



# Bounty

## Oil & Gas NL



ANNUAL REPORT

# 2015

# ANNUAL GENERAL MEETING

The 2015 Annual General Meeting will be held at Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney NSW 2000 on 27 November 2015 commencing at 11.00 a.m.

The Notice of Meeting and Proxy Form have been mailed separately from this Annual Report.



# KEY OUTCOMES



## Australia

- Bounty revenue expected to re-bound strongly in 2016 with Tanzanian gas sales after group oil revenue for the year down 39% to \$1.91 million (2014: \$3.14 million) impacted by lower oil prices
- Total revenue of \$1.83 million (2014: \$4.12 million)
- Cash and current assets at 30 June 2015 were \$2.25 million with nil debt
- Net loss after tax of \$ 10.99 million (2014: Profit \$1.14 million) following non cash impairment of oil & gas assets
- Oil Business strategy on track to provide further growth with Surat Basin production and 500 mmbbl OOIP prospect delineated in AC/P32 Timor Sea. Permit in good standing until 2017 as farmout efforts continue

## Tanzania – Nyuni Block

- Major gas pipeline and plant construction completed and main lines being packed with gas
- Kiliwani North (KN) gas field anticipated to commence gas sales in late 2015 and to contribute revenue additions of \$3 million pa
- New 3D seismic planned to image deep water turbidite gas plays of up to 1.3 TCF potential

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**Bounty Oil & Gas NL**  
**ACN: 090 625 353**  
**ABN: 82 090 625 353**

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## CHAIRMAN'S REVIEW

Dear Shareholder

The financial year 2015 was a very difficult year.

The anticipated production from Kiliwani North 1 in Tanzania, is still awaited, but is expected any day now. Final negotiations for the gas sales agreement are all but complete, having taken longer than expected, as the operator seeks to put production payment guarantees in place before gas flows to the East Africa Pipeline. We are however very confident this final sign off is close. The gas price to be received by the JV is independent of the global gas market. When the gas flows, it will contribute around \$3 million per annum to Bounty's revenue.

The steep decline in commodity values, particularly iron ore, coal and oil had a devastating effect on the value of resources in the stock market, and made it difficult for medium and small capital companies to raise funds for development and exploration. Large explorers in the oil industry have significantly curbed their interest in seeking suitable farm-in plays.

The world has watched while OPEC continued to produce the same quantity of oil in the face of falling crude prices, and the newly exploited shale gas plays in the USA have been progressively shut in as they became unprofitable, while new exploration for shale gas declined to nearly zero.

Bounty was receiving AU\$117.34 per bbl for its light sweet crude production in July 2014. By January 2015, the price had fallen to AU\$62.96 per bbl, representing a reduction to 54%, or nearly half of the July 2014 price.

This oil price cut has had a significant impact on Bounty's revenue. Your company has traded through this year, despite this significant decrease in revenue from production, with minimal recourse to the markets or shareholders for funding, and remains in a reasonably healthy financial position. The accounts show a large loss for the year, mainly comprised of non-cash expenses, such as impairment of development and production assets, and the write off of capitalised exploration expenses, in keeping with current accounting practices.

The Santos Limited operated ATP 1189 Naccowlah Block has continued to provide improved net revenue from oil production with material cuts in operating expenses and a clear strategy for production improvement based on excellent management by Santos. The Block continues to produce at a satisfactory rate.

The write-down of the PL214 Utopia Joint Venture interests reflects the marginal nature of the project exacerbated by reduced crude oil prices and inappropriate budgets presented by the operator. Bounty is currently in dispute with the operator.

On a brighter note, things seem to be recovering in FY 2016. There are prospects for a partial recovery in the price of crude oil and we anticipate that gas revenue from Tanzania will lead to a recovery of group revenue to around \$3.5 million in FY 2016 and provide a platform for future growth.

Acquisition of additional oil interests in the Surat Basin in Southern Queensland is progressing and we are aiming for Bounty to conduct its own operated production in 2016 and beyond.

Bounty now has a significant portfolio of oil exploration and development interests in the southern Surat Basin.

The global downturn has affected all the major explorers, who have withdrawn from greenfields exploration except where previously committed. This made it difficult to attract interest in AC/P32 Vulcan Sub-basin in the Timor Sea last year. However, interest is now being shown by several majors and the Permit has been extended to 2017.

I wish to acknowledge the hard work contributed by our management, staff and consultants during this difficult year. I also wish to thank the shareholders who have waited patiently through this downturn for the commencement of Tanzanian gas. I look forward to reporting improvements in 2016.

Graham Reveleigh  
Chairman

22 October 2015

## CEO'S REVIEW

### Introduction

Bounty is very close to achieving first gas sales in Tanzania and group revenue in financial year 2016 should recover to around \$3.5 million per annum.

While 2015 has been challenging we are confident of a partial recovery in oil prices and are pursuing rationalisation of existing assets while seeking additional oil revenue generating opportunities. Bounty anticipates further growth while we seek to finance a drill test of the major Azalea Prospect in AC/P 32 Timor Sea.

The energy sector remains the worlds most important business exposed to growth and is providing opportunities for counter cyclical investors.

Bounty expects good revenue growth in 2016 and beyond based on Tanzanian gas. Successful exploration of Bounty's Tanzania offshore targets longer term has the potential to launch Bounty as a significant gas producer with increasing revenue in coming years.

### Highlights for the Year:

- Bounty revenue expected to re-bounce strongly in 2016 with Tanzanian gas sales after group oil revenue for the year down 39% to \$1.91 million (2014: \$3.14 million) impacted by lower oil prices.
- Total revenue of \$1.83 million (2014: \$4.12 million).
- Cash and current assets at 30 June 2015 were \$2.25 million (2014: \$3.85 million) and Bounty is debt free.
- Profit on trading listed securities of \$0.19 million (2014:\$1.24 million).
- Net loss after tax of \$ 10.99 million (2014: Profit \$ 1.14 million) following non cash impairment of oil & gas assets and write off of exploration costs.
- Kiliwani North gas project in Tanzania very close to production in late 2015 as main gas lines being packed with gas and pressure tested.
- 500 mmbbl OOIP prospect delineated in AC/P32 Timor Sea and Work Program varied. Permit in good standing until 2017.

While the south-west Queensland and east Queensland projects continued at much lower investment levels Bounty continues to put resources into nailing down additional Queensland oil and gas production, development and exploration areas.

### Oil Business

Oil production decreased to 24,008 bbls (2014: 25,587 bbls) and revenues declined to \$1.91 million.

In the Naccowlah Block in 2013 we participated in three very successful wells to develop the Irtalie East Oil Field which lies 20 kilometres south-east of Jackson. Of note was Irtalie East 5 which intersected between 9 and 12 metres of net oil pay in the Basal Birkhead/Hutton Formations. These wells are on production but oil price declines have curtailed further development drilling in 2015.

Operations in the Surat Basin are still pending a number of regulatory approvals and land access agreements, however; importantly by acquiring Interstate Energy Pty Limited Bounty now has the opportunity to move to an 82% interest in the Kooroon JV blocks which contain the Eluanbrook Updip target. We expect that 2016 will see continuing oil developments for your company in the Surat Basin.

Bounty is in a dispute with the PL 214 Utopia Joint Venture and no further development drilling is planned at this time.

### Oil Growth Projects - AC/P32 Timor Sea

During 2014 Bounty completed reprocessing of 3D seismic data at the 100% owned and operated AC/P32 offshore permit. Bounty is fully compliant with its work commitment program and the permit is in good standing until mid 2017.

AC/P32 is located in the Ashmore Cartier region in the oil prone and prolific Vulcan Graben region.

Bounty's current assessment is that there are at least two major stratigraphic prospects in the area with the potential to discover 500 mmbbls original oil in place in the Cretaceous age Puffin Sandstone in the Azalea area (just to the west of where the Wisteria 1 well was drilled in 2008) with 100 mmbbls recoverable oil. There is also the potential to discover additional resources in the Jurassic age formations.

Bounty's efforts at farming out AC/P 32 have been curtailed by heavy oil price declines but we are still aiming to obtain a farm-out and subsequent drill test of the Azalea Prospect. The prospect is located 25 km northeast of the Montara Oil Development in the Timor Sea.

A discovery will lift Bounty into a major project and to being a mid-level Australian oil operator.

### Tanzania – Kiliwani North & Gas Commercialisation

Late in 2015 Bounty will have its first African production in East Tanzania. The pipeline construction project and gas plant is complete. Gas production from the Kiliwani North field development will provide a very material increase in Bounty's petroleum revenue.

The gas sales agreement with the Tanzanian Petroleum Development Corporation (TPDC) is very close to completion with only payment guarantees being negotiated. The revenue from gas sales should see Bounty's group revenue increase to \$3.5 million in 2015/2016 and \$4.5 million next financial year.

The Kiliwani project will be the first step in what Bounty hopes will be further gas discoveries and development in the large strategic Nyuni Block surrounding the production licence.

The new 517 km 36" diameter pipeline to Dar es Salaam will provide ample delivery capability for gas from Kiliwani North and any subsequent discoveries which Bounty and its partners may make in the Block.

### Tanzania - Nyuni Area PSA

The Nyuni Area PSA was renewed in late 2011 for an eleven year period.

In mid-2014 after some delay the joint venture issued tenders for a 3D seismic survey in the eastern part of the Nyuni Block PSA covering the updip section from the East Pande Block now referred to as the Viazzi Lead and was awaiting certain approvals from the TPDC which have now been given. That survey will now commence in mid-2016.

The joint venture believes that there could be high gas prospectivity in the deep water sector of the Nyuni Block.

### Unconventional Gas Business

The potential for conventional and unconventional gas in PRL's 33 – 49 (formerly PEL 218) (Nappamerri Project) South Australia is very significant. Bounty's tenure was strengthened with the whole of PEL 218 being converted to petroleum retention leases in 2014 but following Chevron Australia Limited's withdrawal from the deeper gas project with Beach Energy in the Cooper Basin section gas exploration is on hold. However the Eromanga Basin sequence where Bounty holds its interest still has the potential to add major additional gas and possibly oil resources.

Looming gas supply shortages in eastern Australia continue to provide encouragement for the pursuit of unconventional gas in some of Bounty's other permits principally ATP 754P; Surat Basin.

**Petroleum Exploration and Development**

The operator of PEP 11 Sydney Basin has indicated that it is preparing to proceed with either 2D or 3D seismic surveys in 2015. There has been extensive publicity on the looming gas supply shortfall in New South Wales.

**Conclusion**

Management continues to look for additional opportunities to be funded by gas revenue from Tanzania and where Bounty shareholders can obtain good leverage through a drill test in AC/P 32 Azalea and major gas discoveries in Tanzania. Our plan for potential operated oil production in the Surat Basin and larger gas discoveries in the Nappamerri Trough is advancing steadily.

Bounty holds excellent Permits and is well placed for an upturn in the petroleum business.

**PHILIP F. KELSO**

Chief Executive Officer

22 October 2015

## PROJECT and OPERATIONS REVIEW

### Bounty Projects

Bounty's projects are located in Australia, with the exception of the Nyuni and Kiliwani North Joint Ventures which are located offshore Tanzania, East Africa.



### Summary Land Position

Offshore Australia	Equity	Gross Km <sup>2</sup>	Net Km <sup>2</sup>
AC/P 32	100%	336	336
PEP 11	15%	4576	687
<b>Offshore Tanzania</b>			
Nyuni PSA	5%	845	42
Kiliwani North	10%	168	17
<b>Onshore Australia</b>			
Naccowlah Block Eromanga Basin	2%	2544	51
Utopia Oilfield Eromanga Basin	40%	221	88
Nappamerri South Australia	23.28%	1604	373
Surat Basin Queensland	Various	1128	503
Rough Range Carnarvon Basin	Various	1270	345
<b>Total</b>		<b>1,2692</b>	<b>2,442</b>

This table summarises Bounty's land position as at 30 June 2015. Bounty's full schedule of tenements as at 30 June 2015 is included in Additional Information Required by ASX Listing Rules at the end of this Report.

## OIL BUSINESS

### Production

During the year ended 30 June 2015 the company continued to produce light sweet crude oil from several oil fields and leases in ATP 1189P (formerly ATP 259P), Naccowlah Block. In the Utopia Oil Field, Bounty is in dispute with the Operator, both Blocks are located in SW Queensland. As a result of materially lower oil prices, production declined for the year ending June 30, 2015.

Bounty's petroleum production and sales for the year ended 30 June 2015 are summarised in the Review of Operations set out in the Directors Report.

### 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

Bounty produced 30 BOPD from oil wells developed in the Murta Formation at a depth of 1000 metres below surface.

#### 2014/15 Development

A dispute with the operator, Oilwells Inc. of Kentucky, as to ongoing operations and joint venture costs and falling oil prices delayed further development.

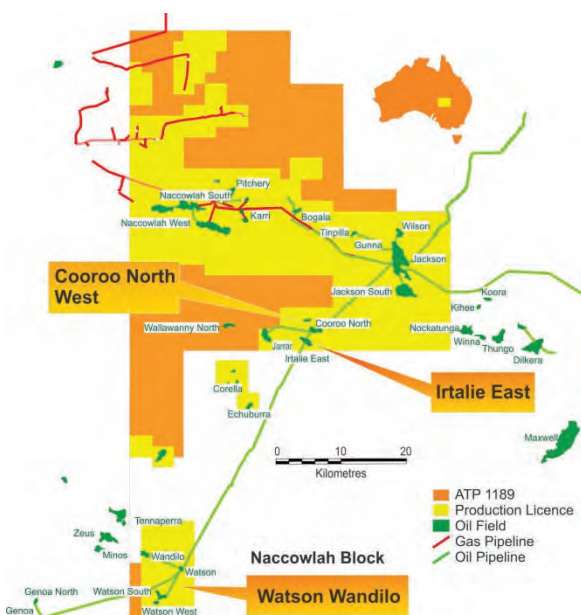
#### Future Work

Further development will be dependent upon oil prices recovering and joint venture agreement on a realistic development drilling plan.

#### ATP 1189P (formerly ATP 259P) Naccowlah Block and Associated PL's SW Queensland - Bounty 2%

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

#### Background



The Naccowlah Block covers 2544 km<sup>2</sup>, 42% of which is covered by ATP 1189P and the remainder in 22 production leases (PL's) covering producing fields. There is significant production infrastructure. This area still produces 42 BOPD net to Bounty and Bounty holds 2P reserves of 107,000 bbls. Since 2011 the operator has taken steps to materially reduce operating costs which have been most effective. This combined with an aggressive programme of production optimisation and successful development drilling at the Irtalie East field has arrested the natural production decline and made a significant contribution towards Bounty's oil revenue and operating results.

