



ASX/MEDIA RELEASE

12 November 2009

Non Renounceable 1:10 Rights Issue - \$0.08 (eight cents) per share

1:10 Rights Issue:

Bounty Oil & Gas NL ("Bounty") announced today that the company will make a non renounceable rights issue ("Issue" or "Offer") of one (1) share ("New Share") for every ten (10) shares held by holders of shares in Bounty at 5 pm. (Western standard time (WST)) on 20 November 2009 ("Record Date").

The Issue Price is \$0.08 (eight cents) per share.

Bounty will issue a maximum of 60,537,057 New Shares at the Issue Price of \$0.08 (eight cents) per share. If fully subscribed the issue will raise approximately \$ 4.84 million before expenses.

The rights to subscribe for the New Shares shares are non –renounceable. The New Shares will be fully paid ordinary shares and will rank equally with Bounty's existing shares. The company has applied to the ASX for quotation of the New Shares to be issued to shareholders. The application for quotation - Appendix 3B accompanies this announcement.

Lead Manager – Handling Fees:

The issue lead manager is Claymore Capital, Sydney Phone: +612 9233 2063.

Twenty percent of the issue (12.13 million New Shares) will be underwritten and Bounty's directors and executives intend to apply for their full entitlement to New Shares.

The directors have decided to encourage support for the issue by paying a 4% stamping fee to brokers and licensed advisors who assist clients to participate in the issue. The directors reserve the right to place the issue shortfall to shareholders who apply for excess allocations and/or sophisticated investors.

At \$0.08 the New Share offer price is at a 17% discount to the closing price of Bounty shares on the ASX on 10 November 2009; two business days before the announcement of the issue and an 18% discount to the volume weighted average price (VWAP) of Bounty shares over the five (5) day period up to and including 10 November 2009.

Key Dates for the Rights Issue:

| | |
|---|-------------------------------|
| Issue announced, first 708AA Notice and Appendix 3B | 12 November 2009 |
| Notice of Rights Issue sent to shareholders. Offer Document lodged at ASX | 13 November 2009 |
| Shares quoted on an "Ex" basis - the Ex date (date from which shares commence trading without the entitlement to participate in the Rights Issue) | 16 November 2009 |
| Record Date (date for determining entitlements of eligible shareholders to participate in the rights issue) | 20 November 2009 (5pm WST) |
| Second 708AA Notice lodged at ASX | 23 November 2009 |
| Despatch of Offer Document, Entitlement and Acceptance Forms to eligible shareholders (Despatch Date) | 23 November 2009 |
| Opening Date of Rights Issue | 23 November 2009 |
| Closing Date of Rights Issue | 7 December 2009 5pm WST |
| Commencement of deferred settlement trading | 8 December 2009 |
| ASX notified of under subscriptions | 10 December 2009 |
| Allotment date for New Shares and dispatch of Holding Statements | 14 December 2009 |
| Cleansing statement under section 708A lodged with ASX | 14 December 2009 |

*The directors may vary the key dates subject to the ASX Listing Rules.

Full details of the terms of the offer will be contained in the Offer Document to be released to ASX on 13 November 2009. First notice under section 708AA Corporations Act 2001 accompanies this announcement.

Brief Background:**Core Business**

So far in 2009 Bounty has completed a number of important steps to ensure growth from Core Assets:

- Achieved a record profit of \$3.44 million and increased net assets to \$ 14.26 million in 2009.
- Completed new equity raisings of \$ 6.6 million.
- Increased its petroleum reserves by 39 percent from 1.14 to 1.69 mmboe.
- Deployed new capital on projects aimed at building revenue, adding new conventional reserves and possibly major coal seam gas (CSG) reserves in the Cooper Basin as follows:
 - Prepared to embark in 2010 on an initial 5 well oil development drilling programme at Utopia Oil Field, SW Queensland aimed at producing over 160 barrels of oil per day (bopd) net to Bounty.
 - This development drilling at Utopia is projected to increase Bounty's oil revenue to \$ 4 million pa.

- In September 2009 drilled the Wakefield 1 well in PEL 218, South Australia. Wakefield 1 encountered 6 oil zones and 8 CSG zones. The well was cased and suspended pending testing of the oil and CSG zones.
- Bounty has earned a 23% interest in PEL 218 which covers 1600 sq km in the Cooper Basin and the permit has potential for major CSG reserves.
- Commenced engineering and other studies on its Surat Basin properties to test existing discoveries and prepare for new drilling with the aim of increasing oil production from 160 bopd to 400 bopd in later years.

Bounty anticipates a material increase in oil revenues and reserves in 2010 while building for further revenue increases in 2011.

Bounty now must have additional capital for these projects and to grow.

Growth Business – PEP 11 Sydney Basin - Bounty 15% after completion of well.

Bounty has seen major progress in PEP 11 offshore Sydney Basin, where our partners have conclusively proved an active hydrocarbon gas generating system, the potential for major gas reserves in the range around 5 trillion cubic feet (TCF) and are close to contracting a semi submersible drill rig and funding for an exploration test well in the Fish-Baleen area about 20 kms offshore from Newcastle. The estimated well cost is \$20 million. Bounty will be free carried through the first well.

