



ASX/MEDIA RELEASE

31 October 2013



Ensign Rig 48 Development Drilling Utopia Field

Quarterly Activities Report – End September 2013

Highlights:

Australia

- Production increases lift oil revenue towards \$2.8 million per annum.
- Successful development and appraisal drilling at Irtalie East 4 and 5 and Cooroo North West 1 in Naccowlah Block increase Bounty's oil production.
- 2013 drilling at Utopia and Naccowlah Block lift discovered reserves and resources to 4.42 million boe.
- Oil Business strategy on track to provide further growth:-
 - Bounty's AC/P 32, Timor Sea, project is progressing with major targets now identified in three Formations with recoverable oil potential in the 20 – 80 MMbo range.
 - New round of development drilling commencing at Utopia PL214.

Tanzania – Nyuni Block

- Tanzanian Government gas pipeline and infrastructure project commenced in August 2013 which will involve connection to Bounty's 10% Kiliwani North gas field. Gas price negotiations well advanced.
- Nyuni PSA – Bounty and partners intend to pursue gas targets only 10 km from Kiliwani North to provide additional gas for the new infrastructure.
- Nyuni PSA – new 3D seismic planned to image deep water turbidite gas plays of up to 1.3 TCF potential.

Oil Business

Production:

Bounty produces from two areas – Naccowlah Block and Utopia Oil Field in SW Queensland. The Downlands Field in the Surat Basin Queensland is shut in pending lease renewal and development.

Sales revenue increased to \$717,719 for the quarter and Bounty is tracking to \$2.8 million oil sales for the 2013/2014 year. Oil sales increased to 7,379 bbls.

Production was 20% higher than for the same period last year. During the September Quarter Bounty was producing around 75 bopd. However with successful development drilling Bounty is expected to maintain production at this or higher levels well into 2014.

Bounty's petroleum revenue, production and sales for the quarter ended 30 September 2013 are summarised below.

Revenue:

Q3	1 July – 30 September 2013	\$
PL214, Utopia	Bounty Share (40% Interest)	279,202
ATP 259	Bounty Share (2% Interest)	438,517
PL119 Downlands	Bounty Share (100% Interest) boe	-
	Total Revenue subject to adjustments (1)	717,719

(1) GST exclusive.

Production:

Q3	1 July – 30 September 2013	boe
PL214, Utopia	Bounty Share (40% Interest) bbls	2,816
ATP 259	Bounty Share (2% Interest) bbls	3,782
PL119 Downlands	Bounty Share (100% Interest) boe	-
	Total Production boe	6,598

Sales:

Q3	1 July – 30 September 2013	boe
PL 214, Utopia	Bounty Share (40% Interest) bbls	2,021
ATP 259	Bounty Share (2% Interest) bbls	5,358
PL119 Downlands	Bounty Share (100% Interest) boe	-
	Total Sales boe	7,379

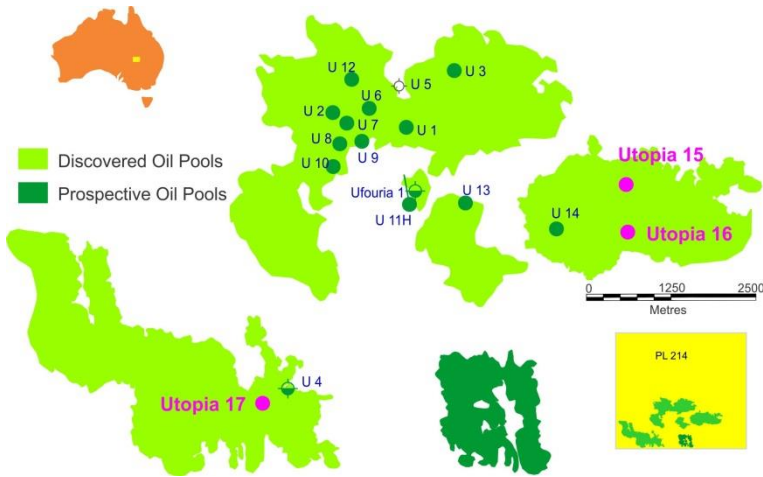
Development:

Utopia Block; PL 214 and ATP 560P Eromanga Basin, SW Queensland – Bounty 40%

Location: 30 km south/east of Tarbat/Ipundu oil fields and 45km south/east of Eromanga.

