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ASX / MEDIA RELEASE

Bounty Increases Oil Interests in Surat Basin – exits Utopia PL214

Bounty Oil & Gas NL (Bounty) is pleased to announce that it has signed an agreement with two subsidiaries of the Bridgeport Energy Limited (Bridgeport) group for Bounty to acquire additional oil development interests in the Southern Surat Basin, E. Queensland; to exit the PL 214 Utopia Joint Venture (PL214); SW Queensland and to settle its ongoing dispute in connection with PL 214. This agreement formalizes the deal announced in the March Quarter report.

The material terms of the formal sale/purchase agreement are as follows:

- Payment of \$300,000 to Bounty.
- Bounty will transfer its 40% PL 214 participating interest under the relevant joint operating agreement (JOA) to Oilwells Inc of Kentucky (a Bridgeport subsidiary) and be released from claims under the JOA and all past or future liabilities. The estimated quantum of these claims and liabilities was \$500,000.
- Outstanding litigation to be discontinued with mutual releases.
- Bridgeport (Surat Basin) Pty Ltd will transfer all of its interests in the Alton Oilfield and Alton Block to Bounty with the result that Bounty will hold 100% of the Alton Oilfield.
- Usual conditions and adjustments.

As a result Bounty will be operator and hold a potential 353,000 bbls of 2P proven oil; production facilities at Alton and surrounding exploration acreage in Petroleum Lease 2 (PL2) located in the southern Surat Basin – see Map 1.

Details of the Alton interests are :

Alton Oil Field – PL2

- Bounty 100%.
- Development: 167,000 bbls of recoverable oil from the early Triassic age Basal Evergreen sand reservoir included with a potential 1.136 million bbls of 2P reserves located in the three sands of the Boxvale/Evergreen Formations.

Eluanbrook – PL2

- Bounty 81.75%.
- Development: The estimated recoverable resource is 186,000 bbls from P50 OOIP of 625,000 bbls.

- Middle Triassic age Showgrounds Sandstone reservoir.
- Up dip from proven 53° API gravity oil with associated gas.

Other – ATP 745P

In addition; seismic surveys have indicated targets in the surrounding ATP 745P where Bounty holds 50% and is operator.

Commenting; Bounty's CEO, Philip Kelso said:

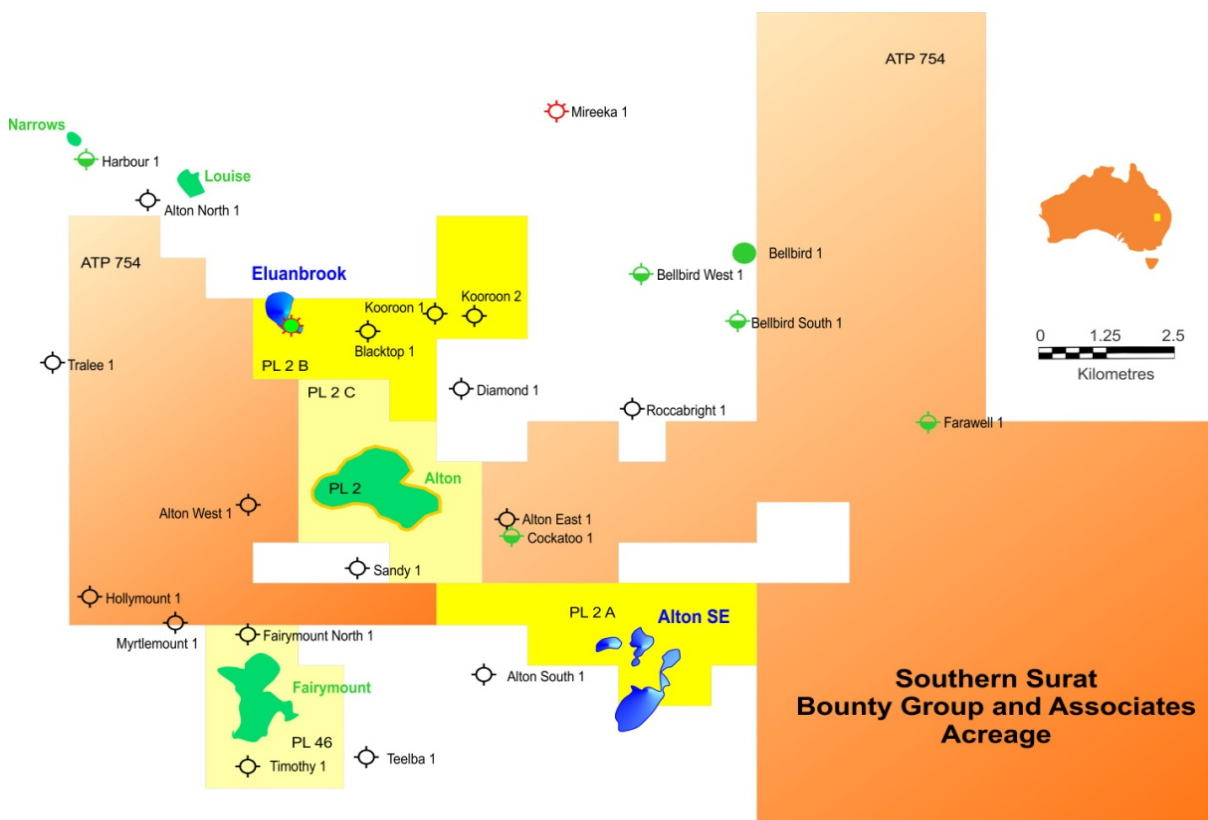
“Bounty has been negotiating for some considerable time to consolidate the Alton area. Alton Field produced 2 million bbls of oil following its discovery in 1964 and there is considerable potential for further reserve additions with undrilled locations and attic oil in the Evergreen Formation and possibly extensive oil in the lower Showgrounds Formation which has been proven as a high productivity sand in the area.

Once regulatory approvals are finalised; as a first step Bounty will work over 2-3 wells and commence production at Alton while it generates a full field development plan and plans to drill an up dip appraisal well at Eluanbrook in the northwest section of PL2.

Alton is 370 km west of Brisbane and oil will be transported and sold into the Brisbane Refinery.

We expect as operator to commence oil production at Alton in the next 6 months which is expected to exceed Bounty's share of PL214 Utopia production but with very significant upside from three undrilled locations; enhanced recovery and later an appraisal well at Eluanbrook.”

Map 1



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 reserves and resources approaching 4 million barrels of oil equivalent.

ABBREVIATIONS

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.
MMB/mmb, MMBO/mmbo	Million barrels, million barrels of oil.
OOIP	Original oil in place
P10 ; P5; P90	10%,50% and 90% probability of occurrence
PL	Petroleum lease, (Queensland)
Reserves	Quantities of economically recoverable hydrocarbons estimated to be present within a trap, classified as prove, probably or possible.
Up-dip	At a structurally higher elevation within dipping strata.
1P; 2P; 3P	1P frequently used to denote proved reserves , 2P is the sum of proved and probable reserves and 3P the sum of proved, probable and possible reserves .

[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.]