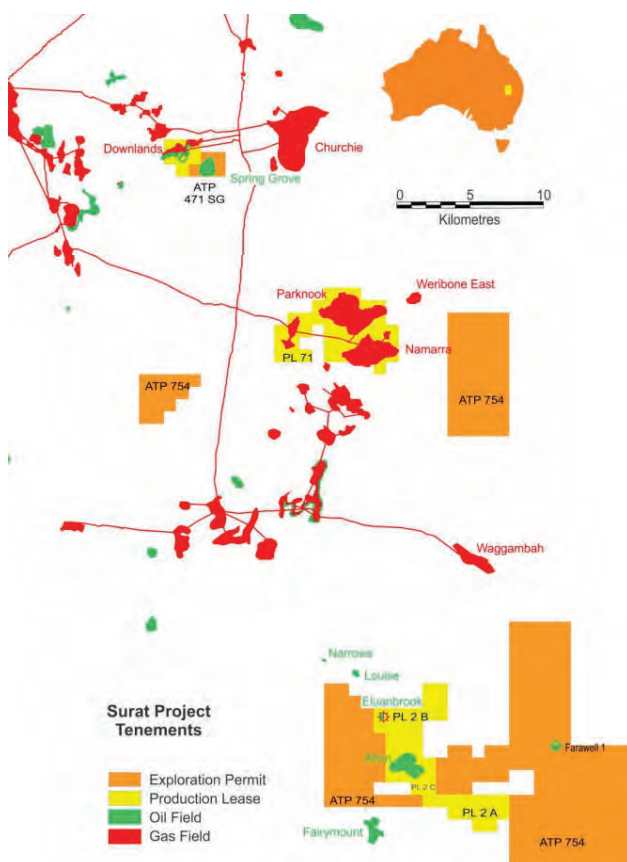
The Jackson and Jackson South fields and associated production facilities are one of the largest in onshore Australia.

## 2015/16 Development

Again the oil price decline in 2014/2015 has affected the economics of further development drilling, production and optimisation work, however work continues and twelve month payback projects addressing in-well bore opportunities will be carried out, all aimed at maintaining production at 2013/14 levels as far as possible.

## Exploration

### Surat Basin, Southeast Queensland



#### Group Interests in this project are

Permit	Status	Interest
ATP 471 SG	Granted	24.75%
ATP 754	Granted	50.0%
PL 119/PL 441	Renewing	100.0%
PL 2 A	Granted	24.25%
PL 2 B	Granted	24.25%
PL 2 C	Granted	36.50%
PL 71	Renewing	20.0%

**Location:** From Surat to Alton Oil Field, Queensland

#### Background

Bounty initially gained an interest in the Surat Basin through the purchase of Ausam Resources Pty Ltd in 2009, and has added to the acreage through strategic acquisitions. Hydrocarbons in the southern part of the Surat Basin are generated in the underlying Bowen Basin Permian sequence and are liquids rich. The oil is trapped in the Triassic age Showgrounds Sandstone and in the Evergreen Formation.

To date Bounty has identified two oil prospects – Mardi (ATP 754P) and Eluanbrook Up dip (PL 2) in the oil fairway which have potential recoverable resources of between 200,000 and 400,000 barrels and upside of over 2 MMbo.

Moving further North in Bounty's acreage the focus shifts to the Permian Tinowan Formation which frequently has a liquids rich gas charge and in places, like Bounty's PL 119/441 Downslands property, good porosity and permeability.

## 2014/15 Activities and Further Programmes

**ATP 754P:** the partners are still awaiting determination from the Queensland Government on an amended work programme.

**Petroleum Lease (PL) 2:** PL 2 was renewed over a reduced area. 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 approved renewal programme requires the drilling of this target. The interest held by Santos is currently the subject of a sale process.

**ATP 470P:** this permit was surrendered after a review in 2015.

**ATP 471 SG:** This property contains proven oil in Tinowan Formation sands which were production tested with inconclusive results. It is a sub-block of a larger permit in which Bounty has no interest but there are plans to revisit the Spring Grove (SG) oil discovery in the future.

**PL 71:** Bounty has an interest in any future exploration drilling which may be undertaken

**PL 119/PL 441:** Downlands Oil and Gas Field. Bounty is proceeding with the protracted process of renewing the Petroleum Lease and negotiating Native Title matters as a precursor to renewing oil production from the Downlands 3 Well.

**Nappamerri PRL 33 – PRL 49 (replacing PEL 218) Eromanga Basin, NE South Australia – Bounty 23.28% in section above the Permian**

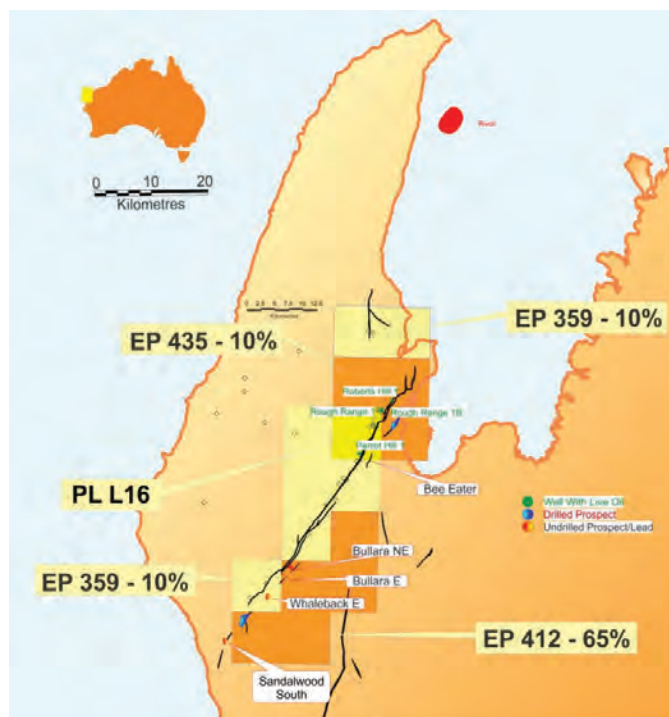
**Location:** 50 Km northeast of Moomba, SA

### Background

The Permian Joint Venture (Cooper Basin), which does not include Bounty, have been exploring for deep unconventional gas in the Nappameri Trough with some success and have been granted retention licences covering the full extent of PEL 218. The supra-Permian JV (SPJV), in which Bounty has a 23.28% Working Interest, also has an interest in the supra-Permian section in each retention licence.

The SPJV drilled Wakefield 1 in September 2009 through which Bounty earned its interest. This well is still suspended awaiting a decision to test oil shows in several formations in the Murta and McKinlay Members, Namur Sandstone, Adori Sandstone and Birkhead Formation. Wakefield 1 also intersected 9 metres of gassy coals in the basal Winton Formation.

The work on the Cooper Basin deep gas fulfils the work commitments for these petroleum retention leases and contributes valuable logging data to assess the oil and gas potential of the SPJV Eromanga Basin sequence. It is expected gas demand from the Cooper Basin will increase in coming years.



**EP 412 (Bounty 65% - Operator) and EP 435, Production Licence L16 and EP 359 (Bounty 10% in each) Rough Range Oil Pty Ltd Operator – Onshore Carnarvon Basin, Western Australia**

**Location:** Surrounding Rough Range Oil Field, 60Km south of Exmouth

### Background

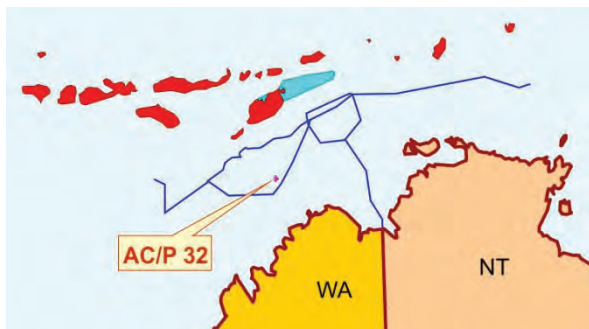
These permits straddle the Rough Range anticline, the location of the first oil discovery in Australia. The Dingo Claystone, the prime source rock for the Carnarvon Basin, is mature and generating oil in the Patterson Trough running north south along the western edge of the Licences. Oil has migrated a short distance into Rough Range Anticline. Three oil pools, charged with late migrating oil, are known within Bounty's lands - Rough Range, Roberts Hill and Parrot Hill. Attempts to pursue these pools and find others has been frustrated by pervasive faulting and poor seismic imaging along the crest of structures.

Exploration of older structures targeting early migrating oil has been challenging due to the selection of large targets which had no cross fault seal.

### 2014/15 Exploration

The Permits are in good standing subject to a review at 30 November 2015. Empire Oil disposed of their interests in these licences through the sale of Rough Range Oil to private equity. Bounty is looking at alternative targets for both early and late migrating oil and has identified several leads where good cross fault seal is expected.

## Growth Projects



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

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

#### Background

This permit is located within the Vulcan Sub-basin. In 2012 Bounty acquired a 100% interest in the permit and in June 2014 it was renewed for a further five years with a well commitment in Year 2 and Year 5 if needed. The principal

target is the Azalea Prospect a 500 MMboip potential pool with recoveries in the 20 - 40% range.

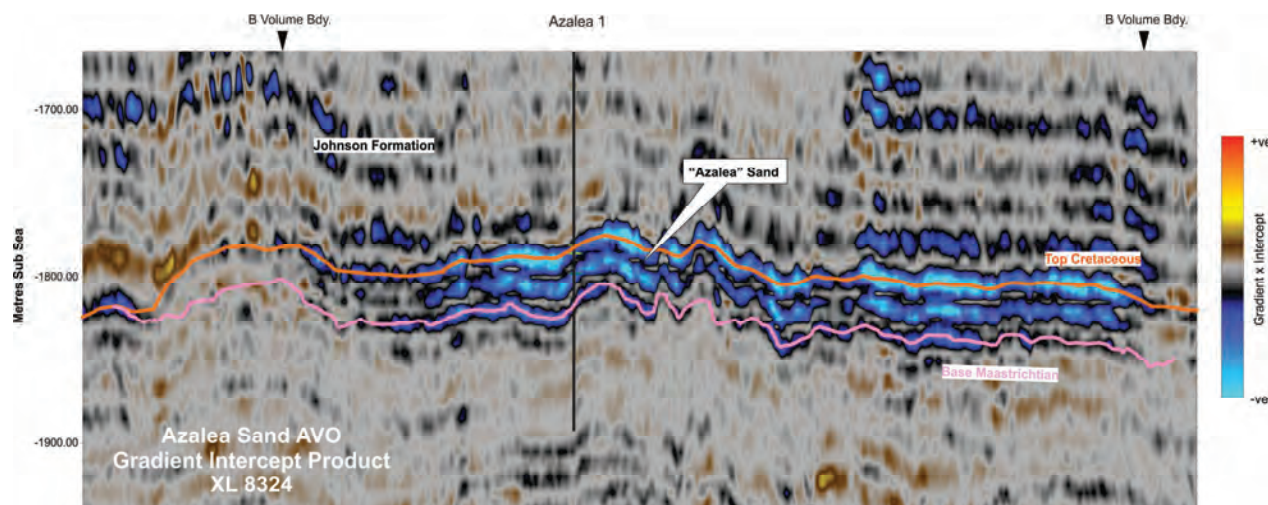
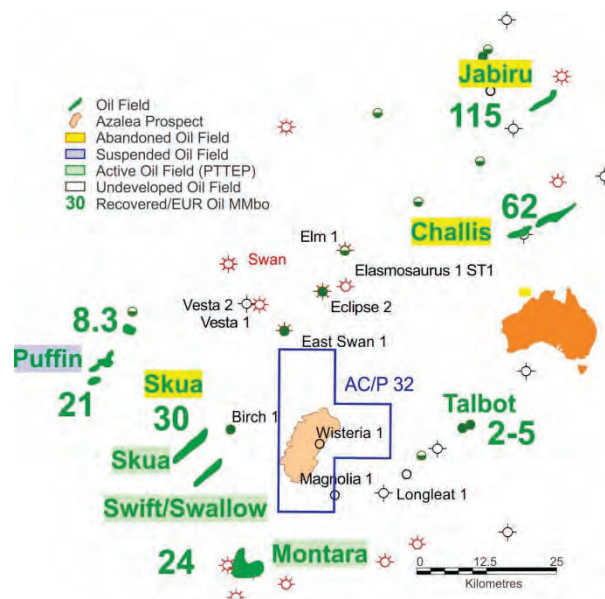
The Azalea Prospect is:

- Located in a prolific hydrocarbon province
- Surrounded by multi-million barrel oil fields
- One of the largest untested potential oil pools in the Timor Sea
- Up dip from proven oil in Birch 1 and Swallow Oil Field 14 km to the west
- Outlined by seismic amplitude and AVO anomalies
- Associated with direct hydrocarbon indicators in the form of gas chimneys, diagenetic and shallow gas zones overlying the up dip edge
- Drill ready in water depths suitable for a jack up rig ~ 100 metres

#### 2014/15 Exploration

Efforts to finance drill of Azalea during the period have been held back by the effective halving of the Tapis oil price. Whilst this has no effect on the high prospectivity of the area it has an impact on farm out of a well. A discovery at Azalea would transform Bounty to a mid-sized company.

A drilling location for Azalea 1 has been selected and, as shown below, targets the AVO anomalies associated with the prospect



## Future Work

Bounty will continue its international farmout campaign and has also taken advantage of amendments to regulations concerning timing of work programmes to spread the drilling commitment over the life of the permit.

## GAS/CONDENSATE BUSINESS

### Development

#### Kiliwani North Development - Nyuni Block Offshore Mandawa Basin Tanzania – Bounty 10%

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

### Background

Kiliwani North 1 well was drilled in 2008 and hit gas in Neocomian (Lower Cretaceous age) Sands, the same reservoir as at the adjacent Songo Songo Gas Field. The field was tested at 40MMcfg/d and a reserve of 45 Bcf gas (Bounty 4.5 Bcf) was established. A 24 year production Licence was issued in 2011.

### Progress During 2014/2015

All infrastructure, including pipelines, gas processing plant and connection to Kiliwani North wellhead were completed during the period. The only obstacle to commencing production is finalising government approvals and payment guarantees. All parties wish to commence production as soon as possible, however, this is a comparatively new industry for Tanzania and getting it correct took rather longer than all parties hoped.

### Future Development 2015/16

Production is scheduled to commence very shortly at around 25MMcfg/day and providing there are no excessive delays Bounty should commence generating approximately \$2.5 million a year in revenue within the next six month period.