Background

Significant Activities during Quarter



During the period the operator proposed three new development wells; two to test the eastern extension of the Murta reservoir successfully tested by Utopia 14 in February 2013, and one to move up dip from Utopia 4 which had recovered an oil column in earlier drilling. Bounty has elected to participate in two of these wells Utopia 15 and 16. Success in these wells will not only add to Bounty’s production but also elevate Contingent Resources to the proved and probable category.

Re-mapping post drill has confirmed that recoverable oil from proven oil pools now stands at between 2.0 MMbo (P90) gross with Bounty at 40% or 800,000 bbls and 10.0 MMbo (P10) (Bounty 40% or 4 million bbls). The oil is very high quality around 49 API.

Significant Activities next Quarter

The new development wells will commence in early November 2013. The wells will be tied into production facilities later in the next Quarter

ATP 259P Naccowlah Block and Associated PL’s SW Queensland - Bounty 2%

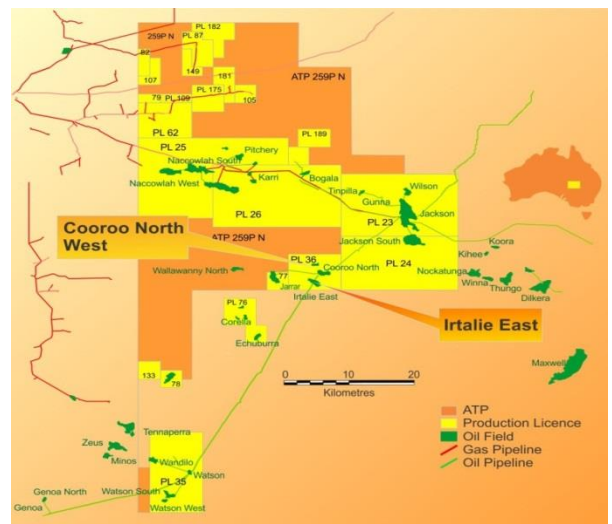
Location: Surrounding Jackson, Naccowlah and Watson Oilfields

Background

The Naccowlah Block comprises 2,544 km² approximately 40% of which is covered by ATP 259P (N) and the remainder in 22 petroleum production leases (PL’s) covering producing fields. Production was maintained at around 40 bopd net to Bounty.

Significant Activities during Quarter

During the Quarter Bounty participated in the drilling of three successful development wells – Irtalie East 4 and 5 and Cooroo North West 1. All three wells had good oil pay in the target Basal Birkhead/Hutton with Irtalie East 5 at 9-12 metres providing the best pay intersection. In addition to the target reservoir all wells had good shows in the Westbourne Formation with Irtalie East again having the best intersection of 1.5 metres. Irtalie East 4 also

