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ASX / MEDIA RELEASE

Kiliwani North well reaches 30 mmcf per day

Bounty Oil & Gas NL (Bounty) is pleased to announce the following update on gas production from its Kiliwani North Development Licence in Tanzania.

Over the weekend (2-3 July 2016), gas production from the Kiliwani North-1 well in Tanzania reached 30 mmcf per day (approximately 5,000 barrels of oil equivalent per day) with stable pressure recordings at that rate. The commissioning process is expected to be concluded with the testing of the well to determine optimal rates which Bounty believes will be around 30 mmcf per day based on previous well-test data. Bounty has 9.5% of the Kiliwani North Development Licence. The joint venture is the sole producer into the new Songo Songo Island Gas Processing plant and anticipates that post well testing the plant will continue to require in excess of 23 mmcf per day to operate.

The gas produced will be paid for under the terms of the Gas Sales Agreement signed with the buyer, Tanzania Petroleum Development Corporation ("TPDC"). The joint venture will receive US\$3.00 per mmbtu (approximately US\$3.07 per mcf).

Philip Kelso, CEO commented:

"The commissioning of the production well at Killiwani North is proceeding as expected, with production reaching 30mmcf per day at the weekend. Commissioning of the well, pipeline and associated plant are going well and TPDC advises that the process will be concluded by the end of the month, after which the joint venture will test the well to determine optimal flow rates."

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 production and development permits in Tanzania where it is a participant in the Kiliwani North Gas Field now on production and the Nyuni Exploration Licence.

Bounty has estimated reserves and resources approaching 4 million barrels of oil equivalent as at 30 June 2016.

ABBREVIATIONS

GSA	Gas sales agreement for Kiliwani North Development Licence, Tanzania
mmbtu	Million British Thermal Units
mmcf/mmscf,	Million cubic feet (of gas); million standard cubic feet,
mmcf	Thousand cubic feet (of Gas)
Permit/Licence	A petroleum tenement, lease, licence or block.
TPDC	Tanzania Petroleum Development Corporation

[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.]