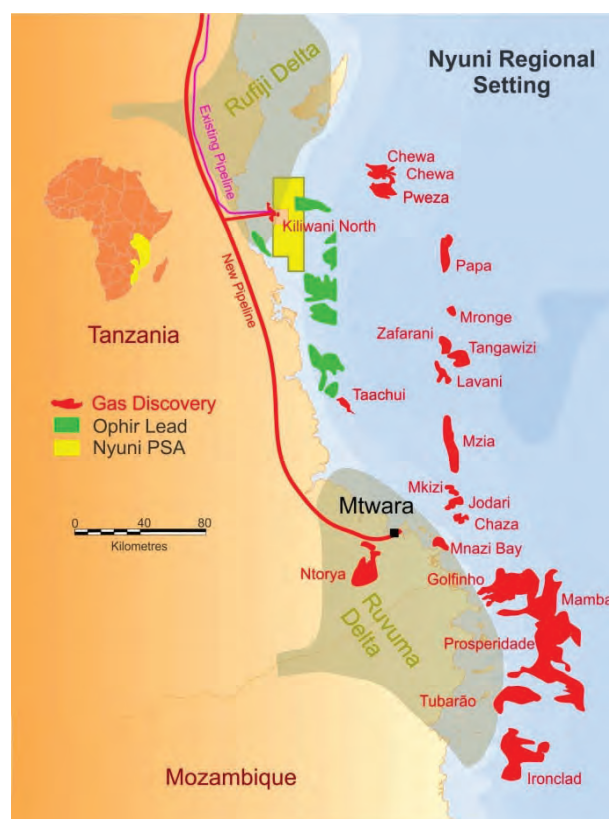
### Growth Projects

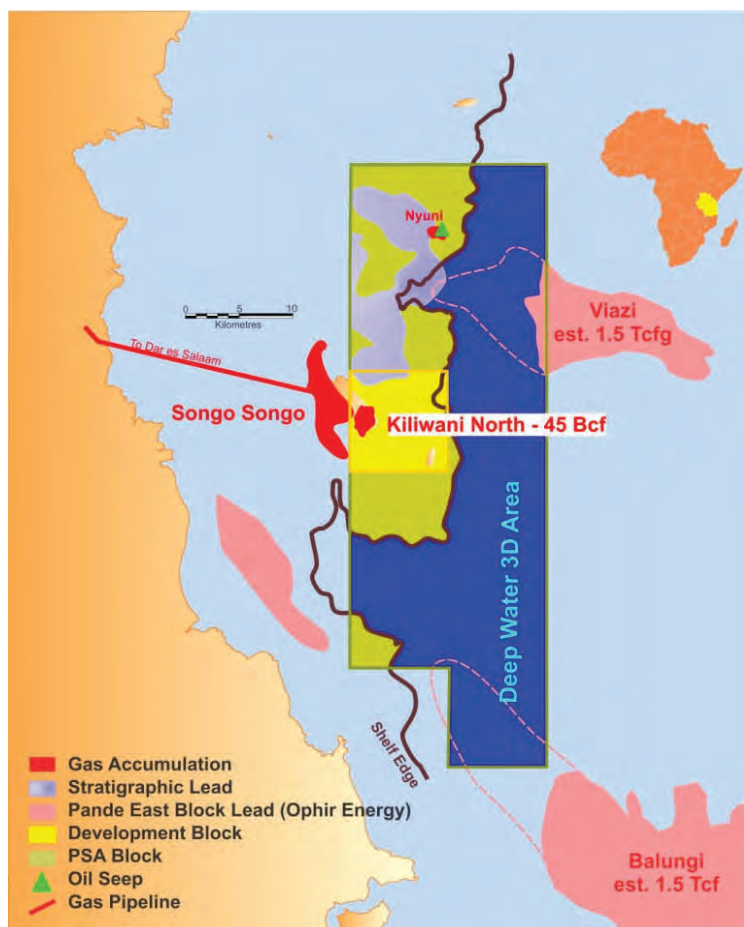
#### Nyuni PSA Block – Offshore Mandawa Basin Tanzania - Bounty 5%

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

### Background

Deepwater offshore Tanzania and Mozambique have yielded huge gas discoveries with over 120 TCF of gas discovered in deep water turbidite sands related to the Cretaceous age Rufiji and Ruvuma River deltas. The Nyuni PSA area covers a key position combining up dip extensions of huge prospects with shallow water and island drill sites providing comparatively favourable drilling costs and now with the addition of land based processing facilities at Songo Songo Island. The joint venture has drilled four wells for two gas discoveries from islands.





The key to the discovery of these deep water, massive gas fields is direct detection of gas in stratigraphic traps from seismic amplitude anomalies. There are several large leads with amplitude anomalies within the Nyuni PSA Block including Viazi Lead on the eastern margin, with potential for over 1 TCF of gas in place and the Balungi Load in the south east. These stratigraphic targets in the Nyuni Block have potential for some 2.6 TCF gas, at least half of which is in shallow water.

#### Nyuni Block PSA Exploration – 2014/15

Most of the period has been taken up with various procedural matters to effect the exchange of a well commitment for a commitment to 3-D seismic. This has now been finalised with the Tanzania Petroleum Development Corporation and as seismic prices have dropped considerably the original tender has been reissued and a number of competitive tenders are now being evaluated. The proposed 3-D survey will cover the extensions of already identified seismic amplitude anomalies from the adjacent permit into the Nyuni block.

Discoveries in this block would be no more than 20 km. from the Songo Songo gas plant, and could easily be developed to supply the local market which is desperate for gas, making exploration in the Nyuni area particularly attractive.

#### 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.

Bounty's farm in partner Advent Energy Ltd ("Advent") has proven an active hydrocarbon generation and migration system as well as establishing an inventory of leads and prospects with prospective resources of 4.7 TCF gas at the P50 confidence level.

These prospects remain one of the most significant untested gas plays in Australia.

##### PEP 11- Exploration Summary

PEP 11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (TCF) gas charged Permo-Triassic reservoirs.

The PEP 11 joint venture has demonstrated considerable gas generation and migration in the offshore Sydney Basin, with the previously observed mapped prospects and leads remaining highly prospective for gas.

2D or 3D seismic surveys are planned for 2016.

**Bounty Oil and Gas NL – Group Petroleum Reserves and Resources (As at 30 June 2015)**

The Group has reviewed all Reserves and Resources to comply with Chapter 5 of the ASX listing rules, the result is presented net to Bounty as at 30 June 2015:-

	MMboe <sup>9&amp;10</sup> (Recoverable)			Note
Discovered <sup>(3)</sup>	1P	2P	3P	
Proved Producing <sup>(4)</sup>				
Naccowlah	0.023	0.107	0.240	1
Marginal Proved Producing <sup>(5)</sup>	1C	2C	3C	
Utopia	0.069	0.575	0.575	1
Proved Non-Producing <sup>(6)</sup>	1C	2C	3C	
Kiliwani North		0.510	0.510	1
Contingent <sup>(7)</sup>	1C	2C	3C	
Downlands Gas Field	0.020	0.360	0.360	1
Downlands Oil Leg		0.340	0.340	2
Eluanbrook	0.044	0.069	0.102	2
Spring Grove		0.347	0.347	2
Utopia		0.201	0.201	1
<b>Total Discovered</b>	<b>0.156</b>	<b>2.307</b>	<b>2.473</b>	
Undiscovered Prospective <sup>(8)</sup>	Low	Best	High	
Surat (Mardi Prospect)	0.08	0.21	0.42	2
AC/P 32	20	113	302	2
Nyuni	15	24	44	2
PEP 11	10.7	128.8	128.8	2
Utopia	0.05	0.11	0.18	2
<b>Total Undiscovered</b>	<b>45.8</b>	<b>266.3</b>	<b>475.6</b>	

**Method / Notes**

1. Deterministic Estimates – based on actual measurements of a petroleum reservoir and contained petroleum.
2. Probabilistic Estimates (P90  $\equiv$  1P, P50  $\equiv$  2P, P10  $\equiv$  3P) – in probabilistic maths the solution or outcome is a prediction with uncertainties that can be measured using chance or probability.
3. Drilled and proven moveable oil or gas
4. Discovered oil which is on production including nearby undeveloped oil
5. Discovered oil which is on production but marginally economic
6. Discovered oil or gas which has either been produced or production tested but is currently shut in
7. Discovered oil or gas whose commercial worth is contingent upon signing sales contract, production testing and proving economic viability, or zones adjacent to Discovered oil requiring further appraisal drilling
8. Specific targets for exploration based on volume estimation from seismic surveys and based on untested models for hydrocarbon generation, migration and entrapment.
9. Estimates as at June 30, 2015
10. Converted at the rate of 182 MMboe  $\equiv$  1 MMcfg

**Material Changes**

No material changes over the year, those that have changed are due to production, minor adjustments based on better production data and slight changes in categorisation of resources.

## CORPORATE GOVERNANCE STATEMENT

Bounty Oil and Gas NL's Corporate Governance Statement is on its website [www.bountyoil.com](http://www.bountyoil.com) and has been released to the ASX.

## DIRECTORS' REPORT

Your directors present their report on the consolidated entity Bounty Oil & Gas NL ("Bounty", "company" or "the group") being the company and its controlled entities for the financial year ended 30 June 2015.

### Directors

The names of the directors in office at any time during or since the end of the financial year are:-

- G. C. Reveleigh (Chairman)
- C. Ross (Non-executive Director)
- R. Payne (Non-executive Director)

### Company Secretary

The following persons held the position of company secretary and chief financial officer of the group during the financial year:

- S. Saraf

### Principal Activities

The principal activity of the company and the group during the financial year was that of exploration for, development, production and marketing of oil and gas (petroleum). Investment in listed entities is treated as a secondary activity and business segment.

There were no significant changes in the nature of the company's principal activities during the financial year.

### Operating Results

Consolidated loss of the group attributable to equity holders after providing for income tax amounted to \$10,989,678 (see comparative details below).

	Consolidated 2015	Consolidated 2014
	\$	\$
Profit/(loss) from ordinary activities before income tax	(\$10,989,678)	1,138,302
Income tax attributable to loss	-	-
Net profit/(loss) after income tax	(\$10,989,678)	1,138,302

Revenue from continuing operations for the period was \$ 1,910,593 down 39% on the previous year (2014: \$3,142,946).

The operating profit was determined after taking into account the following material items:

- Petroleum revenue; (mainly from oil sales) of \$1,910,593
- A profit on trading listed securities of \$ 193,340

- An unrealized mark to market (loss) on listed securities of (\$396,984).
- Direct petroleum operating expenses of (\$1,258,777).
- Employee benefits expense of (\$728,320).
- Non-cash expenses for:
  - Impairment of production and development assets of (\$ 5,482,725)
  - Write off of capitalised exploration expenses of (\$4,511,836)
  - Amortisation expenses of (\$228,048)

Details of drilling activity, exploration and development operations and cash flows for the year ended 30 June 2015 have been reported by the company to the Australian Securities Exchange in the Quarterly Activity Report and Appendix 5B for each of the quarters during the year and in additional announcements on particular items. Brief details are set out below:

A summary of revenues and results of significant business and geographical segments is set out in Note 4 to the Financial Statements.

## Review of Operations

### Production & Sales:

During the year ended 30 June 2015, the company:

- Produced oil from several oil fields and leases operated by Santos Limited in ATP 259P, Naccowlah Block, SW Queensland.
- Produced light sweet crude oil from the Murta Zone in the Utopia Field, SW Queensland and continued to sell the oil to the Eromanga Refinery 50 km north of the field.
- Achieved revenue from sale of listed investments.

Petroleum revenue and production in barrels of oil equivalent (boe) are summarised below:-

	<b>Utopia PL214 Bounty Share (40% interest)</b>	<b>Naccowlah Block Bounty Share (2% interest)</b>	<b>Total</b>
<b>Revenue \$</b>	632,017	1,278,576	1,910,593
<b>Production boe</b>	9,032	14,976	24,008

### Exploration and Development

Significant exploration and development operations during the year under review were:

#### Australia

##### *Onshore*

- *Utopia Block; SW Queensland:*
  - *PL 214:* Due to oil price declines and non-approval of budgets presented by the operator Oilwells Inc of Kentucky (OWK) no new development drilling was undertaken and Bounty reviewed the carrying value of the interest in PL214 Utopia. As a result it adopted an impairment expense of \$4.231 million against the asset. After balance date OWK commenced proceedings against Bounty

for disputed cash calls and other matters. Bounty has defended the proceedings and will cross claim for materially in excess of the sums claimed by OWK, for an account and damages.

- *ATP 560P*: Bounty withdrew from the joint venture on the small area in ATP560P surrounding PL214 and expensed all remaining balances.
- Subject to satisfactory resolution of disputes with OWK and subject to economics including return of capital Bounty anticipates that additional development drilling may be undertaken in 2016 and subsequent years to develop the 2P oil reserves.
- *Naccowlah Block; SW Queensland*:
  - *ATP 1189P (formerly ATP 259P)*: Oil production operations continued satisfactorily at the producing fields including Jackson and from wells such as Irtalie East 4 and 5.
  - Later Development Plans were filed progressively for the Petroleum Leases within the Naccowlah Block ATP 1189P.
  - Further development drilling was deferred pending cost cutting reviews by the operator Santos Limited however such drilling is likely to involve potential additional appraisal wells in the Irtalie East - Cooroo North West project areas.
- *Surat Basin; Eastern Queensland*:
  - *ATP 754P*: Drilling of a multi-zone test in ATP 754P is planned for 2016 to test for oil, gas and coal seam gas in several zones down to the Permian age sequence.
  - *ATP 470P*: Bounty relinquished ATP 470P but is negotiating to acquire further Surat Basin interests.
  - Renewal of PL 2 Alton was granted and Bounty acquired additional rights with the acquisition of Interstate Energy Pty Limited which is now a wholly owned subsidiary. Bounty expects to commence planning to drill an additional well in this large petroleum lease in 2016.

## Offshore

- *AC/P 32 Ashmore Cartier Territory; Timor Sea*: Bounty holds 100% of this potentially major project.
  - In 2012 Bounty acquired a 100% interest in the permit and in June 2014 it was renewed for a further five years with a well commitment in Year 2 and Year 5 if needed. The principal target is the Azalea Prospect a 500 MMbbl original oil in place potential pool with a recoverable oil estimate of 100 MMbbls.
  - In 2014 Bounty completed seismic reprocessing and carried out seismic inversion work on the reprocessed volumes.
  - In 2015 Bounty carried out a campaign to farm out AC/P 32 focussing on the Azalea Prospect and significant farm in interest was tempered by oil price declines in 2015 and the consequent drastic cuts in E&P expenditures.
  - The National Offshore Titles Authority granted a variation from 24 June 2015 to combine the work commitments for 3 years until 2017.
  - The Azalea Prospect is:
    - Located in a prolific hydrocarbon province – the Vulcan Sub-basin.
    - Surrounded by multi-million barrel oil fields.
    - One of the largest untested potential oil pools in the Timor Sea.
    - Up dip from proven oil in Birch 1 and Swallow Oil Field 14 km. to the west.
    - Outlined by seismic amplitude and AVO anomalies.

- Associated with direct hydrocarbon indicators in the form of gas chimneys, diagenetic and shallow gas zones overlying the up dip edge.
  - Drill ready in water depths suitable for a jack up rig – i.e. 120 metres.
- *PEP 11; offshore New South Wales:* Bounty retains a 15% interest. The operator is planning to issue tenders for a 2D/3D seismic survey in 2015/2016 and the permit is in good standing with major gas supply issues developing in eastern Australia. The operator has identified a new target at Baleen Prospect with AVO analysis of seismic data.

### **Other Properties**

During the period, Bounty continued to fund exploration and development expenditure in connection with its other operated and joint venture interests located in Queensland, South Australia and Western Australia. Bounty is actively seeking additional projects.

### **Tanzania**

During the period construction of:

- the main 36" south-north pipeline system (East Tanzania Gas Pipeline);
- the Songo-Songo 24" lateral, the Songo-Songo Gas Processing Plant and
- a short tie in from the Plant to the Kiliwani North Gas Field was completed.

and packing of the line with gas commenced after the end of the period.

Minor works were being completed at the Songo-Songo Gas Processing Plant and negotiation of the gas sales agreement is in its final stages.

- Production start is scheduled for November 2015 and production is anticipated to be at a stabilised rate of 20-30 MMcf/day to generate net operating profit before tax for Bounty of \$3 million per annum.
- Nyuni PSA – new 3D seismic planned to image deep water turbidite gas plays of up to 1.3 TCF potential.

A major gas target named Pande West has been identified in the deep water eastern section of the Nyuni Block where Bounty holds a 5% interest and 3D seismic surveys are planned for early 2016.

### **Corporate – Share Issues**

During the period the company completed the following equity issues, details of which are set out in the Financial Statements:-

Allotment of 15,000,000 fully paid ordinary shares at 1.1 cents (\$0.011) per share for cash and for acquisition of Interstate Energy Pt Limited.

### **Dividends Paid or Recommended**

No dividends have been paid or declared for payment for the year ended 30 June 2015 and no dividend is recommended.