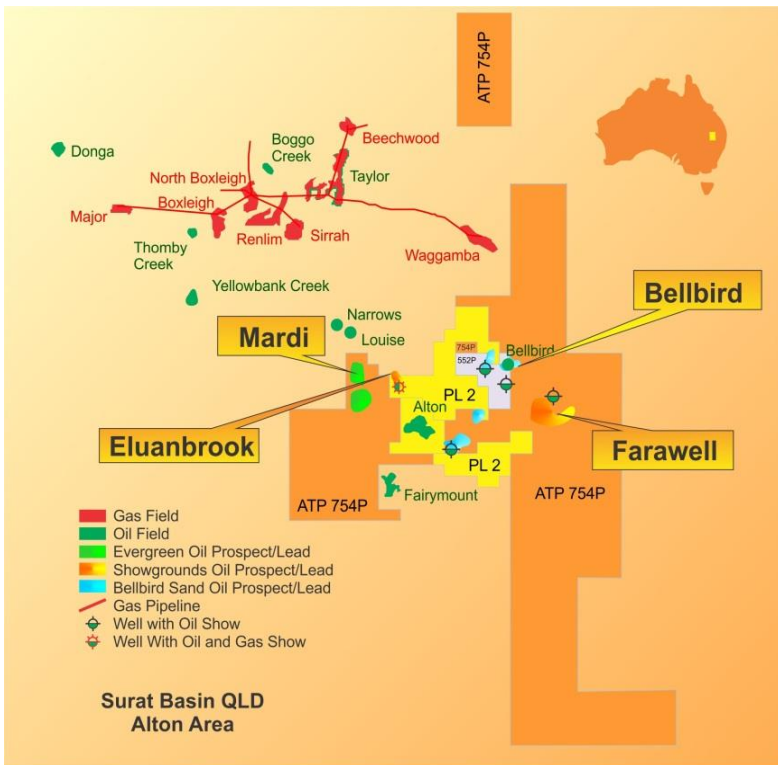


returned 1.7 metres of pay in the Poolowanna Formation (Basal Jurassic). Each well has been cased and suspended as a future oil producer.

Significant Activities next Quarter and Beyond

Production optimisation is ongoing and work will commence to bring the three new development wells online. A third proposed development well at Irtalie East was deferred pending new mapping and interpretation of the Irtalie East structure incorporating the results of the latest wells. Irtalie East 5 came in much higher than prognosed. Further development wells are anticipated.

Exploration:



Southern Surat Basin Onshore Queensland

ATP 552P – Bellbird - Bounty 33.33%, ATP 754P – Bounty 50%, PL 2A/B – Bounty 24.25%, PL 2C – Bounty 36.5%

Location: 40 km northeast of St. George, SE Queensland.

Significant Activities during the Quarter

ATP 745P:

The Farawell 3D survey has been interpreted and identified several targets at the Lower Triassic (Evergreen Formation) and Permian Levels.

ATP 552P:

Bounty is awaiting renewal of ATP 552P. It is continuing engineering reviews in preparation for a program of re-entries into 2 wells which produced oil.

PL2:

Renewal of PL 2 was still pending.

PEL 218 Eromanga Basin, NE South Australia – Bounty 23.28% in section above the Permian

Location: 50 Km northeast of Moomba, SA

Background Land Position

PEL 218 is a very large permit covering some 1600 square km of the Nappamerri Trough in NE South Australia. It is proven for oil and has potential for significant conventional and unconventional gas in the post Permian section in which Bounty holds a 23.28% interest.

Beach Energy has completed 3 vertical unconventional gas wells into the Permian section and is planning a further 7 vertical and 2 horizontal unconventional gas wells in PEL 218. Bounty has no interest in the Permian sequences and therefore no interest in any reserves which may be encountered in the Permian age sequences in these wells and so does not contribute to the costs. The data and logs from these wells which penetrate the section where Bounty has the 23.28% interest are however providing very valuable data to the base of the Triassic age section to guide exploration for oil, gas and coal seam gas in this very large permit.

The Halifax 1 well drilled by Beach in the adjacent ATP 855P to the east flowed gas to surface from sands in the basal Nappamerri Group. This Nappamerri Group sequence extends west into PEL 218 and is possibly extensive in the 1600 sq km permit. There are indications from seismic attribute analysis that similar gas concentrations are present in these post Permian sequence in which Bounty has an interest. This setting with gas has some analogies to the Deep Basin Gas of the western Canada Basin

Significant Activities during the Quarter

There was no material joint venture activity although progress was made on finalising a comprehensive joint operating agreement to cover the fact that there are two joint ventures in PEL 218.

Wakefield 1 remains suspended pending a joint venture decision to undertake cased hole testing.

