



24<sup>th</sup> December 2010

## ASX/MEDIA RELEASE

### New Seaclem 1 – Progress Report



*21 Dec 2010 - Semi submersible rig "Ocean Patriot" on location at New Seaclem 1, PEP 11.*

Bounty Oil & Gas NL ("Bounty") is pleased to announce progress report on the New Seaclem 1 well in PEP 11, offshore NSW. MEC Resources (ASX:MMR) investee company Advent Energy Ltd (Advent) has reported:

#### **Progress since Last Report**

The well was spudded at 00.00 hours AEDST 15 December 2010 and drilled the 9 7/8" pilot hole to 310.5 metres BRT.

Since the last report progress has been as follows:

- Run and cement 13 3/8" casing to the intermediate casing point at 314 metres.
- Install BOP's and subsea wellhead equipment.
- Drill ahead to the next casing point at approximately 346 metres

- Rig up and conduct wireline logging over the interval 314 to 346 metres. The logging instruments included “look ahead” seismic instruments intended to measure seismic waves for interpreting pore fluids beyond the present drilling depth.
- At 0600 on 24 December 2010 the well was at 346 metres.

### Forward Operations:

Prepare to open (widen) the hole to 12 ¼” and then run 9 5/8” casing and cement in hole at approximately 346 metres BRT. Drill ahead to target zones.

The drilling schedule suggests drilling through the reservoir section will now occur on approximately Tuesday 28<sup>th</sup> December, 2010.

The well will evaluate any hydrocarbon bearing reservoirs with wireline logging tools. The drilling program does not incorporate flow testing or flaring of hydrocarbons. Upon conclusion of the drilling activity, the well will be plugged and abandoned as per the approved drilling program and best practice.

Bounty will release further details as soon as this information is available.

The well operator is Asset Energy Pty Limited a wholly owned subsidiary of Advent Energy Limited.

The major shareholders of Advent are:

- MEC Resources (ASX: MMR),
- BPH Energy Limited (ASX:BPH),
- Grandbridge Limited (ASX: GBA);and
- Talbot Group Investments.

### New Seaclem-1 Well Summary

Brief well details:

Name:	New Seaclem 1
Position:	Latitude: 32°55'49.7" Longitude: 152°22'25.07"
Planned Total Depth	866 metres approx.
Target:	Post Palaeozoic age section
Abbreviations	BRT: measured distance in metres below rotary table of rig BOP's blow out preventers

The New Seaclem 1 well is being drilled in PEP11; 55km east of Newcastle within Commonwealth Waters.

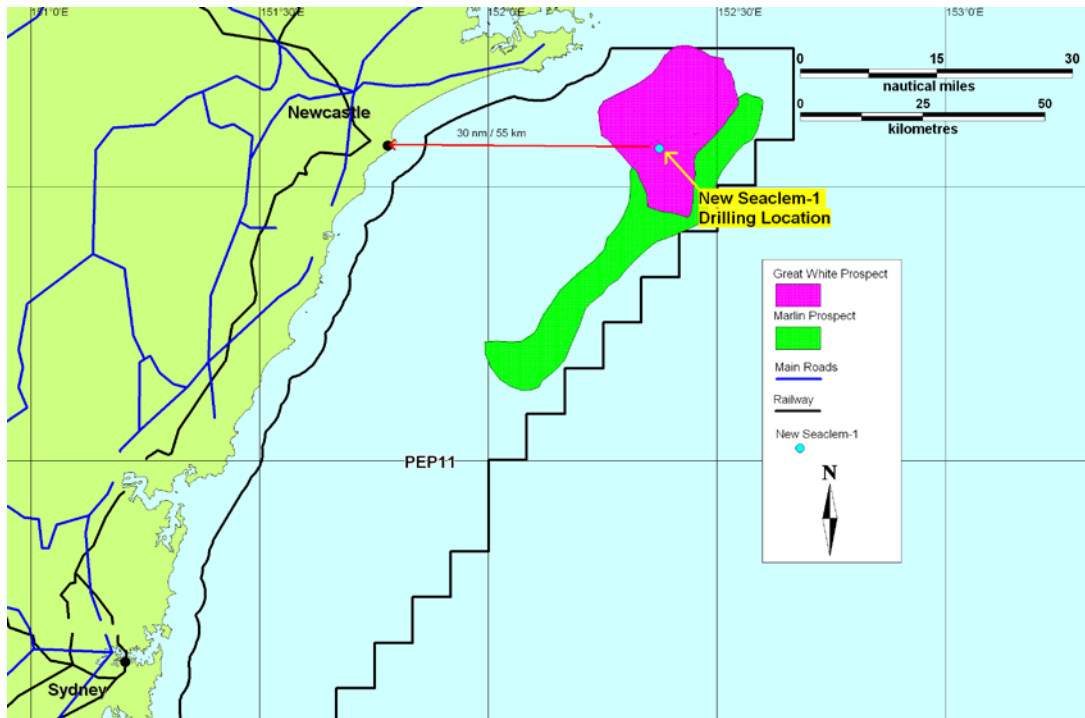
The well is the first exploration well to be drilled offshore New South Wales.

New Seaclem-1 will target natural gas in the Great White and Marlin stratigraphic prospects contained within the Cainozoic age sedimentary sequence. The specific gas targets are within

interpreted Tertiary age sandstone reservoirs in that sequence and on the basis of seismic interpretation and site surveys the Great White/Marlin prospects have prospective gas in place resources of 7 TCF.

Bounty is free carried for all costs of the New Seaclem 1 well. Upon completion of the well Advent Energy Limited will increase its working interest in PEP11 from 25% to 85%. Bounty will thereby reduce its interest from 75% to 15%.

See location map and diagrams below.



***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. 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 the New Seaclem 1 well commencing in December 2010. The well will test for 7 trillion cubic feet (TCF) potential gas in PEP 11, Sydney Basin. There is up to a total 16 (TCF) gas potential in the whole permit.***

***Bounty has other permits including Tanzania where it is a participant in the Kiliwani North gas discovery and is exploring additional gas pools with up to 1 TCF potential.***

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

[Information in this release that relates to or refers to petroleum or hydrocarbon reserves or resources is based on information compiled by Mr Philip F Kelso the CEO of Bounty Oil & Gas NL. Mr Kelso is a Bachelor of Science (Geology) and has practised geology and petroleum geology for in excess of 20 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy. He has consented to the reporting of that information in the form and context in which it appears in this release.]