### **Financial Position**

The net assets of the group decreased by \$ 10.82 million to \$ 22.72 million in the period 1 July 2014 to 30 June 2015. This decrease resulted from the following main factors:

Non-cash expenses for:

- |                                                      |                  |
|------------------------------------------------------|------------------|
| ○ Impairment of production and development assets of | \$ 5.48 million. |
| ○ Write off of capitalised exploration expenses of   | \$ 4.51 million. |

At 30 June 2015 current assets were \$ 2.25 million.

During the financial year the company invested:-

- \$ 0.4 million in completions and surface production facility upgrades to further exploit its existing proved producing oil reserves held in SW Queensland mainly in ATP 259P Naccowlah Block and to increase its oil reserves.
- \$ 0.4 million in petroleum exploration projects in Australia and Tanzania as summarised in the Review of Operations above.

The directors believe the company is in a stable financial position to expand and grow its current operations.

#### **Significant Changes in State of Affairs**

There have been no significant changes in the state of affairs of the company during the financial year.

#### **Contingent liabilities and Contingent Assets**

- As at the date this report, there were no contingent assets or liabilities, other than:
- those exploration commitments set out in Note 21 of the Financial Statements; and the following;
- after balance date Oilwells Inc of Kentucky (OWK) the operator of PL214 Utopia joint venture commenced proceedings in Queensland against Bounty for disputed cash calls totalling \$354,875 plus costs. Bounty has defended the proceedings and will cross claim against OWK for materially in excess of the sums claimed by OWK, seeking orders for reimbursement of the joint account by OWK, for an account and for damages.
- Bounty estimates there is no contingent liability arising from the litigation and is unable to estimate a contingent asset.
- There is no other litigation against or involving Bounty Oil & Gas N.L. or its subsidiaries of which the Directors are aware.

#### **After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years other than the litigation with OWK referred to in **Contingent liabilities and contingent assets** above.

#### **Future Developments, Prospects and Business Strategies**

Subject to the amount of its ongoing oil revenues and the availability of new capital; consistent with that income and the available cash reserves of the group, Bounty will continue:

- Production, development and exploration for oil and natural gas (petroleum).
- Expand in the business of the exploration for, development of and production of petroleum.
- To conduct such operations principally in Australia and Tanzania.

In the coming year the group will focus on the:-

- Development of its existing oil reserves in the Surat Basin and in the Cooper Basin, Queensland aimed at increasing group oil revenue;
- Financing and if successful preparing to drill its major offshore oil targets in AC/P32, Timor Sea;
- Acquisition of additional petroleum properties with existing petroleum production or reserves and resources considered to have potential to develop and/or produce petroleum within an acceptable time frame;
- Commercialization of its development gas reserves and deep water gas exploration in the Nyuni Block, Tanzania; and
- Development of new business opportunities including other overseas projects.

### Environmental regulations or Issues

The company's operations are subject to significant environmental regulation under the law of the Commonwealth of Australia and its States and Territories in respect of its operated and non-operated interests in petroleum exploration, development and production. Its oil and gas production interests in the State of Queensland are operated by Oil Wells Inc of Kentucky, Origin Energy Limited and Santos Limited who comply with all relevant environmental legislation. Its offshore exploration operations in AC/P 32 Timor Sea are conducted by the company in full compliance with all relevant environmental legislation of the Commonwealth of Australia. Its non-operated offshore operations in PEP 11, NSW are similarly conducted by a competent operator. Its non-operated interests in Tanzania are operated by a company incorporated in that jurisdiction which is a wholly owned subsidiary of a United Kingdom based operator. It complies with all relevant environmental legislation.

### Information on Directors

The names and particulars of the directors of the company during or since the end of the financial year ended 30 June 2015, are:-

<b>Graham Reveleigh</b>	—	<i>Non-Executive Director</i>
Qualifications	—	BSc. MSc, M. Aus IMM.
Experience	—	Mr Reveleigh is a professional geologist and has nearly 42 years' experience in the resources industry both in Australia and overseas. Early in his career, he worked in the oil industry, then spent most of his career in exploration, mine management and construction in the mineral industry. Mr Reveleigh has had extensive experience in petroleum in recent years as a director of Drillsearch Energy Limited and a director of Canadian producer; Circumpacific Energy Corporation. He retired as a director of those companies in late 2007. He is a Member of the Australasian Institute of Mining and Metallurgy and a member of the Petroleum Exploration Society of Australia. He was appointed a director and chairman in 2005.
Special responsibilities:		Chairman of the company; geotechnical advice.
<b>Charles Ross</b>	—	<i>Non-Executive Director</i>
Qualifications	—	BSc.
Experience		Mr Ross has had extensive experience in the private and public equity and corporate finance market in Canada, USA and Europe for 22 years. He has operated extensively in corporate asset acquisition and divestiture, review and development of corporate financing strategies, administration, compliance procedures and investor relations in North America and the Euro zone. He was a director of Circumpacific Energy Corporation (a subsidiary of Drillsearch Energy Limited) from 1992 until 2008. This required management involvement in most aspects of petroleum exploration, development and production operations in the Western Canada Basin and other areas. He was appointed a director in 2005.
Special responsibilities:		Audit reviews; corporate strategy.

<b>Roy Payne</b>	— <i>Non-Executive Director</i>
Qualifications	— Solicitor Queensland.
Experience	Mr Payne is a commercial lawyer with over 31 years' experience. Prior to working in private practice as a lawyer he worked for the Department of Justice', Queensland for 12 years where he qualified to be a Clerk of the Court and a Magistrate.  Mr Payne has many years of experience in the corporate world. He has been the chairman of a listed mining exploration company. He is currently the chairman of the board of a private ship maintenance and repair company and the chairman and director of two limited liability, not for profit companies that operate a public art gallery and a gallery foundation. He has a wealth of knowledge and experience with corporate governance and mining exploration."
Special responsibilities:	Commercial law and Queensland statutory compliance.

### Directorships of other listed companies

Directorships of other listed companies currently held by the directors or held in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Mr G. Reveleigh	Hill End Gold Limited	1 July 2012 to present
Mr C. Ross	TSX Listed Companies; Canada: Golder Resources Corporation, Norzan Enterprises Ltd. and Tearlach Resources Limited.	1 July 2012 to present
Mr R. Payne	Nil	NA

### Directors shareholdings

The following table sets out each Directors interest in shares and options over shares of the Company or a related body corporate as at the date of this report:-

	Bounty Oil & Gas NL	
	Fully paid ordinary shares	Share options
	Number	Number
Mr G. Reveleigh	23,377,928	-
Mr C. Ross	3,200,000	-
Mr R. Payne	-	-

### Meetings of Directors/Committees

During the financial year, nine (9) meetings of directors were held. Attendances by each director during the year were as follows:-

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr G. Reveleigh	9	9
Mr C. Ross	9	9
Mr R. Payne	9	9

The company does not have separate audit or remuneration committees.

#### Indemnifying Officers or Auditor

During the financial year ended 30 June 2015 the company has not entered indemnity and access deeds with any of the directors indemnifying them against liabilities incurred as directors, including costs and expenses in successfully defending legal proceedings. The company has not, during or since the financial year, in respect of any person who is or has been an auditor of the company or a related body corporate indemnified or made any agreement for indemnifying against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings.

The company has paid premiums to insure each of the directors and officers in office at any time during the financial year against liabilities up to a limit of \$10 million for damages and for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$15,700 for all nominated directors.

#### Share Options

On 28 July 2014; 20 million options issued in a prior period lapsed unexercised. No options were issued during the year ending 30 June 2015 or have since been issued up to the date of this report.

Accordingly at balance date on 30 June 2015 and at the date of this report, no unissued ordinary shares or securities of Bounty Oil & Gas NL or any other entity comprising the consolidated entity were under option. No ordinary shares of the company were issued pursuant to exercise of options during the year ending 30 June 2015.

#### Legal Matters or Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings or any other litigation during the reporting period other than as disclosed above under **Contingent liabilities and contingent assets**.

#### Non-Audit Services

The independent auditors to the company; Mr John Skinner has not provided non audit services to the company during or after the end of the financial year.

#### Remuneration of Directors and Management

Information on the remuneration of directors and other key management personnel is contained in the Remuneration Report which forms part of this Directors Report and is set out on the following pages.

#### Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on Page 27.

Signed in accordance with a resolution of the Board of Directors made pursuant to s. 298(2) of the Corporations Act 2001.

On behalf of the Directors.

A handwritten signature in black ink, appearing to read 'Graham Reveleigh', with a stylized flourish at the end.

**GRAHAM REVELEIGH**  
Chairman

30 September 2015

## REMUNERATION REPORT

This remuneration report forms part of the Directors Report for the year ended 30 June 2015 and details the nature and amount of remuneration for the Bounty Oil & Gas NL non-executive directors and other key management personnel of the group.

The prescribed details for each person covered by this report are detailed below under the following headings:

- Director and senior management details
- Remuneration policy
- Non-executive directors policy
- Senior management personnel policy
- Remuneration of directors and key management
- Key terms and employment contracts

### Directors and Key Management details

The term “key management” as used in this remuneration report to refers to the following directors and executives.

#### *Directors*

The following persons acted as directors of the company during or since the end of the financial year:-

- Mr G. C. Reveleigh (Chairman)
- Mr C. Ross (Non-Executive Director)
- Mr R. Payne (Non-Executive Director)

#### *Executives*

The following persons acted as senior management of the company during or since the end of the financial year:

- Mr P. F. Kelso (Chief Executive Officer)

The company does not consider other employees and consultants to be Key Management Personnel.

### Remuneration policy

The remuneration policy of Bounty Oil & Gas NL has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and bonuses issued at the discretion of the board of the company. The board of Bounty Oil & Gas NL believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the company, as well as create goal congruence between directors, executives and shareholders.

All remuneration paid to key management personnel (directors and others) is valued at the cost to the company and expensed or where appropriate transferred to capital items. Shares issued to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management person. Share options are valued using the Black- Scholes methodology. Shares and options granted to key management personnel (directors and others) are subject to any necessary approvals required by the ASX Listing Rules.

### Performance-based remuneration

Given the long term nature of and risk variables involved in exploration and development of petroleum resource projects as compared to other sectors e.g. retail revenues; remuneration of directors or other key management personnel is not performance based.

**Non-executive directors' policy**

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is within the maximum amount specified in the company's Constitution. Any increase of that amount is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the company.

Remuneration of non-executive directors is determined by the Board exclusive of the director under consideration after considering the individual time commitment, duties and function of the subject Director. Further considerations of the amount of remuneration are made by referral to amounts paid to Directors, both executive and non-executive, by other listed entities of comparable size to the Company in the oil and gas exploration industry.

The board of directors as a whole determines the proportion of any fixed and variable compensation for each other key management person.

Any consulting fees payable to Directors as to specific projects outside the normal day to day duties of the Directors are agreed upon prior to commencement of work on the specific projects.

The company makes cash bonus payments to key directors from time to time. Bonus payments by way of share based payments are made from time to time subject to any necessary shareholder approval. All such payments are expensed at the time of issue at the prevailing market price.

Each director is paid in cash. Shares and share options have on occasions been granted to directors as part of their remuneration.

**Senior management personnel policy**

The board's policy for determining the nature and amount of remuneration of key management personnel who are senior management executives of the company is as follows:-

The remuneration structure comprises a combination of, short term benefits including base fees and long term incentives and is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key executive management personnel are for fixed terms which may continue at the end of the term. There were no provisions for retirement benefits in contracts with senior management executives of the company made or continued during the year ended 30 June 2015.

The company may make cash bonus payments to senior management executives and to selected employees from time to time. Bonus payments and long term incentives by way of share based payments are classed as long term incentives and are made from time to time subject to any necessary shareholder approval. All such payments are expensed at the time of issue at the prevailing market price.

Key management personnel who are employees receive a superannuation guarantee contribution required by the government, which is currently up to 10%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

The chief executive officer, Mr P. F. Kelso, is engaged through a fixed term service agreement with a personally related entity containing the following material conditions:

- Management fees of \$398,000 per annum payable by equal monthly instalments.
- Payment of lease fees for a motor vehicle and parking.
- Escalation of fees of 5% from 1 July, 2015 and 5% from 1 July, 2016.
- Bonuses at the discretion of the board of directors and there are no retirement or other fixed benefits.
- The personally related entity is responsible for all statutory entitlements.

- Services: To include non-exclusive executive management, capital raising, communication, management strategy, budgets, investment policy and all other duties normally incidental to the position of chief executive officer.

Other than the directors and the chief executive officer, at the date of this Report all other personnel are permanent or part time employees of the company and not classified as key management personnel.

### Key Management Remuneration

Details of the remuneration of directors and the other key management personnel of the group (as defined in AASB 124 Related Party Disclosures) and the one highest paid executive of Bounty Oil & Gas N.L. are set out in the following tables.

Key Management Remuneration						
2015	\$					
Key Management Person	Short-term Benefits			Post-employment Benefits	Share based payment	Total
	Cash, salary and commissions	Cash bonus and Non-cash benefits (2)	Consulting Fees + Other	Super-annuation	Options	
<b>Non-Executive Directors</b>						
Mr G. Reveleigh (1)	60,000	-	-	-	-	60,000
Mr C. Ross (1)	30,000	-	-	-	-	30,000
Mr R. Payne	-	-	-	20,000	-	20,000
<b>Other Key Management Personnel – Chief Executive officer</b>						
Mr P.F. Kelso (1)	398,000	51,307	-			449,307

1. Paid to a personally related entity of the director/executive.
2. Compensation for the 2015 financial year as set out in this column included non-cash benefits of \$51,307.

Key Management Remuneration						
2014	\$					
Key Management Person	Short-term Benefits			Post-employment Benefits	Share based payment	Total
	Cash, salary and commissions	Cash bonus and Non-cash benefits (4)	Consulting Fees + Other	Super-annuation	Options	
<b>Non-Executive Directors</b>						
Mr G. Reveleigh (3)	60,000	-	-	-	-	60,000
Mr C. Ross (3)	30,000	-	-	-	-	30,000
Mr J.G. Higginbotham	15,139	-	-	961	-	16,100
Mr R. Payne	-	-	-	1,667	-	1,667
<b>Other Key Management Personnel – Chief Executive officer</b>						
Mr P.F. Kelso (3)	421,785	70,612	-			492,397

3. Paid to a personally related entity of the director/executive.

4. Compensation for the 2014 financial year as set out in this column included non-cash benefits of \$50,612 and a bonus.

No director or senior management person appointed during the above periods received a payment as part of his consideration for agreeing to be appointed to that position.

### **Share-based payments**

During the financial year ended 30 June 2015 no share-based payments were made to Key Management Persons.

### **Fully paid ordinary shares**

No fully paid ordinary shares were issued to Key Management Persons during the period.

### **Share Options**

1. No share options were issued to directors or other key management persons or executives as part of their remuneration during the year ended 30 June 2015 or since that date.
2. During the year, no directors or senior management held or exercised options that were granted to them as part of their compensation in previous periods.

### **Loans to directors and executives**

There were no loans to directors and senior management made during the year or outstanding in the year to 30 June 2015.

### **Other Key Management Personnel Disclosures:**

Further information on disclosure in connection with Key Management Personnel and Share Base Payments are set out in the following Notes to the Financial Statements:-

1. Note 19: Share Based Payments
2. Note 20: Key Management Personnel Disclosures
3. Note 22: Related Party Transactions.

