



ASX/MEDIA RELEASE

29 April 2014



East Tanzania Pipeline project - main 36" pipeline lay down area.

Quarterly Activities Report – End March 2014

Highlights:

Australia

- Oil Production at 70 bopd with Bounty year end petroleum revenue estimated at \$2.8 million.
- Group Revenue projected to increase to \$ 4.8 million p.a. in 2015 with Tanzania gas sales.
- High impact Oil Business strategy moving Bounty's 100% AC/P 32, Timor Sea project to farmout and drill:-
 - At Azalea Prospect, where completion of seismic project has outlined a major stratigraphic target with potential 500 MMbbls oil in place and 100 MMbbls recoverable.
 - Azalea has direct hydrocarbon indicators and farmout campaign is underway.
 - Bounty applies for 5 year renewal of AC/P 32.

Tanzania – Nyuni Block

- Laying of the 24” gas pipeline lateral to Songo-Songo Island now 85% complete.
- The Songo-Songo Gas Processing Plant footings completed and modules under construction.
- TPDC advises that the Songo-Songo gas processing Plant and the pipeline system is on schedule to be completed in early 2015.
- Gas price negotiations further advanced.
- First production from the Kiliwani North Field: early 2015.
- 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 \$758,059 for the quarter and Bounty is tracking to \$2.8 million oil sales for the 2013/2014 year. Oil sales for the quarter increased \$127,162.

Production was maintained at around 70 bopd as new wells came online offsetting natural decline. New drilling and production optimisation work is expected to maintain production at similar levels in the next quarter.

Bounty’s petroleum revenue, production and sales for the quarter ended 31 March, 2014 are summarised below.

Revenue:

Q4	1 Jan – 31 March 2014	\$
PL214, Utopia	Bounty Share (40% Interest)	234,860
ATP 259	Bounty Share (2% Interest)	523,199
	Total Revenue subject to adjustments (1)	758,059

(1) GST exclusive.

Production:

Q4	1 Jan – 31 March 2014	boe
PL214, Utopia	Bounty Share (40% Interest) bbls	2,633
ATP 259	Bounty Share (2% Interest) bbls	3,629
	Total Production boe	6,262

Sales:

Q4	1 Jan – 31 March 2014	boe
PL 214, Utopia	Bounty Share (40% Interest) bbls	2,092
ATP 259	Bounty Share (2% Interest) bbls	4,410
	Total Sales boe	7,007

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

The new drill Utopia 16 was being prepared for production and workovers on existing wells carried out.

Significant Activities next Quarter

The new development wells will commence production when they are tied into production facilities.

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

Location: Surrounding Jackson, Naccowlah and Watson Oilfields

Background

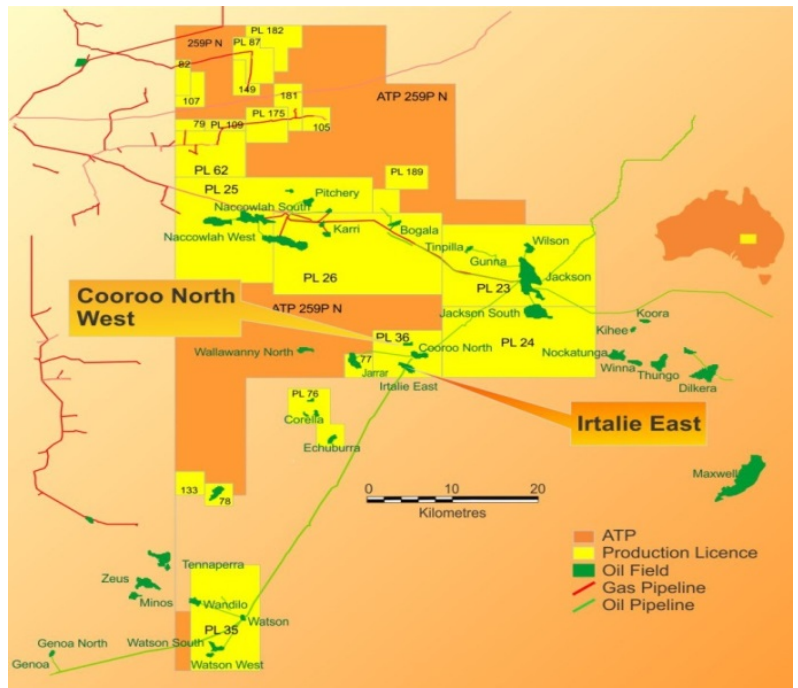
The Naccowlah Block comprises 2,544 km² approximately 40% of which is covered by ATP 259P (N) and the remainder in 22 petroleum production leases (PL’s) covering producing fields. Production was maintained at around 40 bopd net to Bounty.

