



ASX/MEDIA RELEASE

18 December 2008

PEP 11 - Offshore Sydney Basin

Bounty Oil & Gas NL ("Bounty") announces that Bounty and its joint venture participant Asset Energy Pty Limited (a member of the MEC Resources Limited group) have reported new 2008 technical work to Department of Primary Industries, New South Wales (DPI). The DPI is the relevant department administering the petroleum exploration effort in New South Wales.

Extensive technical evaluation work during 2008 has significantly upgraded the gas prospects in this large permit covering the offshore Sydney Basin. This work has included:

- Seismic re-evaluation to better define targets.
- Seep evaluation which has detected hydrocarbons leaking from the seabed in many locations.
- Evaluation of a large structure named "Fish" with up to 9.2 TCF (P10) prospective recoverable gas resources.
- Studies of effects of these hydrocarbons on the sedimentary sequences and the related seismic velocity effects which impact on structural mapping.

This work has generated a number of significant positive outcomes for the hydrocarbon prospectivity of PEP 11.

Due to the unavailability of suitable offshore drilling rigs coming into east Australian waters, Bounty and Asset have applied for a suspension of work commitments and an extension of the permit term for 1 year beyond 3rd December 2009. This application is being considered by the joint authority and the outcome is likely to be known in first quarter 2009. PEP 11 in the meantime continues in good standing.

Participating interests:

<i>Joint Venture Participant</i>	<i>Working Interest - %</i>	<i>Status</i>
Bounty	75%	Operator
Asset Energy Pty Limited	25%	Operators agent **

** Asset is the Operators designated agent under the joint operating agreement and is a wholly owned subsidiary of Advent Energy Ltd ,an investee company of MEC Resources Limited. (ASX Code: MMR)).

Bounty is an Australian ASX listed oil producer and explorer. It is exploring for oil and gas with a number of high impact projects in Tanzania and Australia. In Tanzania it is a participant in the recent Kiliwani North gas discovery and is exploring additional gas pools with up to 1TCF potential. In Australia it is a participant in PEP 11, Sydney Basin and in other permits. It has oil production and other exploration interests with the Cooper Basin as its main focus area.

For further information, please contact:

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