### **Performance income as a proportion of total remuneration**

The percentage of remuneration paid to directors and key management personnel during the financial year ended 30 June 2015 which was performance based was: Nil.

### **Employee Share Scheme**

Bounty Oil & Gas N.L. has a current Employee Share Plan (the Plan) approved by shareholders.

Under the Plan all share issues to directors or other Key Management Personnel must receive prior shareholder approval.

No ordinary shares of the company were issued under the Plan during the year ending 30 June 2015.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BOUNTY OIL & GAS N.L. AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



John Skinner

Date: 30 September 2015

Address: Level 2, 32 Martin Place Sydney 2000

**Consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2015**

	Notes	Year-ended	
		30-Jun-15 \$	30-Jun-14 \$
Oil revenue	5 (a)	1,910,593	3,142,946
Net Investment (loss)/income	5 (a)	(203,638)	857,995
Other income	5 (a)	121,502	117,137
Direct petroleum operating expense	5 (b)	(1,258,777)	(1,219,266)
Changes in inventories		(6,288)	(4,083)
Employee benefits expense	6	(728,320)	(741,996)
Depreciation expense		(86,311)	(74,289)
Amortisation of oil producing assets		(228,048)	(243,073)
Occupancy expense		(120,377)	(124,869)
Corporate activity costs		(106,851)	(104,079)
Rehabilitation expense		(101,624)	(99,588)
Impairment of oil and gas assets	14	(5,482,725)	-
Write off of exploration expense		(4,511,836)	(903)
General legal and professional costs		(158,552)	(321,057)
Other expenses		(28,426)	(46,573)
<b>Profit/(Loss) before Tax</b>		<b>(10,989,678)</b>	<b>1,138,302</b>
Income tax expense	7	-	-
<b>Profit/(Loss) for the period from continuing operations</b>		<b>(10,989,678)</b>	<b>1,138,302</b>
<b>Profit/(loss) for the year</b>		<b>(10,989,678)</b>	<b>1,138,302</b>
Other comprehensive income for the year, net of income tax		-	-
<b>Total Comprehensive income/(loss) for the year</b>		<b>(10,989,678)</b>	<b>1,138,302</b>
<b>Total comprehensive income attributable to owners of the parent</b>		<b>(10,989,678)</b>	<b>1,138,302</b>
<b>Earnings/(loss) per share</b>			
Basic (cents per share)		(1.17)	0.12
Diluted (cents per share)		(1.17)	0.12

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

**Consolidated statement of financial position** as at 30 June 2015

	Notes	30-Jun-15 \$	30-Jun-14 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	1,508,539	2,044,196
Trade and other receivables	10	560,942	633,850
Inventories	11	92,030	91,563
Other current financial assets	12	88,351	1,076,326
<b>Total current assets</b>		<b>2,249,862</b>	<b>3,845,935</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	14 (b)	9,218,674	13,221,369
Production and development assets	14(a)	12,011,882	16,741,340
Property, plant and equipment	13	1,676,758	1,637,283
<b>Total non-current assets</b>		<b>22,907,314</b>	<b>31,599,992</b>
<b>Total assets</b>		<b>25,157,176</b>	<b>35,445,927</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	695,082	917,442
Provisions	16	7,654	2,696
<b>Total current liabilities</b>		<b>702,736</b>	<b>920,138</b>
<b>Non-current liabilities</b>			
Rehabilitation provisions	16	1,731,061	977,732
<b>Total non-current liabilities</b>		<b>1,731,061</b>	<b>977,732</b>
<b>Total liabilities</b>		<b>2,433,797</b>	<b>1,897,870</b>
<b>Net assets</b>		<b>22,723,379</b>	<b>33,548,057</b>
<b>Equity</b>			
Issued capital	17	43,440,163	43,275,163
Reserves		201,600	201,600
Retained losses		(20,918,384)	(9,928,706)
<b>Equity attributable to owners of the parent</b>		<b>22,723,379</b>	<b>33,548,057</b>
<b>Total equity</b>		<b>22,723,379</b>	<b>33,548,057</b>

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

### Consolidated statement of changes in equity for the year ended 30 June 2015

	Notes	Ordinary share capital \$	Option reserve \$	Retained earnings/ (Accumulated losses) \$	Total \$
<b>Balance at 1 July 2013</b>		43,275,163	201,600	(11,067,008)	32,409,755
(Loss) for the year		-	-	1,138,302	1,138,302
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	1,138,302	1,138,302
Shares issued during the period	17	-	-	-	-
Share issue transaction costs		-	-	-	-
Option reserve listed separately		-	-	-	-
<b>Balance at 30 June 2014</b>		<b>43,275,163</b>	<b>201,600</b>	<b>(9,928,706)</b>	<b>33,548,057</b>
<b>Balance at 1 July 2014</b>		43,275,163	201,600	(9,928,706)	33,548,057
Loss for the period		-	-	(10,989,678)	(10,989,678)
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	(10,989,678)	(10,989,678)
Shares issued during the period	17	165,000	-	-	165,000
Share issue transaction costs		-	-	-	-
<b>Balance at 30 June 2015</b>		<b>43,440,163</b>	<b>201,600</b>	<b>(20,918,384)</b>	<b>22,723,379</b>

The statement of change in equity is to be read in conjunction with the accompanying notes

**Consolidated statement of cash flows for the year ended 30 June 2015**

	Notes	Year-ended	
		30-Jun-15 \$	30-Jun-14 \$
<b>Cash flows from operating activities</b>			
Receipts from petroleum operations		2,148,024	3,519,019
Proceeds from sale of listed shares		908,369	2,616,097
Payments for acquisition of listed shares		(124,032)	(43,287)
Payments to suppliers and employees		(2,729,987)	(3,337,355)
Interest received		26,742	18,284
Other		13,871	83,171
Net cash generated by operating activities	18	242,987	2,855,929
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation assets		(396,454)	(1,069,767)
Payments for oil production & development assets		(397,098)	(883,072)
Payments for property plant and equipment		(125,786)	(933,580)
Loans repayment/(advanced)		26,963	81,637
Net cash (used in) investing activities		(892,375)	(2,804,782)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		50,600	-
Net cash generated by/(used in) financing activities		50,600	-
Net increase/(decrease) in cash and cash equivalents		(598,788)	51,147
<b>Cash and cash equivalents at the beginning of the period</b>		2,044,196	1,982,473
Effects of exchange rate changes on the balance of cash held in foreign currencies		63,131	10,576
<b>Cash and cash equivalents at the end of the period</b>	9	1,508,539	2,044,196

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

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## Notes to the consolidated financial statements for the year ended 30 June 2015

### 1. Statement of compliance

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

This financial report includes the consolidated financial statements and notes of Bounty Oil & Gas NL ("parent entity") and controlled entities ("consolidated group" or "group") and the Group's interest in jointly controlled assets for the financial year ended 30 June 2015. Supplementary financial information about the parent entity is disclosed in Note 28. The Financial Statements are presented in Australian currency.

The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue by the directors on 30 September 2015.

### 2. Summary of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and comply with other requirements of the law.

Compliance with AASB 101 ensures compliance with International Financial Reporting Standard IAS 1 Presentation of Financial Statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

#### a. Basis of preparation

The consolidated 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.

The following significant accounting policies have been adopted in the preparation and presentation of the financial reports. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

#### b. Application of new and revised accounting standards

In the current year, the Group has applied a number of new and revised AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014.

#### The Group has adopted the following new and amended Australian Accounting Standard and AASB Interpretations as of 1 July 2014:

-AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities: AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The application of this standard has not resulted in any significant change in the 2015 year end accounts.

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosure for Non-Financial Assets:

AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.

The application of this standard has not resulted in any significant change in the 2015 year end accounts.

- AASB 1031 Materiality: The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. The application of this standard has not resulted in any significant change in the 2015 year end accounts.

**b. Application of new and revised accounting standards (continued)**

- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments: The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments. The application of this standard has not resulted in any significant change in the 2015 year end accounts.
- AASB 2014-1 Part A – Annual Improvements 2010–2012 Cycle Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010– 2012 Cycle: AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:  
AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.  
AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.  
AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.  
AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.  
AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.
- AASB 2014-1 Part A – Annual Improvements 2011–2013 Cycle Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011– 2013 Cycle: Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items:  
AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.  
AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3. The application of this standard has not resulted in any significant change in the 2015 year end accounts.

**Accounting standards and interpretations issued but not yet effective**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective or early adopted by the Group.

Standard/Interpretation	Application Date of the Standard	Initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards		
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	30 June 2017
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	30 June 2017
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	1 January 2016	30 June 2017
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	30 June 2017
AASB 15 Revenue from Contracts with Customers	1 January 2017	30 June 2018
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015	30 June 2016
AASB 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016	30 June 2017

**c. Basis of consolidation****(i) Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Bounty Oil & Gas NL at the end of the reporting period. A controlled entity is any entity over which Bounty Oil & Gas NL has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 24 to the financial statements.

In preparing the consolidated financial statements all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

For the reporting period the only controlled entity that Bounty Oil & Gas NL had was Ausam Resources Pty Limited (100% owned).

**(ii) Joint arrangements**

Under AASB 11 'Joint Arrangements' investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. Bounty Oil & Gas NL has assessed the nature of its joint arrangements and determined them to be joint

Bounty Oil & Gas NL has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operations are set out in note 25.

**(iii) Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are, with limited exceptions, recognised at their fair value at the acquisition date.

**d. Interests 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;
- 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.

**e. Income tax**

The income tax expense / (income) for the year comprises current income tax expense / (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

**e. Income tax (continued)**

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Current and deferred income tax expense / (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation - Bounty Oil & Gas NL and its wholly owned Australian subsidiary have not formed an income tax consolidation group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand alone taxpayer' approach to allocation.

**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.

For the period ended 30 June 2015, the Group realised a net loss after tax of \$10,989,678 (2014: \$1,138,302). This was largely as a result of non-cash impairment of production and development assets and exploration costs written off. The net cash generated by operating activities for the period ended 30 June 2015 was \$242,987 (2014: net cash generated \$2,855,929). The Group's net asset position at 30 June 2015 was \$22,723,379 (30 June 2014: \$33,548,057) and its cash balance amounted to \$1,508,539 (30 June 2014: \$2,044,196).

The directors' cash flow forecasts project that the group will continue to be able to meet its liabilities and obligations (including those exploration commitments as disclosed in Note 21) 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, 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 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. AASB 13 requires the disclosure of fair value information by 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

**g. Fair value measurement (continued)**

-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.

-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. Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collection of trade receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount for the provision is recognised in the income statement.

**i. Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Freehold land and building are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**j. Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation on assets is calculated over their estimated useful life as follows:

<b>Class of fixed asset</b>	<b>Estimated useful life</b>
Buildings, office furniture and fittings	5 years
Computer equipment	4 years
Plant and equipment	5 years

**j. Depreciation (continued)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**k. 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.

**l. 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 and 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

**m. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**n. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of petroleum products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads.

**o. Leased assets**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

**p. Financial instruments*****Recognition and Initial Measurement***

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

***De-recognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

***Classification and subsequent measurement******i) Financial assets at fair value through profit or loss***

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

***ii) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

***iii) Held-to-maturity investments***

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

***iv) Available-for-sale financial assets***

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

***v) Financial liabilities***

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**q. Impairment of assets**

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**r. Foreign currency transactions and balances*****Functional and presentation currency***

The functional currency is measured using the currency of the primary economic environment in which the Group operates (the "functional" currency). The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

***Transactions and balances***

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

**s. Employee benefits*****Wages and salaries, annual leave***

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

***Share based payments – employee share plan***

Share based compensation has from time to time been provided to eligible persons via the Bounty Oil & Gas N.L. Employee Share Plan ("Plan"). Under AASB 2 "Share-based Payments", the Employee Share Plan shares are deemed to be equity-settled share-based remuneration.

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of the quoted market price or binomial pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

**t. Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**u. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**v. Rehabilitation obligations**

Provisions for future environmental restoration are recognised where there is a present obligation as a result of exploration, development, production or storage activities having been undertaken and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at reporting date, with a corresponding charge in the cost of the associated asset.

The amount of the provision for future restoration costs relating to exploration, development and production facilities is capitalised and depleted as a component of the cost of those activities.

The unwinding of the effect of discounting on the provision is recognised as a finance cost.

**w. Revenue and other income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

**x. Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**y. Earnings per share****i) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

**ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential

**z. Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**aa. Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

**3. Critical accounting estimates and judgments**

In the application of the group's accounting policies, which are described in Note 1, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical and industry experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

### 3. Critical accounting estimates and judgments (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments that management has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### ***Exploration and evaluation assets***

The group's policy is discussed in Note 1(m). Its policy for production and development assets is discussed in Note 1(n). The application of these policies requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through profit or loss.

#### ***Estimate of reserve quantities***

The estimated quantities of proven and probably hydrocarbon reserves and resources reported by the group are integral to the calculation of amortisation (depletion) and depreciation expense and to assessments of possible impairment of assets. Estimated reserve quantities are based upon data from exploration and development drilling, interpretations of geological and geophysical models and assessment of the technical feasibility and commercial viability of producing the reserves. Management prepares reserve estimates which conform to guidelines prepared by the Society of Petroleum Engineers, USA. Where appropriate these estimates are then verified by independent technical experts.

These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological or reservoir data is generated during the course of operations.

#### ***Provision for rehabilitation and decommissioning***

The group estimates the future removal and decommissioning costs of oil and gas production facilities, wells, pipelines and related assets at the time of installation of the assets. In most instances the removal of these assets will occur many years in the future. The estimates of future removal costs therefore requires management to make adjustments regarding the removal date, future environmental legislation, the extent of decommissioning activities and future removal technologies.

#### ***Impairment of production and development assets***

The group assesses whether oil and gas assets are impaired on a semi-annual basis. This requires an estimation of the recoverable amount from the cash generating unit to which each asset belongs. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and or subsequent disposal. The expected net cash flows are discounted to their present values in determining the recoverable amount.

During the year, as a result of the steep fall in crude oil prices, the company carried out a review of its production and development assets. The review led to the recognition of an impairment loss of \$5.5 million in relation to PL 214 Utopia joint venture (Utopia JV) and ATP 470 development assets, which has been recognised in profit or loss. Both these assets are reported as core oil and gas segment. The recoverable amount for Utopia joint venture has been determined on the present fair value method. The fair value is calculated by discounting estimated future cash flows. As one or more of the significant inputs is not based on observable market data, the asset is deemed to be Level 3 within the fair value hierarchy.

The present fair value calculation was based on the following key assumptions:

- a) Discount rate of 9% & Inflation rate of 2.5%;
- b) The company's 2P reserves at 30 June 2015;
- c) Future Tapis crude oil prices and foreign exchange rates; and
- d) Reduction in operating and capital expenditure as forecast by the Operator.

#### ***PL 214 Joint operations - Utopia field***

During the year, the Operator of PL 214 Utopia JV failed to provide accounts of joint operations for the period January 2015 to June 2015 due to a dispute with the company over the budget and operations for the Utopia JV. The company has therefore made estimates for production, revenue, operating expenses and working capital movement for the above period and recognised these estimates in the financial statement pending availability of actual accounts. The estimates were computed based on information available from regulatory bodies and actual data from preceding periods. We do not expect the actual profit and loss impact of the above to be materially different from the actuals but if they are then the company may consider restating the financial statements in financial year 2016.