Significant Activities during Quarter

The new successful wells drilled in 2013; Irtalie East 4 and 5 came into full production and the New Irtalie East field is now making a material contribution to oil production from the Naccowlah Block.

Significant Activities next Quarter and Beyond

Further development wells at Irtalie East are planned and Cooroo North West 1 will be bought online. Production optimisation is ongoing and contributes significantly to maintaining production.



Exploration:

Southern Surat Basin Onshore Queensland

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:

Bounty and its partner are awaiting a determination from the Queensland authorities on a proposed work programme variation.

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 significant progress was made on finalising a comprehensive joint operating agreement to cover the PEL 218 post Permian section and secure the Joint Venture interests in Retention Licence.

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

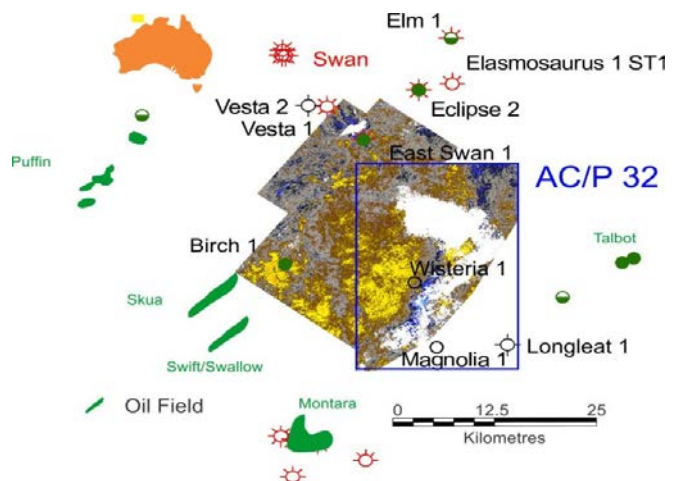
High Impact Oil Growth Projects:

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 stratigraphic prospects and leads which have the potential to contain very significant oil resources.



Significant Activities during the Quarter

Interpretation and evaluation of the reprocessed seismic and inversion has defined the Azalea Prospect with a potential 500 million barrels of oil in place of which over 100 million barrels would be recoverable. The work to date has established as far as possible that:-

- the sands in the Azalea Prospect are high porosity, sealed along strike and up dip,
- the fluids contained in the prospect's sands are different from proven water wet sands in an adjacent well, and
- there are direct indications of a possible hydrocarbon charge.

In addition to Azalea; Bounty has established new structural stratigraphic leads with potential in the 10 – 40 million barrel recoverable range.

Application has been submitted to renew the licence for a further five years.

During the Quarter Bounty also continued farmout activities, seeking a partner to drill an exploration well at Azalea and a follow up appraisal well.

Significant Activities next Quarter

Refining of the evaluation of the seismic data and on farmout activities.

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 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:

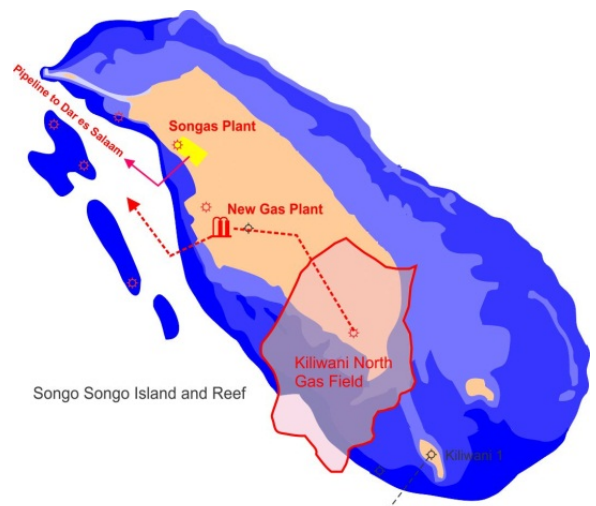
Nyuni Block – Offshore Mandawa Basin Tanzania – PSA: Bounty 5%; Kiliwani North Development: Bounty 10%

