



6 August 2010

ASX/MEDIA RELEASE

PEP11 Drilling Preparation Update

Bounty Oil & Gas NL ("Bounty") announces a further update to clarify drilling preparations for PEP 11 offshore Sydney Basin, New South Wales.

Farm in partner Advent Energy Limited ("Advent") has advised Bounty that its preparations for drilling within PEP11 are still running to the schedule announced to the ASX by Advent (through major shareholder MEC Resources Ltd – ASX: MMR) and Bounty on 27 July 2010.

The semi submersible rig *Ocean Patriot* has been contracted by Advent to drill an exploration well in PEP11, and is anticipated to be available to commence drilling in the fourth quarter 2010.

The *Ocean Patriot* is due to drill two wells in Bass Strait, offshore Victoria for another major operator commencing in August. The exact timing of that two well program is unknown to Bounty but would normally be expected to extend for around 60 days from commencement. Accordingly it is currently anticipated that the rig will be on that program until mid October, 2010.

Bounty and Advent will ensure that they fully comply with all environmental and regulatory requirements in connection with the proposed off-shore drilling program in PEP11.

Site surveys were completed over 4 locations under appropriate permits issued by relevant governmental authorities earlier this year. Site surveys are an essential pre requisite for selecting an offshore well location.

Advent is currently reviewing data received from its independent site survey contractor. The review is currently being carried out on data from the Marlin and Great White prospects site surveys (approximately 55 km east of Newcastle). This work has indicated that the geological sequence immediately overlying the Permian –Triassic age sedimentary sequence is "likely" to contain zones of gas.

This project will involve the first drill test to explore for natural gas off the coast of New South Wales and represents a major step for Bounty and its farm in partner Advent.

Any commercial scale gas discovery will have the potential to generate jobs, economic growth and investment in the Newcastle/Central Coast region as well as deliver a much needed new source of clean energy for the State of New South Wales.

Commercial development of a gas discovery would also have the potential to make a contribution to Australia meeting its Kyoto protocol objectives through the supply of gas for a new generation of low carbon emission gas fired power stations in New South Wales.

Participating Interests:

PEP 11 is a very large permit covering 8,200 square km.

PEP 11 remains in good standing.

The current participating interests in PEP 11 are as follows:

Bounty Oil & Gas NL	75%
Asset Energy Pty Limited (a wholly owned subsidiary of Advent Energy Limited (Advent))	25%

Advent has the right to earn an additional 60% participating interest by funding the first well (and all associated well costs) in PEP 11. Bounty is not required to contribute to any of the costs of the first well (ie Bounty is free carried through the first well) however Bounty will at that point reduce to 15% and thereafter contribute 15% to all further exploration and development expenditure.

For further information, please contact:

Graham Reveleigh Chairman Tel: +617 4033.1805 Email: mining@ Cairns.net.au	Philip F Kelso Chief Executive Officer Tel: +612 9299 7200 Email: geo@bountyoil.com Website: www.bountyoil.com
---	--

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 in excess of 13.2 trillion cubic feet (TCF) gas potential (at the P50 or best estimate level) and in other permits. In Tanzania it is a participant in the 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.

[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.]