



15th December 2010

ASX/MEDIA RELEASE

New Seaclem 1 – Spud - Progress Report



11 Dec 2010 - Semi submersible rig "Ocean Patriot" under tow to 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.

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

Current operations: Preparing to open hole to 36" before running the 30" conductor casing. This conductor will be cemented into the well in preparation for installation of the BOPs.

Forward operations: On current schedule, BOPs are expected to be installed on 19 December 2010 and the well is anticipated to reach the primary objective target zone during the period, 25-26 December 2010.

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	BOPs: blowout preventers

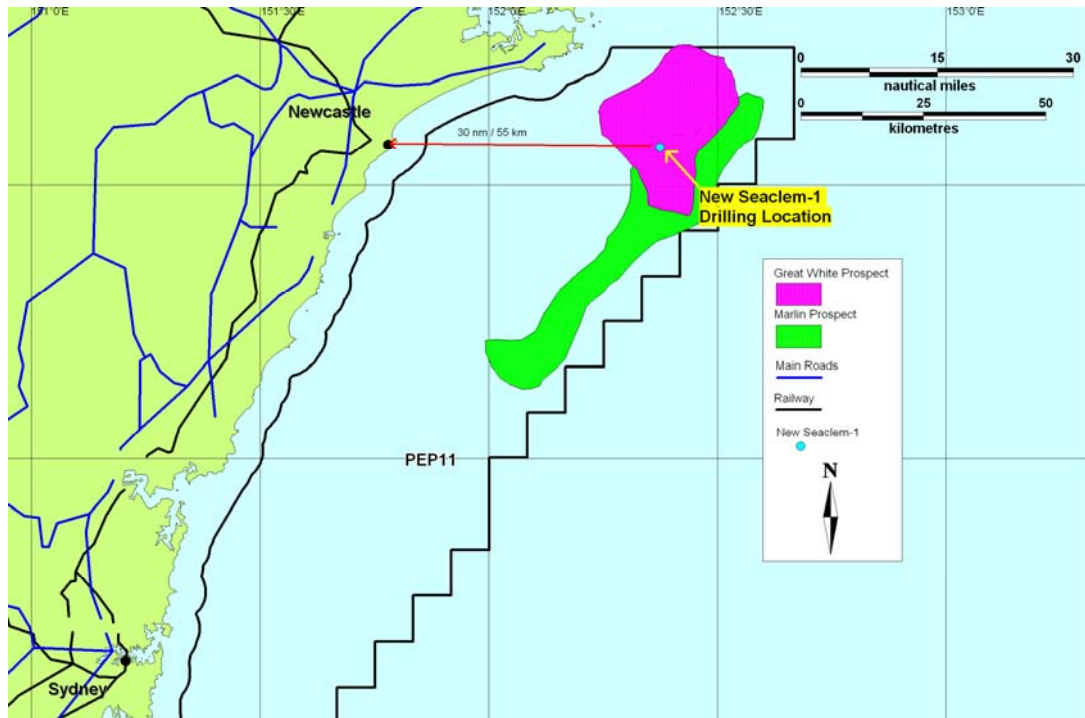
The New Seaclem 1 well is being drilled in PEP11; 55km east of Newcastle within Commonwealth Waters.

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.]

For further information and inquiries on 1:10 non- renounceable rights issue at \$0.10 Closing on 15th December 2010 please contact:

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