



Chairman's Address
Bounty Oil & Gas NL - AGM

27 November 2015

I welcome you to the 16th Annual General Meeting of Bounty Oil & Gas NL. This is the tenth AGM I have the pleasure of chairing, as Bounty has continued to build its business as a producer and explorer with a strong balance sheet and valuable petroleum acreage.

Bounty is about to achieve gas production in Tanzania to add to its Australian oil production base. We have excellent permit interests in both countries.

Construction work and tie-in of the Kiliwani North gas well was completed recently but there have been delays in signing the Gas Sales Agreement. Recent correspondence on this matter indicates that signing of the Gas Sales Agreement is imminent and as gas production ramps up we expect group revenue to increase to + \$4 million in 2016.

The prediction I made last year of this year being brighter in terms of income than the previous year could not have been further from the mark. The oil price slid from AUD 117.34 a barrel in July 2014 to AUD 62.96 a barrel in January 2015. This inevitably has resulted in a huge decrease in revenue from oil produced for the year.

Unfortunately the further down turn in the oil price has discouraged major producers from acquiring new joint ventures and our attempts to farm-out AC/P 32 in the Vulcan sub Basin in the Timor Sea have yet to yield a partner. Should the crude oil price pick up in the near future we anticipate that the majors will again become interested in a Joint Venture on the 500 million barrel Azalea target.

On a brighter note our long efforts to increase and consolidate our holdings in the Surat Basin in Queensland have moved ahead during the year and we expect to be able to announce results of this progress in the near future.

I hope that next year the OPEC countries will see the folly of their present oil production policy and shut in enough production to allow the crude oil price to rise to more economic levels.

I wish to thank all shareholders for their continued support during this challenging but rewarding year with Tanzanian gas production imminent.

Graham Reveleigh
Chairman