#### 4. 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)	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	\$	\$	\$	\$
<b>Core Oil &amp; Gas Segment</b>				
Production projects	1,910,593	3,142,946	292,946	1,500,634
Development projects	-	-	-	-
Exploration projects	-	-	-	-
<b>Secondary Segment</b>				
Listed securities	(203,638)	857,995	(203,638)	857,995
<b>Total from continuing operations</b>	<b>1,706,955</b>	<b>4,000,941</b>	<b>89,308</b>	<b>2,358,629</b>
Other revenue			121,502	117,137
Central admin costs and directors remuneration			(11,200,488)	(1,337,464)
<b>Profit before tax</b>			<b>(10,989,678)</b>	<b>1,138,302</b>

##### Segment revenue

Revenue reported above represents revenue/income generated from external sources. There were no intersegment sales during the period (2013: nil).

##### Accounting policies of reportable segments

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. This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

##### Information about major customers

Included in the revenue arising from direct sales of oil of \$1,910,593 (2014: \$3,142,946) are revenues of approximately \$851,531 (2014:\$1,473,403) which arose from sales to the Group's largest customer. The revenue from the Group's second largest customer was approximately \$632,017 (2014:\$938,817). The revenue from the Group's third largest customer was approximately \$258,400 (2014: \$459,672). No other single customer contributed 10% or more to the Groups revenue for both 2015 and 2014.

##### Other segment information

	Amortisation, depreciation & depletion		Additions to non-current assets	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	\$	\$	\$	\$
<b>Core Oil &amp; Gas Segment</b>				
Production projects	294,127	291,920	1,072,591	1,480,385
Development projects	-	-	32,445	61,054
Exploration projects	-	-	511,206	920,468
<b>Other</b>	<b>20,232</b>	<b>25,442</b>	<b>-</b>	<b>514,534</b>
<b>Total</b>	<b>314,359</b>	<b>317,362</b>	<b>1,616,242</b>	<b>2,976,441</b>
	Impairment losses(expenses)		Exploration write off	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	\$	\$	\$	\$
<b>Core Oil &amp; Gas Segment</b>				
Production projects	4,231,700	-	-	-
Development projects	1,251,025	-	-	-
Exploration projects	-	-	4,511,836	903
<b>Total</b>	<b>5,482,725</b>	<b>-</b>	<b>4,511,836</b>	<b>903</b>

**4. Segment Information (continued)**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and provisions.

The unallocated items include items that are not considered part of the core operations of any segment.

	Segment assets		Segment liabilities	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	\$	\$	\$	\$
<b>Core Oil &amp; Gas Segment</b>				
Production projects	8,859,245	12,370,123	2,277,866	1,557,334
Development projects	3,152,637	4,371,217	8,734	8,734
Exploration projects	9,218,674	13,221,369	23,796	23,796
<b>Secondary Segment</b>				
Listed securities	88,351	1,076,326	-	-
<b>Unallocated</b>	3,838,269	4,406,892	123,401	308,006
<b>Total</b>	<b>25,157,176</b>	<b>35,445,927</b>	<b>2,433,797</b>	<b>1,897,870</b>

**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 assets	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	\$	\$	\$	\$
Australia	1,828,457	4,118,078	21,068,483	31,441,436
Tanzania	-	-	4,088,693	4,004,491
<b>Total</b>	<b>1,828,457</b>	<b>4,118,078</b>	<b>25,157,176</b>	<b>35,445,927</b>

**5(a). Revenue and other income**

	30-Jun-15	30-Jun-14
	\$	\$
<b>Sales revenue:</b>		
Oil sales	1,862,156	2,960,271
Revenue from tariffs	48,437	182,675
<b>Total sales revenue</b>	<b>1,910,593</b>	<b>3,142,946</b>
<b>Investment income:</b>		
Investment income from financial assets at fair value through Profit and loss (held for trading listed shares)		
Realised gain	193,346	1,238,605
Unrealised gain/(loss)	(396,984)	(380,610)
<b>Total investment income</b>	<b>(203,638)</b>	<b>857,995</b>
<b>Other income:</b>		
Interest received	27,169	24,671
Unrealised gains on foreign currency	63,131	10,576
Other income	31,202	81,890
<b>Total other revenue</b>	<b>121,502</b>	<b>117,137</b>
<b>Total revenue</b>	<b>1,828,457</b>	<b>4,118,078</b>

**5(b). Direct petroleum operating expenses**

During the period, the consolidated entity accrued petroleum operating expenses of approximately \$200,000 for the period of January to June 2015 for the PL 214 Utopia joint venture due to the Operator withholding the accounts for disclosure due to ongoing legal dispute.

**6. Employee benefit expense**

	30-Jun-15	30-Jun-14
	\$	\$
Directors fees	110,000	107,767
Consultancy fees - Internal	358,000	321,785
Wages & salaries	181,105	229,343
Other employee benefit expenses	79,215	83,101
<b>Total Employee benefit expense</b>	<b>728,320</b>	<b>741,996</b>

**Recharge and recoveries**

The Group has the policy to allocate a portion of employee benefit expense to production, development, exploration and evaluation assets based on employee time committed to various projects.

**7. Income tax expense**

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit/(income tax benefit) from continuing operations before income tax at 30% (2014: 30%)

	\$	\$
Consolidated group	(3,295,017)	341,491
Add: tax effect of non deductible expenses	3,239,870	258,076
Less: tax effect of expenditure claimed as deduction	(316,380)	(607,763)
<b>Tax effect of Unused tax losses not recognised as deferred tax asset</b>	<b>(371,527)</b>	<b>(8,196)</b>

**Income tax expense attributable to loss from ordinary activities**

- -

The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not probable and recovery of timing differences is not assured beyond reasonable doubt.

The potential future income tax benefit will be obtained if:

- 1) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be realised by another company in the Group in accordance with Division 170 of the Income Tax Assessment Act 1997;
- 2) the relevant company and/or group continues to comply with the conditions for deductibility imposed by the Act; and
- 3) no changes in tax legislation adversely affect the Company and/or the group in realizing the benefit.

Bounty Oil and Gas NL and its wholly-owned subsidiaries have not formed a tax consolidation group.

**8. Earnings/(losses) per share**

Basic earnings per share (cents per share)	(1.17)	0.12
Diluted earnings per share (cents per share)	(1.17)	0.12
Net (loss)/profit used in the calculation of basic and diluted earnings per share	(10,989,678)	(1,496,969)

Weighted average number of ordinary shares for the purposes of basic and diluted EPS

No. of Shares	No. of Shares
953,400,982	846,737,283

**9. Cash and cash equivalents**

	\$	\$
Deposits on call	73,775	72,025
Cash at bank	1,434,764	1,972,171
<b>Total Cash and cash equivalents</b>	<b>1,508,539</b>	<b>2,044,196</b>

**10. Trade and other receivables**

	30-Jun-15	30-Jun-14
	\$	\$
<b>Current</b>		
Trade receivables	483,144	576,316
Prepayments	30,504	3,657
Other receivables	22,294	1,914
GST receivable	-	-
Loans to third party	25,000	51,963
<b>Total trade and other receivables</b>	<b>560,942</b>	<b>633,850</b>

The average credit period on sale of goods is 30 days. The Group generally recognise an allowance for doubtful debts for receivables if management forms an opinion that receivable may not be recoverable. The increase in trade receivables is a result of rise in oil sales. The balance outstanding at 30 June 2015 is primarily in relation to oil sales made in the final month of the period, the majority of which was received subsequent to year end. The trade receivables were outstanding for an average period of 15 days as at 30 June 2015.

**Ageing of past due but not impaired**

	\$	\$
60 – 90 days	825	-
90-120 days	825	-
120+ days	1,650	-
<b>Total</b>	<b>3,300</b>	<b>-</b>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is unrelated and includes large companies.

**11. Inventories**

	\$	\$
Oil in inventory	42,391	48,678
Other inventory	49,639	42,885
	<b>92,030</b>	<b>91,563</b>

**12. Other current financial assets**

	Note	\$	\$
Financial assets at fair value through profit and loss - shares in listed corporations	23(d)	88,351	1,076,326
<b>Total current financial assets</b>		<b>88,351</b>	<b>1,076,326</b>

**13. Property, plant and equipment****Plant and Equipment**

	\$	\$
Plant and equipment – at cost	1,110,044	984,258
Less accumulated depreciation	(418,190)	(332,904)
	<b>691,854</b>	<b>651,354</b>

**Real Estate Properties**

Real estate properties at cost	989,828	989,828
Less: Accumulated depreciation	(4,924)	(3,899)
	<b>984,904</b>	<b>985,929</b>

**Total Property, plant and equipment**

	<b>1,676,758</b>	<b>1,637,283</b>
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**Movement in carrying amounts:**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the financial year.

	\$	\$
<b>Opening Balance</b>	<b>1,637,283</b>	<b>777,992</b>
Additions	125,786	1,013,496
Depreciation	(86,311)	(154,205)
<b>Carrying amount at the end of the year</b>	<b>1,676,758</b>	<b>1,637,283</b>

**14. Non current assets****(a): Production and development assets****SW Queensland**

Oil producing property – PL214 Utopia – at cost  
 Oil producing property – Naccowlah Block – at cost  
 Less: Amortisation

30-Jun-15	30-Jun-14
\$	\$
<b>4,504,775</b>	8,534,668
<b>2,968,161</b>	2,964,870
<b>(1,181,411)</b>	(976,000)

**East Queensland**

Oil producing property – Joint venture interest PL119 Downlands – at cost  
 Less: Depletion and amortisation

Rehabilitation costs – all petroleum properties

Development assets

**Total production and development assets**

<b>3,775,432</b>	3,763,979
<b>(2,518,609)</b>	(2,518,608)
<b>1,310,897</b>	601,214

**Movement in carrying amounts:**

Movements in the carrying amounts for each class of production & development assets between the beginning and end of the financial year.

<b>3,152,637</b>	4,371,217
<b>12,011,882</b>	16,741,340

**Opening balance**

Additions

Movement in rehabilitation

Impairment of production and development assets (i)

Amortisation of production assets

**Carrying amount at the end of the year**

(i) Refer to note 3 for impairment accounting assumptions.

\$	\$
<b>16,741,340</b>	15,904,274
<b>271,632</b>	896,572
<b>709,683</b>	145,905
<b>(5,482,725)</b>	-
<b>(228,048)</b>	(205,411)
<b>12,011,882</b>	16,741,340

**(b): Exploration and evaluation assets**

Exploration assets

**Total exploration and evaluation assets**

\$	\$
<b>9,218,674</b>	13,221,369
<b>9,218,674</b>	13,221,369

**Movement in carrying amounts:**

Movements in the carrying amounts for each class of exploration and evaluation assets between the beginning and end of the financial year.

**Opening balance**

Additions

Write off – Exploration and evaluation asset

**Carrying amount at the end of the year**

\$	\$
<b>13,221,369</b>	12,300,901
<b>509,141</b>	921,371
<b>(4,511,836)</b>	(903)
<b>9,218,674</b>	13,221,369

**15. Trade and other payables****Current**

Trade creditors

Accrued creditors

GST, FBT, PAYG & super liability

**Total trade and other payables**

\$	\$
<b>535,866</b>	788,350
<b>118,635</b>	74,695
<b>40,581</b>	54,397
<b>695,082</b>	917,442

**16. Provisions**

Current - Provision for annual leave

Non-current - Rehabilitation costs – petroleum properties

\$	\$
<b>7,654</b>	2,696
<b>1,731,061</b>	977,732

**Movement in provisions**

Opening balance

Unwinding of discount

Net movement in rehabilitation provisions made during the year

**Balance at the end of the period**

<b>977,732</b>	807,939
<b>101,624</b>	99,588
<b>651,705</b>	70,205
<b>1,731,061</b>	977,732

The provision for rehabilitation costs represents the present value of the Directors' best estimate of the future sacrifice of economic benefits that will be required to remove the facilities and restore the affected areas at the Group's operation sites. The rehabilitation of the petroleum properties is expected to be undertaken between 1 to 20 years. The discount rate used in the calculation of the provision as at 30 June 2015 was 3%, broadly equivalent to the Australian Government 10 year bond

**17. Issued capital**

A reconciliation of the movement in capital for the Company can be found in the Consolidated Statement of Changes in Equity

953,400,982 fully paid ordinary shares (2014: 938,400,982)

Nil options transferred to reserve on expiry (2014: Nil)

**(a) Movement in fully paid ordinary shares**

Balance at beginning of period

Shares issued during the period

Balance at end of period

**(b) Movement in unlisted options**

Balance at beginning of period

Lapsed during the period

Balance at end of period

**18. Reconciliation of cash flow from continuing operations**

Reconciliation of Cash Flow from continuing operations with profit/(loss) after income tax.

Profit/(Loss) from continuing operations after income tax

**Non-cash flows in profit/(loss) from continuing operations:**

Depreciation and Amortisation

Unrealised (gain)/loss on listed securities

Unrealised foreign exchange (gain)/loss

Rehabilitation expense

Written off exploration assets

Impairment of petroleum development assets

Accrued interest income

(Increase) in trade and other receivables

Decrease in financial assets through profit and loss

(Increase)/Decrease in inventory

Increase in petroleum property rehabilitation obligation

Increase/(Decrease) in trade & other payables

**Net Cash from continuing operations****19. Share based payments****2015**

No share based payment compensation was granted to directors or senior management during the financial year ended 30th June 2015 and there was Nil expensed (2014: Nil). During the year, no directors or senior management exercised options that were granted to them as part of their compensation in previous periods while 20 million options lapsed on 28 July 2014.

**2014**

No share based payment compensation was granted to directors or senior management during the financial year ended 30th June 2014 and there was Nil expensed (2013:\$497,250). During the year, no directors or senior management exercised options that were granted to them as part of their compensation in previous periods and no options lapsed.

**20. Key management personnel****a) Key Management Personnel Compensation**

The aggregate compensation made to Key Management Personnel of the group is set out below:

Short term employee benefits

Share based payments

**Total**

Apart from the details disclosed in this note, no director or key management personnel has entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' or executives' interests existing at year-end.