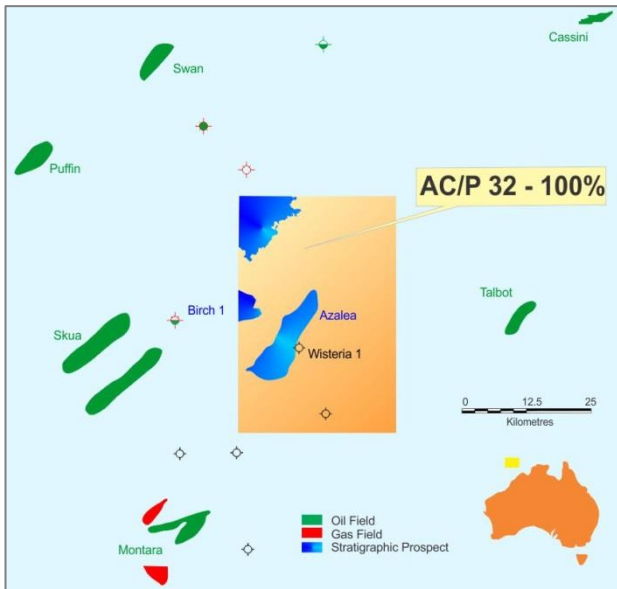
EP 412 (Bounty 65%) and EP 435, Production Licence 04-5L and EP 359 (Bounty 10% in each) – Onshore Carnarvon Basin, Western Australia

Location: Surrounding Rough Range Oil Field, 60Km south of Exmouth

Significant Activities during the Quarter

There is shale gas potential in the Patterson Trough running through EP 359 and 435. There were no significant activities in the quarter.

High Impact oil Growth Projects:



AC/P 32 – Offshore Vulcan Sub-basin, Ashmore and Cartier Territory - Bounty 100%

Location: Offshore 500 Km northwest of Darwin, NT.

Background

This permit is located within the oil prolific Vulcan Sub-basin and is surrounded by oil and gas fields. Bounty has identified two stratigraphic prospects and one lead which have the potential to contain very significant oil resources.

Significant Activities during the Quarter

During the quarter Bounty completed reprocessing the 3D seismic covering this permit and adjacent areas, and carried out thorough seismic inversion and AVO studies.

Significant Activities next Quarter

The results of the seismic targeting programme will be finalised in early December Quarter and Bounty will be seeking a farm-in

partner to drill a well into one of the identified prospects. The close proximity of the Permit to the Montara Field Development may assist development of any discovery.

Bounty anticipates it will define oil prospects in the Puffin Formation (Azalea up to 80 MMbo recoverable target), Echuca Shoals Formation and Plover Formation (10 – 20 MMbo recoverable targets). Live oil is present in wells immediately adjacent to AC/P 32 in both the Puffin and Plover Formations.

Gas/Condensate Business (incl. associated Oil development)

Development:

Downlands PL 119; PPL 58 (Bounty 100%)and ATP 471 (Spring Grove) Bounty 24.748%, PL 71 Bounty 20% (exploration rights only); Surat Basin, Queensland –

Location: 2km north of the town of Surat

Significant Activities during the Quarter

During the quarter Bounty continued work on obtaining land access and regulatory approval of transfers to complete the acquisition of the 75.522 % of PL 119 Downlands and Pipeline Licence 58. At the end of the quarter it was close to obtaining these approvals. Bounty now holds 100% of these proved developed reserves including gas pipelines, gas compression unit and all production infrastructure.

In the first half of 2014 Bounty will move to develop the Tinowan Formation oil discovery in Downlands 3 and review whether it further produces the Downlands 2 gas/condensate well. A DST of Downlands 3 recovered oil to surface at in excess of 500 BOPD and Bounty has identified the area as a material oil and other hydrocarbon opportunity.

During the quarter Bounty was also awaiting renewal of ATP 470P (Formosa Downs Block) where it is targeting sands of the Tinowan Formation immediately overlying the basement and draining a basement high under the Parklands and Namara Gas

Fields. Bounty now holds 100% of the gas reserves at Weribone East and gas in other wells in the Tinowan Formation in this area.

Growth Projects:

Nyuni Block – Offshore Mandawa Basin Tanzania – PSA: Bounty 5%; Kiliwani North Development: Bounty 10%

Location: 30 Km offshore from Rufiji Delta Tanzania

Background

Participation in the Nyuni PSA is giving Bounty direct participation in one of the most dynamic and successful new exploration plays worldwide.

