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ASX / MEDIA RELEASE

Kiliwani North – GSA Update

Bounty Oil & Gas NL (Bounty) is pleased to announce an update on the Kiliwani North Gas project. The operator of the Tanzanian project is Aminex PLC (Aminex) and in country operations are conducted by its wholly owned subsidiary Ndovu Resources Limited ('Ndovu').

HIGHLIGHTS:

- Gas Sales Agreement ("GSA") inclusive of payment protection terms submitted to Tanzanian Attorney General's office pending final signature;
- Songo Songo processing plant now complete and awaiting Kiliwani North gas to begin commissioning and testing. The Kiliwani North 1 well has been tied into the processing plant; and
- Ndovu engaged in final well maintenance work to bring well on stream.

Ndovu has reached agreement with the Tanzanian Petroleum Development Corporation (TPDC) on all terms of the GSA, including acceptable payment protection mechanisms for any gas delivered. The agreement has now been forwarded to the Tanzanian Attorney General's office, whose approval is required prior to formal signing of the much-anticipated agreement.

Bounty acknowledges the support of all shareholders for their patience and a further statement will be made regarding the GSA in due course.

Commenting; Bounty's CEO, Philip Kelso said:

"Bounty is pleased that the TPDC has inserted appropriate payment protection mechanisms into the GSA and looks forward to the GSA final approval.

In 2016 Bounty anticipates it will receive gross annual revenue of around A\$ 3 million from this project."

For further information, please contact:

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Bounty is an Australian ASX listed oil producer and explorer (ASX Code: BUY). Its core petroleum production and exploration assets are located in the Cooper/Eromanga Basins and in the Surat Basin in Queensland and South Australia. It also holds oil exploration interests in Western Australia. Its growth assets are spread over a number of high impact projects in Australia and Tanzania where it is exploring for oil and gas. In Australia it holds AC/P32 in the Timor Sea with the 500mmbbl OOIP Azalea Prospect as its first drill target.

Bounty has gas development permits in Tanzania where it is a participant in the Kiliwani North Gas Field development.

Bounty has reserves and resources approaching 4 million barrels of oil equivalent.

[The information in this report that relates to or refers to petroleum or hydrocarbon production, development and exploration is based on information and reports prepared by, reviewed and/or compiled by the CEO of Bounty, Mr Philip F Kelso. Mr Kelso is a Bachelor of Science (Geology) and has practised geology and petroleum geology for in excess of 40 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.]