	30-Jun-15	30-Jun-14
	\$	\$
	<b>43,440,163</b>	43,275,163
	<b>201,600</b>	201,600
	<b>43,641,763</b>	43,476,763
	<b>No. of Shares</b>	<b>No. of Shares</b>
	<b>938,400,982</b>	938,400,982
	<b>15,000,000</b>	-
	<b>953,400,982</b>	938,400,982
	<b>20,000,000</b>	20,000,000
	<b>(20,000,000)</b>	-
	<b>-</b>	20,000,000
	<b>\$</b>	<b>\$</b>
	<b>(10,989,678)</b>	1,138,302
	<b>314,359</b>	279,700
	<b>396,984</b>	380,610
	<b>(63,131)</b>	(10,576)
	<b>101,624</b>	99,588
	<b>4,511,836</b>	903
	<b>5,482,725</b>	-
	<b>(427)</b>	(6,387)
	<b>46,372</b>	61,778
	<b>590,991</b>	1,334,205
	<b>49,172</b>	17,170
	<b>22,637</b>	37,662
	<b>(220,477)</b>	(477,026)
	<b>242,987</b>	2,855,929

**Notes to the consolidated financial statements  
for the year ended 30 June 2015**

**20. Key management personnel (continued)**

**a) Key Management Personnel Compensation (continued)**

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

**b) Equity Instrument Disclosures Relating to Key Management Personnel**

i) Options provided as remuneration and shares issued on exercise of such options

During the year there were no options provided as remuneration.

ii) Option holdings

The number of options over ordinary shares in the company held during the financial year by each director of Bounty Oil & Gas N.L. and other key management personnel of the group, including their personally related parties, are set out below:

2015	Held at 1 July 2014	Granted as Compensation	Exercised	Expired	Held at 30 June 2015	Vested and Exercisable at 30 June 2015
<b>Directors</b>	-	-	-	-	-	-
<b>Executives</b>	-	-	-	-	-	-
2014	Held at 1 July 2013	Granted as Compensation	Exercised	Expired	Held at 30 June 2014	Vested and Exercisable at 30 June 2014
<b>Directors</b>	-	-	-	-	-	-
<b>Executives</b>	-	-	-	-	-	-

All vested options were not exercised and expired on 22 December 2012.

iii) Share holdings

The movement during the reporting period in the number of ordinary shares in Bounty Oil and Gas N.L. held, directly, indirectly or beneficially, by each key management person, including related parties, is as follows:

2015	Balance at Start of the Year	Purchases	Received on exercise of Options	Received other	Sales	Held at the end of Year
<b>Directors</b>						
G Reveleigh	17,479,118	5,898,810	-	-	-	23,377,928
R Payne	-	-	-	-	-	-
C Ross	3,200,000	-	-	-	-	3,200,000
<b>Executives</b>						
P Kelso	48,096,662	4,600,000	-	-	-	52,696,662
<b>2014</b>						
<b>Directors</b>						
G Reveleigh	17,479,118	-	-	-	-	17,479,118
R Payne	-	-	-	-	-	-
G Higginbotham	3,106,720	-	-	-	-	3,106,720
C Ross	3,200,000	-	-	-	-	3,200,000
<b>Executives</b>						
P Kelso	29,574,141	18,522,521	-	-	-	48,096,662

No shares were granted to key management personnel during the financial year or during the previous financial year.

**c) Loans to Key Management Personnel**

No loans were made to key management personnel including their personally related entities during the financial year ended 30 June 2015 and no loans were outstanding at the end of the prior period.

**20. Key management personnel (continued)****d) Other transactions with key management personnel**

(i) Other than the transactions disclosed in the Remuneration Report contained in the Directors' Report, during the financial year, \$30,000 was paid for rent to a firm controlled by CEO Mr. P. Kelso.

(ii) During the year, the Group acquired 15% interest in Bakersfield Oil field, California, U.S.A from Tearlach Resources (California) Ltd. Mr. Charles Ross, a director of Bounty Oil and Gas NL was also a director in the parent company of the vendor company and held equity shares directly and indirectly in the parent company. Mr. Ross did not comment or vote on the Board resolution to acquire interest in the above petroleum property.

Aggregate amounts of each of the above types of other transactions with entities associated with key management personnel of Bounty Oil & Gas NL:

	30-Jun-15 \$	30-Jun-14 \$
Legal, corporate fees	-	20,000
Rent of office	30,000	30,000
	<b>30,000</b>	<b>50,000</b>

**21. Commitments**

In order to maintain current rights of tenure to its exploration 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 exploration commitment which may be renegotiated, varied between permits, or reduced due to farm-out, sale, reduction of exploration area and/or relinquishment of non-prospective permits. Work in excess of the work programs may also be undertaken.

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

Payable	\$	\$
Not longer than 1 year	800,000	2,300,000
Longer than 1 year and not longer than 5 years	4,270,000	1,950,000
	<b>5,070,000</b>	<b>4,250,000</b>

There are no lease commitments at the balance date.

**22. Related party transactions****a. The Group's main related parties are as follows: Key****Management Personnel**

Any person(s) having authority or responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group are considered as key management personnel.

Disclosures relating to key management personnel are set out in Note 20 and Directors' report pages 23 to 26.

**Controlled entities**

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 24.

All inter-company loans and receivables are eliminated on consolidation and are interest free with no set repayment terms.

**b. Transactions with other related parties:**

The Group has a related party relationship with its joint ventures/joint operations (note 25) and with its key management personnel.

The Company and its controlled entities engage in a variety of related party transactions in the ordinary course of business. These transactions are generally conducted on normal terms and conditions.

There were no transactions with related parties other than as disclosed in Note 20 and this Note 22.

**23. Financial instruments****a) Capital management:**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders. The Group's overall strategy remains unchanged from last financial year. The Group's capital structure consists of equity (comprising issued capital, reserves and retained earnings as detailed in Consolidated Statement of Changes in Equity) and no debt. The Group is not subject to any externally imposed capital requirements.

The Board reviews the capital structure of the Group on an on-going basis. As part of this review, the Board considers the cost of capital and associated risks.

**23. Financial instruments (continued)**

The gearing ratio at the end of the reporting period was nil (2014: nil).

<b>b) Categories of financial instruments:</b>	<b>Note</b>	<b>30-Jun-15</b>	<b>30-Jun-14</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets</b>			
Cash and cash equivalents		<b>1,508,539</b>	2,044,196
Loans and receivables		<b>560,942</b>	633,850
Available for sale financial assets designated as at FVTPL	<b>12</b>	<b>88,351</b>	1,076,326
<b>Total financial assets</b>		<b>2,157,832</b>	3,754,372
<b>Financial liabilities</b>			
Other amortised cost - trade creditors		<b>(695,082)</b>	(917,442)
<b>Total financial liabilities</b>		<b>(695,082)</b>	(917,442)

**c) Financial risk management objectives:**

The main risks the company is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

Foreign currency risk:

Foreign currency risk is managed by retaining majority of its cash and payables in Australian currency. Petroleum sales are received in USD with short term credit terms.

Liquidity risk:

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Credit risk:

The Group has adopted a policy of only dealing with credit worthy counterparties and only transacts with financial institutions that are rated the equivalent of AA and above. The Group's exposure and the credit ratings of its counterparties are continuously monitored and transactions concluded are spread amongst approved counterparties. Trade receivables consist of a limited number of customers, all of which are large creditworthy organisations.

The Company does not have any material credit risk exposure to any single debtor or company of debtors under financial instruments or collateral securities entered into by the Company.

Commodity risk:

The sales revenue of the company is derived from sales of oil at the prevailing TAPIS or Dated Brent oil price on the Singapore market in USD. Sales volumes are not sufficient to undertake the expense of entering derivative contracts to manage that risk.

**d) Fair value of financial instruments:**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

The fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

<b>Consolidated</b>	<b>Note</b>	<b>Fair value hierarchy</b>	<b>30-Jun-15</b>	<b>30-Jun-14</b>
			<b>\$</b>	<b>\$</b>
<b>Financial assets at fair value through profit or loss</b>				
<b>Quoted bid prices in an active market</b>	<b>12</b>	<b>Level 1</b>	<b>88,351</b>	1,076,326

**e) Sensitivity analysis**

The company does not perform sensitivity analysis with respect to interest rate risk, foreign currency risk, liquidity risk, credit risk or price risk.

**24. Controlled entities**

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 2 (c)(i).

Name of entity	Country of Incorporation	Class of shares	30-Jun-15	30-Jun-14
			Equity holding % (1)	
Ausam Resources Pty Ltd.	Australia	Ordinary	100	100
Interstate Energy Pty Ltd.	Australia	Ordinary	100	-

(1) The proportion of ownership interest is equal to the proportion of voting power held.

**25. Interest in joint operations**

Set out below are the joint arrangements of the Group as at 30 June 2015, 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 (%)	
ATP 560/PL 214 OWK Inc.	Production	Proportionate	Sydney, Australia	40%	40%
ATP 259P Naccowlah block	Production	Proportionate	Adelaide, Australia	2%	2%
Nyuni PSA	Exploration	Proportionate	Dar es Salaam, Tanzania	5%	5%
Kiliwani North	Production	Proportionate	Dar es Salaam, Tanzania	10%	10%
ATP 754P	Exploration	Proportionate	Brisbane, Australia	50%	50%
PEP11	Exploration	Proportionate	Perth, Australia	15%	15%

The Group's joint venture agreements require unanimous consent from all parties for all relevant activities. The joint operators own the assets of the partnership as tenants in common and are jointly and severally liable for the liabilities incurred by the partnership. These entities are therefore classified as joint operations and the group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 2(c)(ii) & 2(d).

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

The company's share of revenue and expenses from joint operations are included in the Consolidated Statement of Comprehensive Income. The company's share of the assets and liabilities held in joint operations are included in the Consolidated Statement of Financial Position.

The company holds significant petroleum production joint venture interests included in the Consolidated Statements as follows:

(i) a 40% interest in Petroleum Lease 214 and part of ATP 560P, Queensland and associated oil production tangibles referred to as the Utopia JV.

(ii) a 2% interest in various Petroleum Leases and part of ATP 259P, Queensland and associated oil production tangibles and pipelines referred to as the Naccowlah Block JV.

Details of the total revenue and expenses derived from or incurred in ATP 259P and ATP560P/PL 214 joint operations and the company's share of the assets and liabilities employed in these joint operations are as follows:

	\$	\$
Revenue from petroleum	1,910,593	3,142,946
Petroleum and all other expenses	(1,617,647)	(1,642,312)
<b>Net Profit/(Loss) from joint operations</b>	<b>292,946</b>	<b>1,500,634</b>
<b>Current assets</b>		
Cash and cash equivalents	-	72,439
Trade receivables	406,722	481,914
Inventories	92,030	91,564
<b>Non current assets</b>		
Property, plant & equipment (net of accumulated depreciation)	532,462	463,628
Other non-current assets	7,576,775	11,088,398
<b>Total assets in joint operations</b>	<b>8,607,989</b>	<b>12,197,943</b>
<b>Current liabilities</b>		
Trade and other payables	485,288	762,891
<b>Non current liabilities</b>		
Provisions	1,528,424	789,781
<b>Total liabilities in joint operations</b>	<b>2,013,712</b>	<b>1,552,672</b>
<b>Net interest in joint operations</b>	<b>6,594,277</b>	<b>10,645,271</b>

**25. Interest in joint arrangements (continued)****Interests in other joint operation entities**

Also included in the Consolidated Financial Statements as at 30 June 2015, the group held interests in joint operations whose principal activities were exploration, evaluation and development of oil and gas but not accruing material revenue.

The company contributes cash funds to the joint operations by way of cash calls for a specified percentage of total exploration and development activities. Other than the Utopia and Naccowlah Block production Joint Operations none of the joint operations hold any material assets and accordingly the Company's share of exploration, evaluation and development expenditure is accounted for in accordance with the policy set out in Note 1.

**26. Economic dependency**

The company is not dependent on any external entity.

**27. Business combinations****a) Control gained over entities during the year**

During the year the Group acquired 100% controlling interest in Interstate Energy Pty Ltd by issue of fully paid equity shares in Bounty Oil and Gas NL as purchase consideration. The acquisition should assist in continued expansion of the Groups oil development interests in Surat basin, Queensland.

2015	Name of entity	Principal activity	Date of acquisition	Proportion of shares acquired (%)	Consideration transferred \$
	Interstate Energy Pty Ltd.	Oil & Gas Exploration	15/06/2015	100%	114,400
<b>2014</b>	-	-	-	-	-

**b) Consideration transferred**

Interstate Energy Pty Ltd. was acquired by issue of 10,400,000 fully paid equity shares at 1.1 cents in Bounty Oil and Gas NL.

**c) Assets acquired and liabilities assumed at the date of acquisition of Interstate Energy**

	Fair Value 15-Jun-15 \$
<b>Current assets</b>	
Cash and cash equivalents	-
Trade and other receivables	-
Other current financial assets	-
<b>Non-current assets</b>	
Exploration and evaluation assets	114,400
<b>Current liabilities</b>	
Trade and other payables	-
Provisions	-
<b>Non-current liabilities</b>	
Rehabilitation provisions	-
	<b>114,400</b>

The initial accounting for the acquisition of Interstate Energy has only been provisionally determined at the end of the reporting period. For tax purposes, the tax values of assets are required to be reset based on market values. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate of the likely tax values.

No goodwill arose on the acquisition of Interstate Energy based on provisional calculation.

**d) Net cash outflow on acquisition of Interstate Energy**

	30-Jun-15 \$
Consideration paid in cash	-
Less: cash and cash equivalent balances acquired	-
	-

**e) Impact of acquisition of Interstate Energy on the results of the Group**

The Group's profit/ (loss) for the year had nil impact from the acquisition of Interstate Energy. If the acquisition had occurred on 1 July 2014, management estimates that the contribution from Interstate Energy for the full year to 30 June 2015 would have been revenue of \$nil and a profit before tax of \$nil.

**28. Parent entity disclosures**

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are same as those applied in the consolidated financial statements. Refer to Note 1 for a summary of the significant accounting policies relating to the Group.

The individual financial statements for the parent entity Bounty Oil & Gas NL show the following aggregate amounts:

**Statement of Financial Position**

	30-Jun-15	30-Jun-14
	\$	\$
<b>Assets</b>		
Current assets	6,776,534	8,350,255
Non-current assets	19,356,128	22,634,826
<b>Total Assets</b>	<b>26,132,662</b>	<b>30,985,081</b>
<b>Liabilities</b>		
Current liabilities	701,916	920,138
Non-current liabilities	1,563,386	823,121
<b>Total Liabilities</b>	<b>2,265,302</b>	<b>1,743,259</b>
<b>Net Assets</b>	<b>23,867,360</b>	<b>29,241,822</b>
<b>Equity</b>		
Issued capital	43,440,163	43,275,163
Reserves	201,600	201,600
Retained earnings/Accumulated losses	(19,774,403)	(14,234,942)
<b>Total Equity</b>	<b>23,867,360</b>	<b>29,241,821</b>
<b>Statement of Profit and Loss and other Comprehensive Income</b>		
(Loss) profit for the year	(5,539,461)	1,175,491
Other comprehensive income	-	-
<b>Total Comprehensive (Loss)/Income for the year</b>	<b>(5,539,461)</b>	<b>1,175,491</b>
<b>Commitments for Capital Expenditure</b>		
No longer than 1 year	660,000	2,180,000
Longer than 1 year and not longer than 5 years	3,520,000	1,600,000
<b>Total</b>	<b>4,180,000</b>	<b>3,780,000</b>

There are no operating lease commitments at the balance date.

**29. Contingent liabilities and contingent assets**

As at the date this report, there were no contingent assets or liabilities, other than exploration commitments set out in Note 21; and the following:

After balance date Oilwells Inc. of Kentucky (OWK) the operator of PL214 Utopia joint venture commenced proceedings in Queensland against Bounty for disputed cash calls totalling \$354,875 plus costs. Bounty has defended the proceedings and will cross claim against OWK for materially in excess of the sums claimed by OWK, seeking orders for reimbursement of the joint account by OWK, for an account and for damages. Bounty estimates there is no contingent liability arising from the litigation and is unable to estimate a contingent asset. There is no other litigation against or involving Bounty Oil & Gas N.L. or its subsidiaries of which the Directors are aware.

**30. Events occurring after the reporting period**

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years other than the litigation with OWK referred to in Note 29 above.

**31. Auditors remuneration**

Remuneration of the auditors of the Company for:

- Auditing or reviewing the financial reports for year
- Other services

	30-Jun-15	30-Jun-14
	\$	\$
	62,500	48,000
	-	11,350
	<b>62,500</b>	<b>59,350</b>

The auditors to Bounty Oil & Gas NL is John Skinner, Level 2, 32 Martin Place, Sydney NSW 2000.

