released by the operator during the Quarter, and is expected to provide the basis for further work most likely 2D/3D seismic surveys in 2016.

### Corporate

#### Current Assets – 30 September, 2015

During the quarter Bounty expended \$67,874 on production assets and \$101,326 on development and other exploration projects. At the end of the quarter cash, receivables and held for sale investments were around \$1.32 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:

|  |
|--|
| Philip F Kelso<br>Chief Executive Officer<br>Tel:+612 9299 7200<br>Email: <a href="mailto:corporate@bountyoil.com">corporate@bountyoil.com</a> |
|--|

Website: [www.bountyoil.com](http://www.bountyoil.com)

### ABBREVIATIONS

|                       |   |
|-----------------------|---|
| ATP:                  | Authority to Prospect for petroleum   |
| AVO:                  | Specialised processing of seismic amplitude data compared to offset (distance along seismic lines). |
| BCF:                  | Billion cubic feet (of natural gas)   |
| BBLS:                 | Barrels of oil  |
| Bopd                  | barrels of oil per day  |
| CSG:                  | Coal seam gas   |
| DST                   | Drillstem test with a drill rig to test if hydrocarbons flow to the surface from a reservoir.       |
| 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   |
| NOPTA:                | National Offshore Petroleum Titles Authority  |
| PL:                   | Petroleum production lease  |
| P <sub>mean</sub>     | 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 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.



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 01/06/10, 17/12/10

Name of entity

**BOUNTY OIL & GAS NL**

ABN

**82 090 625 353**

Quarter ended ("current quarter")

**30 September 2015**

### Consolidated statement of cash flows

|   | Current quarter<br>\$A | Year to date<br>\$A |
|---|------------------------|---------------------|
| <b>Cash flows related to operating activities</b>               |                        |                     |
| 1.1 Receipts from product sales and related debtors             | 277,916                | 277,916             |
| 1.2 Payments for (a) exploration and evaluation                 | (81,703)               | (81,703)            |
| (b) development   | (19,623)               | (19,623)            |
| (c) production assets   | (67,874)               | (67,874)            |
| (d) production expenses   | (128,660)              | (128,660)           |
| (d) administration  | (370,532)              | (370,532)           |
| 1.3 Dividends received  |                        |                     |
| 1.4 Interest and other items of a similar nature received       | 2,310                  | 2,310               |
| 1.5 Interest and other costs of finance paid                    |                        |                     |
| 1.6 GST (refund)/paid   | (17,140)               | (17,140)            |
| 1.7 Other (provide details if material)                         |                        |                     |
| <b>Net Operating Cash Flows</b>                                 | <b>(405,306)</b>       | <b>(405,306)</b>    |
| <b>Cash flows related to investing activities</b>               |                        |                     |
| 1.8 Payment for purchases of:                                   | □                      | □                   |
| (a) prospects   | -                      | -                   |
| (b) equity investments  | -                      | -                   |
| (c) other fixed assets  | -                      | -                   |
| (d) petroleum tenement  |                        |                     |
| 1.9 Proceeds from sale of:                                      |                        |                     |
| (a) prospects   | -                      | -                   |
| (b) equity investments  | -                      | -                   |
| (c) other fixed assets  | -                      | -                   |
| 1.10 Loans to other entities                                    | -                      | -                   |
| 1.11 Loans repaid by other entities                             | -                      | -                   |
| 1.12 Other (provide details if material)                        | -                      | -                   |
| <b>Net investing cash flows</b>                                 | <b>-</b>               | <b>-</b>            |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(405,306)</b>       | <b>(405,306)</b>    |

+ See chapter 19 for defined terms.

|      |  |           |           |
|------|--|-----------|-----------|
| 1.13 | Total operating and investing cash flows (brought forward) | (405,306) | (405,306) |
|      | <b>Cash flows related to financing activities</b>          |           |           |
| 1.14 | Proceeds from issues of shares, options, etc.              | -         | -         |
| 1.15 | Proceeds from sale of forfeited shares                     | -         | -         |
| 1.16 | Proceeds from borrowings (other entities)                  | -         | -         |
| 1.17 | Repayment of borrowings                                    | -         | -         |
| 1.18 | Dividends paid   | -         | -         |
| 1.19 | Other (share issue expenses)                               | -         | -         |
|      | <b>Net financing cash flows</b>                            | -         | -         |
|      | <b>Net increase (decrease) in cash held</b>                | (405,306) | (405,306) |
| 1.20 | Cash at beginning of quarter/year to date                  | 1,508,539 | 1,508,539 |
| 1.21 | Exchange rate adjustments to item 1.20                     | 23,233    | 23,233    |
| 1.22 | <b>Cash at end of quarter</b>                              | 1,126,466 | 1,126,466 |

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A |
|------|--|------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 185,810                |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                      |

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A | Amount used<br>\$A |
|---------------------------------|-------------------------|--------------------|
| 3.1 Loan facilities             | -                       | -                  |
| 3.2 Credit standby arrangements | -                       | -                  |

## Estimated cash outflows for next quarter

|                                | \$A            |
|--------------------------------|----------------|
| 4.1 Exploration and evaluation | 30,000         |
| 4.2 Development                | 40,000         |
| 4.3 Production                 | 60,000         |
| 4.4 Administration             | 210,000        |
| <b>Total :</b>                 | <b>340,000</b> |

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|  | Current quarter<br>\$A | Previous quarter<br>\$A |
|--|------------------------|-------------------------|
| 5.1 Cash on hand and at bank                     | 1,053,096              | 1,053,096               |
| 5.2 Deposits at call                             | 73,370                 | 73,370                  |
| 5.3 Bank overdraft                               | -                      | -                       |
| 5.4 Other (provide details)                      | -                      | -                       |
| <b>Total: cash at end of quarter</b> (item 1.22) | <b>1,126,466</b>       | <b>1,126,466</b>        |

## Changes in interests in mining tenements

|     | Tenement<br>reference   | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-----|---|----------------------------------|--|----------------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed |                                  |  |                                  |
| 6.2 | Interests in mining tenements acquired or increased           |                                  |  |                                  |

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|  | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|--------------|---------------|---|--|
| 7.1 <b>Preference securities</b><br><i>(description)</i>   |              |               |   |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |              |               |   |  |
| 7.3 <b>+Ordinary securities</b>  | 953,400,982  | 953,400,982   |   |  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              |              |               | -   |  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  |              |               |   |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |              |               |   |  |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>   |              |               |   |  |
| 7.8 Issued during quarter  |              |               |   |  |
| 7.9 Exercised during quarter   |              |               |   |  |
| 7.10 Expired during quarter  |              |               |   |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>   |              |               |   |  |
| 7.12 <b>Unsecured notes</b><br><i>(totals only)</i>  |              |               |   |  |

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: .....  
(Company Secretary)

Date: 30 October 2015

Print name: SACHIN SARAF

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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