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

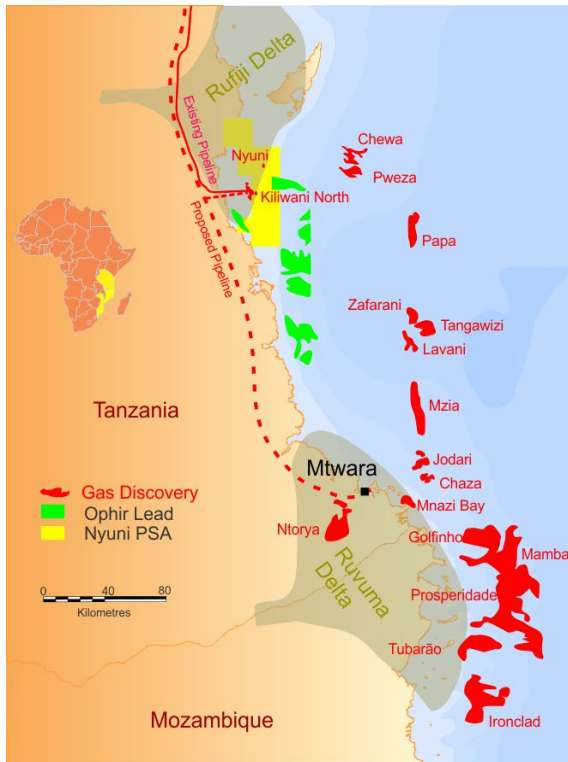


gas plant and pipeline to Dar es Salaam. The project is adjacent to recent deep water gas discoveries and has within it seismic amplitude anomalies which may be due to gas in similar settings to the adjacent block.

Significant Activities during the Quarter

Kiliwani North Development – Bounty 10%

Development Update



Construction of the subsea pipeline connecting Songo Songo Island to the mainland is 85% complete. The processing plant modules are being constructed and will be shipped and assembled over the foundations which are being laid. Negotiations for the Gas Sales Agreement with the Tanzanian authorities have made considerable progress and may be concluded next quarter.

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 at least \$2 million per annum. This production will add 364 boepd to Bounty's production.

Production and the new pipeline 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 negotiating with contractors to acquire 700 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 apparent from the limited seismic coverage available with associated seismic anomalies. The 3D is aimed to firm up these targets into drillable prospects and is planned for Q4 2014/Q1 2015.

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

There was no material joint venture activity during the Quarter but 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

Current Assets – 31 March 2014

During the quarter Bounty expended \$363,554 on production assets; mainly oil development wells and \$388,135 on seismic and other exploration projects. Expenditure will be lower in the next quarter and oil revenue should increase. At the end of the quarter cash, receivables and held for sale investments were around \$4 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 drilling rig Rotary Table
MMbbls:	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

ASX LISTING RULES 5.25 – 5.45

All Bounty Oil & Gas NL (Bounty) petroleum Reserves and Resources assessments follow guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS). Bounty is compliant with recent listing rule changes for reporting of estimates as defined in Chapter 5 of the ASX Listing Rules.

QUALIFIED PERSON'S STATEMENT

1. The petroleum Reserve and Resources estimates used in this report and;
2. The information in this report that relates to or refers to petroleum or hydrocarbon production, development and exploration;
3. Is based on information and reports prepared by, reviewed and/or compiled by the CEO of Bounty, Mr Philip F Kelso. Mr Kelso is a Bachelor of Science (Geology) and has practised geology and petroleum geology for in excess of 25 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy.
4. Mr Kelso is a qualified person as defined in the ASX Listing Rules: Chapter 19 and 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 March 2014

Consolidated statement of cash flows

	Current quarter \$A	Year to date \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	755,278	2,103,894
1.2 Payments for (a) exploration and evaluation	(388,135)	(999,102)
(b) development	(205,532)	(254,246)
(c) production assets	(158,022)	(1,404,592)
(d) production expenses	(194,314)	(652,255)
(d) administration	(266,710)	(1,076,064)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3,768	10,367
1.5 Interest and other costs of finance paid	-	-
1.6 GST (refund)/paid	(21,609)	(68,233)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(475,276)	(2,340,231)
¤		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(43,427)
(c) other fixed assets	(476,343)	(529,900)
(d) petroleum tenement	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	643,921	2,619,985
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(64,162)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	167,578	1,982,496
1.13 Total operating and investing cash flows (carried forward)	(307,698)	(357,735)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(307,698)	(357,735)
	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	(307,698)	(357,735)
1.20	Cash at beginning of quarter/year to date	1,964,809	1,982,414
1.21	Exchange rate adjustments to item 1.20	(9,176)	23,256
1.22	Cash at end of quarter	1,647,935	1,647,935

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	102,110
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	200,000
4.3 Production	250,000
4.4 Administration	270,000
Total :	900,000

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	1,577,219	1,894,093
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)	1,647,935	1,964,809

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: 29 April 2014

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.

== == == == ==