**32. Company details**

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

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

**DIRECTORS' DECLARATION**

a) The directors of Bounty Oil and Gas NL ("the Company") declare that the financial statements and notes, as set out on pages 28 to 54 are in accordance with the Corporations Act 2001 and:

- (i) comply with Accounting Standards and the Corporations Regulations 2001; and
- (ii) give a true and fair view of the financial position as at 30th June 2015 and of the performance for the year ended on that date of the Company;

b) The Chief Executive Officer and the Chief Financial Officer have each declared that:

- (i) The financial records of the company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001.
- (ii) The financial statements and notes for the financial year comply in all material respects with the Accounting Standards;
- (iii) The financial statements and notes give a true and fair view.

c) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Graham Reveleigh  
Director

30 September 2015

**BOUNTY OIL & GAS N.L. ABN 82 090 625 353 AND CONTROLLED ENTITIES  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOUNTY OIL & GAS N.L.**

**Report on the Financial Report**

We have audited the accompanying financial report of Bounty Oil & Gas N.L. which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements* that the financial statements comply with International Financial Reporting Standards (IFRS)

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bounty Oil & Gas N.L., would be in the same terms if provided to the directors as at the time of this auditor's report.

*Auditor's Opinion*

In our opinion:

- a. the financial report of Bounty Oil & Gas N.L. is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

**Report on the Remuneration Report**

We have audited the remuneration report included the report of the directors for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporation Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

*Auditor's Opinion*

In our opinion the remuneration report of Bounty Oil & Gas N.L. for the year ended 30 June 2015, complies with s 300A of the *Corporation Act 2001*.

A handwritten signature in black ink, appearing to read 'John Skinner', is positioned above the printed name.

John Skinner

Address: Level 2, 32 Martin Place Sydney 2000

Dated this 30 day of September 2015

## 1. Additional Information Required by ASX Listing Rules

The following is additional information provided in accordance with the Listing Rules of the Australian Securities Exchange Limited.

### Analysis of equity security holders as at 28<sup>th</sup> September, 2015:

- a) Analysis of numbers of holders of fully paid ordinary shares:

No. of Securities	No. of Shareholders
1 – 1,000	207
1,001 – 5,000	119
5,001 – 10,000	473
10,001 – 100,000	1,933
100,001 and above	<u>1,139</u>
	3,871

- b) Twenty largest holders of quoted equity securities at 28<sup>th</sup> September, 2015:

	Ordinary Shareholders	Fully paid number	%
1	Comadvance Pty Ltd.	42,919,298	4.50%
2	Les Selwood Pty Ltd.	36,076,334	3.78%
3	Red Kite Capital Inc.	27,022,000	2.83%
4	Tri-ex Holdings Pty Ltd.	20,400,000	2.14%
5	WH Ave LLC	18,000,000	1.89%
6	Kestrel Petroleum Pty Ltd.	15,175,000	1.59%
7	Robert A Hutchfield	14,420,200	1.51%
8	David Alan Mcsevery	13,308,214	1.40%
9	Gleneagle Securities Australia Pty Ltd.	11,284,254	1.18%
10	Vi Khanh Bang	17,660,000	1.85%
11	G E Reveleigh & Co Pty Ltd.	9,167,974	0.96%
12	Barry Sheedy & Associates Pty Ltd.	8,253,700	0.87%
13	GC & MV Reveleigh & Co Pty Ltd.	8,000,000	0.84%
14	Ann Spooner	7,772,217	0.82%
15	William John & S Tyler	7,000,000	0.73%
16	Jordan Vujic	6,330,937	0.66%
17	Cheveso Pty Ltd.	6,000,000	0.63%
18	Zanamere Pty Ltd.	5,898,810	0.62%
19	Philip Francis Kelso	5,066,222	0.53%
20	Simon Saliba	5,000,000	0.52%
	<b>Total Top 20 Holders</b>	<b>284,755,160</b>	<b>29.85%</b>

- c) Options at 28<sup>th</sup> September, 2015:

- i) there were no listed and quoted options over ordinary shares.
- ii) there were no unlisted options over ordinary shares.

## 2. Substantial Shareholders

As at 28<sup>th</sup> September 2015 there were no substantial shareholders as disclosed in substantial shareholders notices given to the company.

3. There were 2,012 holders of less than a marketable parcel of ordinary shares, totalling 34,750,453 shares.
4. The percentage of the total holding of the 20 largest shareholders of ordinary shares was 29.85% of issued capital.
5. The total number of fully paid ordinary shares on issue on 28<sup>th</sup> September 2015 was 953,400,982.

## 6. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange (ASX) under the code BUY.

## 7. Income Tax

The company is taxed as a public company.

## 8. Voting Rights

On show of hands one vote for every registered Shareholder and on a poll, one vote for each share held by a registered Shareholder.

## 9. Additional Information

Information in these financial statements (or in the annual report) that relates to or refers to petroleum exploration and prospectivity or petroleum or hydrocarbon reserves or resources is based on information compiled and/or written by Mr Philip F Kelso the CEO of Bounty Oil & Gas NL. Mr Kelso is a Bachelor of Science (Geology) and has practised geology and petroleum geology for in excess of 35 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. He has consented to the reporting of that information in the form and context in which it appears in this report.

The company continues to comply with the ASX Listing Rules disclosure requirements. The company reports to ASX which makes available all reports to those who wish to access them. All ASX releases and other background information are posted regularly on the company's website. The company intends to post on its website its annual report and all other required notices to its shareholders.

The board reviews and receives advice on areas of operational and financial risks. Business risk management strategies are developed as appropriate to mitigate all identified risks of the business. The directors are aware of the guidelines for the content of a code of conduct to guide compliance with legal and other obligations to shareholders but have not formally established such a code. Where applicable to its activities, the directors ensure that the company is responsible to its shareholders, employees, contractors, advisers, individuals and the community.

## 10. Secretary

The name of the Secretary of the company is Sachin Saraf.

## 11. Share Buy Back

There is no current on market share buy back.

Schedule of Petroleum Tenements -30<sup>th</sup> of September 2014

Permit	Basin	Interest	Gross km <sup>2</sup>	Net km <sup>2</sup>	Operator
<b>Australia Offshore</b>					
AC/P32	Ashmore Cartier Territory - Vulcan Basin	100%	336	336	Bounty
PEP 11	NSW - Sydney Basin	15%	4,577	686.5	Advent Energy
<b>Australia Onshore</b>					
PRL 33 – PRL 49 FO inclusive replacing EL 218 (Post Permian)	SA – Cooper - Eromanga Basin.	23.28%	1,603.5	373.3	Beach Energy
PL 214 Utopia Block	SW Qld – Cooper - Eromanga Basin.	40%	220.5	88.2	OWK <sup>1</sup>
ATP 1189P (formerly 259P) Naccowlah Block	SW Qld – Cooper - Eromanga Basin.	2%	1,064.5	21.3	Santos <sup>2</sup>
PL 23	SW Qld – Cooper - Eromanga Basin.	2%	234.6	4.7	Santos <sup>2</sup>
PL 24	SW Qld – Cooper - Eromanga Basin.	2%	200.9	4.0	Santos <sup>2</sup>
PL 25	SW Qld – Cooper - Eromanga Basin.	2%	256	5.1	Santos <sup>2</sup>
PL 26	SW Qld – Cooper - Eromanga Basin.	2%	255.9	5.1	Santos <sup>2</sup>
PL 35	SW Qld – Cooper - Eromanga Basin.	2%	136.5	2.7	Santos <sup>2</sup>
PL 36	SW Qld – Cooper - Eromanga Basin.	2%	60.9	1.2	Santos <sup>2</sup>
PL 62	SW Qld – Cooper - Eromanga Basin.	2%	64.7	1.3	Santos <sup>2</sup>
PL 76	SW Qld – Cooper - Eromanga Basin.	2%	39.5	0.8	Santos <sup>2</sup>
PL 77	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 78	SW Qld – Cooper - Eromanga Basin.	2%	12.1	0.2	Santos <sup>2</sup>
PL 79	SW Qld – Cooper - Eromanga Basin.	2%	6.5	0.1	Santos <sup>2</sup>
PL 82	SW Qld – Cooper - Eromanga Basin.	2%	10.4	0.2	Santos <sup>2</sup>
PL 87	SW Qld – Cooper - Eromanga Basin.	2%	27.5	0.6	Santos <sup>2</sup>
PL 105/PL 287	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 107/PL 496	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 109/PL 495	SW Qld – Cooper - Eromanga Basin.	2%	9.2	0.2	Santos <sup>2</sup>
PL 133	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 149	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 175	SW Qld – Cooper - Eromanga Basin.	2%	27.5	0.6	Santos <sup>2</sup>
PL 181	SW Qld – Cooper - Eromanga Basin.	2%	18.3	0.4	Santos <sup>2</sup>
PL 182	SW Qld – Cooper - Eromanga Basin.	2%	27.5	0.6	Santos <sup>2</sup>

PL 189	SW Qld – Cooper - Eromanga Basin.	2%	18.3	0.4	Santos <sup>2</sup>
PL 302	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
EP 359	WA - Carnarvon Basin	10%	556	55.6	Rough Range <sup>3</sup>
EP 435	WA - Carnarvon Basin	10%	238.4	23.8	Rough Range <sup>3</sup>
PL 104-L16 (Petroleum Lease)	WA - Carnarvon Basin	10%	79.5	7.9	Rough Range <sup>3</sup>
EP 412	WA - Carnarvon Basin	65%	396.5	257.7	Bounty
PL 2A	Qld - Surat Basin	24.25%	66.8	16.2	Santos <sup>2</sup>
PL 2B	Qld - Surat Basin	24.25%	136.7	33.1	Santos <sup>2</sup>
PL 2C	Qld - Surat Basin	36.5%	45.2	16.5	Santos <sup>2</sup>
PL 71 (Part)	Qld - Surat Basin	20%	134.3	26.9	Origin Energy
PL 119 (PL 441)	Qld - Surat Basin	100%	21.4	21.4	Ausam
ATP 471P (SG) (4)	Qld - Surat Basin	24.748%	15.3	3.8	AGL
ATP 754P	Qld - Surat Basin	50%	833	416.5	Origin Energy
<b>Tanzania Offshore</b>					
Nyuni Block	Mandawa Basin	5%	1,682	84.1	Ndovu <sup>5</sup>
Kiliwani North Development Block	Mandawa Basin	10%	168	16.8	Ndovu <sup>5</sup>
<b>Total</b>			<b>13,654</b>	<b>2,515</b>	
1. Oil Wells Inc of Kentucky Pty Ltd (a wholly owned subsidiary of Bridgeport Energy Limited)					
2. Santos Limited group companies					
3. Rough Range Oil Pty Ltd.					
4. (SG) – Spring Grove joint venture block					
5. Ndovu Resources Limited (a subsidiary of Aminex PLC)					

## ABBREVIATIONS

The following definitions are provided for readers who are unfamiliar with industry terminology:

AVO	Specialised analysis of seismic data comparing amplitude of sound waves versus collection point offsets
Barrel (bbl/BBL)	A unit of volume of oil production, one barrel equals 42 US gallons, 35 imperial gallons or approximately 159 litres
Basin	A segment of the earth's crust which has down warped and in which sediments have accumulated, such areas may contain hydrocarbons.
BCF/Bcf	Billion cubic feet, i.e. 1,000 million cubic feet (equivalent to approximately 28.3 million cubic metres) of gas.
BOPD/BPD	Barrels of oil per day; barrels per day.
Contingent Resources	Discovered resources, not yet fully commercial
CSG	Coal seam gas.
GIIP	Gas initially in place
Lead	A structural or stratigraphic feature which has the potential to contain hydrocarbons
License	An agreement in which a national or state government gives an oil Company the rights to explore for and produce oil and/or gas in a designated area.
MCF/Mcf	Thousand cubic feet – the standard measure for natural gas.
MDRT	Measured depth below Rotary Table
MMB/mmb, MMBO/mmbo	Million barrels, million barrels of oil.
MMCF/mmcf, MMCFG/mmcf, MMCFGPD/mmcfcpd	Million cubic feet, million cubic feet of gas, million cubic feet of gas per day
P10	10% probability of occurrence
P90	90% probability of occurrence
Permeability	The degree to which fluids such as oil, gas and water can move through the pore spaces of a reservoir rock.
Permit	A petroleum tenement, lease, licence or block.
Play	A geological concept which, if proved correct, could result in the discovery of hydrocarbons.
Plug and Abandon (P&A)	The process of terminating operations in a well. Cement plugs are set in the borehole and the rig moves off the location. The borehole is thus left in a safe condition. In some cases, where the Operator considers it possible that the well may be re-entered at a later date, the well may be only temporarily plugged and abandoned.
P <sub>mean</sub>	The average (mean) probability of occurrence
Porosity	The void space in a rock created by cavities between the constituent mineral grains. Liquids are contained in the void space.
Prospect (petroleum)	A geological or geophysical anomaly that has been surveyed and defined, usually by seismic data, to the degree that its configuration is fairly well established and on which further exploration such

	as drilling can be recommended.
Prospective Resources	Undisclosed resources
PSA	Production Sharing Agreement
PSC	Production Sharing Contract
PRL	Petroleum Retention Lease
Reserves	Quantities of economically recoverable hydrocarbons estimated to be present within a trap, classified as prove, probably or possible.
Reservoir	A subsurface volume of rock of sufficient porosity and permeability to permit the accumulation of crude oil and natural gas under adequate trap conditions.
Seal, Sealing Formation	A geological formation that does not permit the passage of fluids. Refer also to Cap Rock.
Seismic Survey	A type of geophysical survey where the travel times of artificially created seismic waves are measured as they are reflected in a near vertical sense back to the surface from subsurface boundaries. This data is typically used to determine the depths to the tops of stratigraphic units and in making subsurface structural contour maps and ultimately in delineating prospective structures.
Spud	To start the actual drilling of a well.
Stratigraphic Trap	A type of petroleum trap which results from variations in the lithology of the reservoir rock, which cause a termination of the reservoir, usually on the up dip extension.
Structure	A discrete area of deformed sedimentary rocks, in which the resultant bed configuration is such as to form a potential trap for migrating hydrocarbons.
Sub-basin	A localised depression within a basin.
TCF/Tcf	Trillion cubic feet.
TVDS	Total vertical depth below Sea Level
Up-dip	At a structurally higher elevation within dipping strata.

## CORPORATE DIRECTORY

### Board of Directors

Graham C Reveleigh (Chairman)  
Charles Ross  
Roy Payne

### Chief Executive Officer

Philip F. Kelso

### Company Secretary

Sachin Saraf

### Registered and Principal Office

Level 7 , 283 George Street,  
Sydney, NSW, 2000, Australia,

Telephone: +612 9299 2007  
Facsimile: +612 9299 7300  
Email: corporate@bountyoil.com  
Website: www.bountyoil.com

### Auditors

John Skinner  
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32 Martin Place  
Sydney NSW 2000

Telephone: +61 9200 4500  
Facsimile: 9221 5935

### Share Registry

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross, WA, 6153

Telephone: +61 8 9315 2333  
Facsimile: +61 8 9315 2233  
Email: registrar@securitytransfer.com.au

### Bankers

BankWest, Sydney  
Commonwealth Bank of Australia, Sydney  
Investec Bank (Australia) Ltd, Sydney

### Legal Counsel

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77 Castlereagh Street  
Sydney, NSW, 2000

### Independent Consulting Petroleum Engineers

NauticAWT  
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Brisbane, QLD, 4000.

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