Use of Funds:

Bounty will primarily use funds from the issue to:

- participate in oil development drilling on its 40% owned Utopia Oil Field, Queensland (Q) commencing in December 2009 and extending into 2010.
- participate in near field exploration and oil development on the Bellbird oil discovery and on its other existing exploration permits in the Surat Basin, Q.
- conduct evaluation of the oil and coal seam gas (CSG) discovery in the Wakefield area of PEL 218, Cooper Basin.
- participate in exploration and drilling on its other permits in Australia including the upcoming Bee Eater 1 well to test a 5 MMbo target in the onshore Carnarvon Basin, WA..
- conduct additional oil and gas exploration and develop its proved petroleum reserves in Tanzania.
- to monitor its free carried participation in the proposed offshore well to test the Fish – Baleen gas prospects in PEP 11, and
- for working capital.

Further details of the Company's exploration activities, operations and projects are contained in the Company's market announcements to the ASX and corporate updates all of which are posted on its website – www.bountyoil.com

For further information in respect of the rights issue please contact:

| | |
|---|---|
| <p>Anton Rosenberg Claymore Capital Tel: +612 9223 2063 Email: antonr@claymorecapital.com.au</p> | <p>Michael L Hutt Company Secretary Tel: +612 9299 7200 Email: michael@bountyoil.com</p> |
|---|---|

Bounty is an Australian ASX listed oil producer and explorer. Its core petroleum production and exploration assets are located in the Cooper/Eromanga Basins and in the Surat Basin in Queensland and South 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 is a participant in PEP 11, Sydney Basin with up to 16 trillion cubic feet (TCF) gas potential and in other permits. In Tanzania it is a participant in the recent Kiliwani North gas discovery and is exploring additional gas pools with up to 1TCF potential.

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

Notice Under Section 708AA - Corporations Act 2001

The company gives notice to ASX Limited pursuant to the provisions of section 708AA(2)(f) of the Corporations Act 2001("the Act") that:

1. The relevant securities are being offered by the company without disclosure under Part 6D.2 of the Act.
2. This notice is being given under section 708AA(2)(f) of the Act.
3. As at the date of this notice the company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the company, and
 - b. section 674 of the Act, and;
4. At the date of this notice, there is no excluded information, as defined under the definitions in sections 708AA(8) and 708AA(9) of the Act.
5. The issue of the relevant securities is not expected to have any material effect on control of the company.

Bounty Oil & Gas NL

Michael L. Hutt
Company Secretary
12 November 2009

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

BOUNTY OIL & GAS N.L.

ABN

82 090 625 353

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to maximum one sixty million five hundred and thirty seven thousand and fifty seven (60,537,057) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares ranking equally with all existing fully paid ordinary shares. |

+ See chapter 19 for defined terms.

| 4 | <p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>Yes, with existing fully paid ordinary shares.</p> | | | | |
|-------------|--|--|--------|--------|-------------|----------------------------|
| 5 | <p>Issue price or consideration</p> | <p>\$0.08 each.</p> | | | | |
| 6 | <p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Petroleum production, development and exploration in Australia and Tanzania and for working capital purposes.</p> | | | | |
| 7 | <p>Dates of entering +securities into uncertificated holdings or despatch of certificates</p> | <p>14 December 2009 or as otherwise advised</p> | | | | |
| 8 | <p>Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">665,907,626</td> <td style="padding: 2px;">Ordinary shares fully paid</td> </tr> </tbody> </table> | Number | +Class | 665,907,626 | Ordinary shares fully paid |
| Number | +Class | | | | | |
| 665,907,626 | Ordinary shares fully paid | | | | | |

+ See chapter 19 for defined terms.

| | Number | +Class |
|---|---|--------|
| 9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable) | | |
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Same as for existing fully paid ordinary shares. New shares will rank parri passu with existing shares. | |

Part 2 - Bonus issue or pro rata issue

| | |
|--|--|
| 11 Is security holder approval required? | No |
| 12 Is the issue renounceable or non-renounceable? | Non - renounceable |
| 13 Ratio in which the +securities will be offered | One new share for each ten shares held |
| 14 +Class of +securities to which the offer relates | Ordinary shares fully paid |
| 15 +Record date to determine entitlements | 20 November 2009 |
| 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | Not applicable (N/A) |
| 17 Policy for deciding entitlements in relation to fractions | Fractional entitlements will be rounded up to the nearest number |
| 18 Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | N/A |
| 19 Closing date for receipt of acceptances or renunciations | 7 December 2009 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | | |
|----|---|--|
| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | Lead Manager: Claymore Capital ,Sydney, NSW,Australia Tel: +612 9233 2063 |
| 23 | Fee or commission payable to the broker to the issue | 6% on funds net of payments under para 24 below |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | 4% |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | 23 November 2009 |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/A |
| 28 | Date rights trading will begin (if applicable) | N/A |
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 ⁺Despatch date 23 November 2009

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(*tick one*)
- (a) Securities described in Part 1
- (b) Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

40 Do the +securities rank equally in all
respects from the date of allotment
with an existing +class of quoted
+securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

| | | |
|---|--|--|
| | | |
| 42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38) | | |

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 12 November, 2009
(Company Secretary)

Print name: MICHAEL L. HUTT

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+ See chapter 19 for defined terms.