The Nyuni Joint Venture has drilled three wells to date for two new field gas discoveries at Nyuni 1 and Kiliwani North 1. Kiliwani North 1 tested at 40 MMcfg/day in the Kiliwani North Pool located only 2 km. from the proposed new Songo Songo gas plant and pipeline to Dar es Salaam. The project is adjacent to recent deep water gas discoveries and has within it seismic amplitude anomalies which may be due to gas in similar settings to the adjacent block.

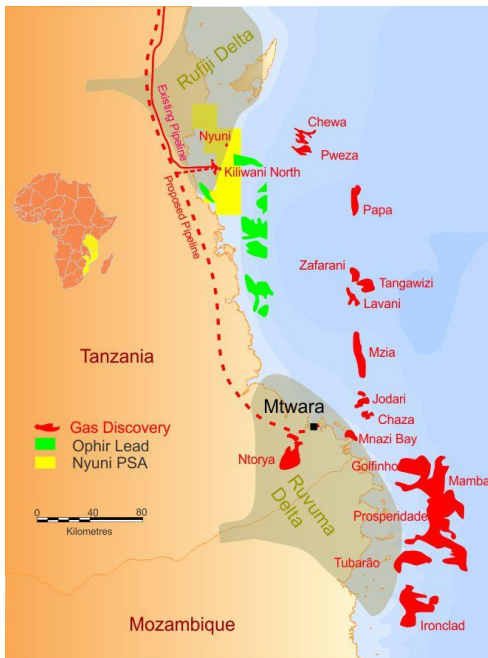


Significant Activities during the Quarter

Kiliwani North Development – Bounty 10%

Development Update

Advanced discussions took place with the Tanzanian Petroleum Development Corporation in mid 2013 to address the tie-in of Kiliwani North to the new processing plant and pipeline in 2015 when commissioning of the new infrastructure is now expected to be completed. The Tanzanian Government will operate all gas infrastructure, and negotiations on a well head gas price are well advanced. The new gas plant will process 20 million cubic feet per day of Kiliwani North gas; Bounty’s 10% equity should produce gross revenue of about \$2 million per annum. This production will add 364 boepd to Bounty’s production.



In August 2013 work on the main pipeline commenced.

Tie in to this infrastructure will make further drilling and development of the Kiliwani/Nyuni gas complex a potential major project for Bounty.

Nyuni Block Exploration – 2013/14

The Joint Venture is now evaluating various strategies for acquiring 500 sq. km. of new 3D seismic over the deep water in the eastern part of the PSA. 3D seismic is the proven exploration technique in this offshore area. The survey is designed to detail the up dip extension of Lead 3 in the adjacent Ophir/RakGas East Pande permit which independent consultants recently suggested could contain 1.3 TCF gas within the Nyuni PSA area. There are numerous other deep water channel/fan features in the limited seismic coverage available with associated seismic anomalies. The 3D is aimed to firm up these targets into drillable prospects.

As well as targeting deep water large scale gas plays the joint venture is planning for new drilling in 2014 to establish additional gas reserves. The target is the 400 BCF Fanjove lead which is only 10 km from the Kiliwani North wellhead.

The updated estimated undiscovered gas in place in the Nyuni PSA Block is:

NYUNI AREA PSA - Undiscovered Gas (BCF GIIP, Unrisked)								
Lead Classification	Gross				Net 5% Buy			
	P90	P50	P10	Pmean	P90	P50	P10	Pmean
Top Neocomian (1)	1,082	1,636	2,597	1,767	54	82	130	88
Other Structural				682				34
Stratigraphic	1,274	2,167	4,335	2,620	64	108	217	131
Other Amplitude Anomalies				599				30
	Total Undiscovered			5,668	Total Undiscovered			283

(1) Neocomian – earliest Lower Cretaceous age

PEP 11, Offshore Sydney Basin, New South Wales – Bounty 15%

Background

PEP 11 covers 4,576 km² of the offshore Sydney Basin immediately adjacent to the largest gas market in Australia and is a high impact exploration project.

2012/2013 Exploration

During the Quarter post well seismic and regional studies continued. The ongoing programme will reprocess seismic and acquire new 2D (or possibly 3D) seismic to define a drilling target to test Permian Gas targets.

Corporate

Cash Position – 30 September 2013

During the quarter Bounty expended \$613,323 on exploration, development and production projects including final drill and complete costs for Utopia development drilling. At the end of the quarter cash, receivables and held for sale investments were around \$4.5 million.

Appendix 5B is attached.

Bounty's schedule of permits: See table on Bounty's website: www.bountyoil.com

For further information, please contact:

Philip F Kelso
 Chief Executive Officer
 Tel:+612 9299 7200
 Email: corporate@bountyoil.com

Website: www.bountyoil.com

Abbreviations

ATP:	Authority to Prospect for petroleum
AVO:	Specialised processing of seismic amplitude data compared to offset (distance along seismic lines).
BCF:	Billion cubic feet (of natural gas)
BBLS:	Barrels of oil
Bopd	barrels of oil per day
CSG:	Coal seam gas
DST	Drillstem test with a drill rig to test if hydrocarbons flow to the surface from a reservoir.
MDRT	Measured Depth below Rotary Table
MMBO:	Million barrels of oil.
MMBOE:	Million barrels of oil equivalent.
MMcf/d	Millions of cubic feet per day of natural gas
PL:	Petroleum production lease
P_{mean}	The average (mean) probability of occurrence
P90	90% probability of occurrence
P10	10% probability of occurrence
PSA:	Production Sharing Agreement
TCF:	Trillion cubic feet (of natural gas)
Contingent Resources	Discovered resources, not yet fully commercial
Prospective Resources	Undiscovered resources

[The information in this report that relates to or refers to petroleum or hydrocarbon reserves, is based on information and reports prepared by , reviewed and/or compiled by the CEO of Bounty Oil & Gas NL Mr Philip F Kelso. 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 consents to the reporting of that information in the form and context in which it appears.]

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 01/06/10, 17/12/10

Name of entity

BOUNTY OIL & GAS NL

ABN

82 090 625 353

Quarter ended ("current quarter")

30 Sept 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date \$A
1.1 Receipts from product sales and related debtors	717,719	717,719
1.2 Payments for (a) exploration and evaluation	(311,243)	(311,243)
(b) development	-	-
(c) production assets	(302,080)	(302,080)
(d) production expenses	(276,375)	(276,375)
(d) administration	(448,652)	(448,652)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2,530	2,530
1.5 Interest and other costs of finance paid	-	-
1.6 GST (refund)/paid	(26,922)	(26,922)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(645,023)	(645,023)
	¤	¤
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(43,427)	(43,427)
(c) other fixed assets	(23,860)	(23,860)
(d) petroleum tenement	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	1,215,903	1,215,903
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	1,148,616	1,148,616
1.13 Total operating and investing cash flows (carried forward)	503,593	503,593

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	503,593	503,593	
	Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-	
1.15	Proceeds from sale of forfeited shares	-	-	
1.16	Proceeds from borrowings (other entities)	-	-	
1.17	Repayment of borrowings	-	-	
1.18	Dividends paid	-	-	
1.19	Other (share issue expenses)	-	-	
	Net financing cash flows	-	-	
	Net increase (decrease) in cash held	503,593	503,593	
1.20	Cash at beginning of quarter/year to date	1,982,414	1,982,414	
1.21	Exchange rate adjustments to item 1.20	(4,400)	(4,400)	
1.22	Cash at end of quarter	2,481,607	2,481,607	

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	199,402
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A	Amount used \$A
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	180,000
4.2 Development	400,000
4.3 Production	250,000
4.4 Administration	320,000
Total :	1,150,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	2,410,891	1,911,698
5.2 Deposits at call	70,716	70,716
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,481,607	1,982,414

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	938,400,982	938,400,982		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			-	
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	20,000,000	-	<i>Exercise price</i> \$0.032	<i>Expiry date</i> 28.07.2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Director and Company Secretary)

Date: 31 Oct 2013

Print name: J. G. HIGGINBOTHAM

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==