ASX/MEDIA RELEASE

14 March 2014

Interim Financial Report – Half Year to 31 December 2013

Bounty Oil & Gas NL ("Bounty") is pleased to announce its Interim Financial Report for the half year ended 31 December 2013.

Attached are:

- Appendix 4D for the half year ended 31 December 2013
- Interim Financial Report
- Directors and Auditors Reports

Financial Highlights:

- Net profit after tax of $1.09 million following on from a net loss after tax of $1.50 million for the full year ended 30 June 2013.
- Oil revenue up 37% to $1.55 million for half year ended December 2013 (Half Year 2012: $1.13 million).
- Revenue from continuing operations for the period was $2,578,476 (2012: $3,126,051).
- Cash and investments at 31 December 2013 of $3.85 million.

Operating Highlights:

Australia

- Production increases lift oil revenue for calendar 2013 to $2.6 million.
- Oil Business strategy moving to high growth phase with plan to farmout and drill:-

- Bounty's 100% Azalea Prospect in AC/P 32, Timor Sea, 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 a Farmout campaign is underway.
- Bounty participated in four successful new oil wells at Utopia and in Naccowlah Block; SW Queensland.

Tanzania – Nyuni Block

- Construction of the East Tanzania 36" pipeline, 24" lateral to Songo Songo Island and Compression Plant well underway with first gas anticipated early 2015.

- Nyuni Block PSA seismic work indicates major deep water gas target at Pandie Lead in developing Tanzanian gas region.

- 3D seismic surveys image deep water turbidite gas plays of 1 to 2 TCF potential planned for later 2014.

For further information, please contact:

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Chief Executive Officer
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Website: www.bountyoil.com

[The information in this report that relates to or refers to petroleum or hydrocarbon reserves and/or resources, 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 25 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.]

BOUNTY OIL & GAS NL

(ABN 82 090 625 353)

INTERIM FINANCIAL REPORT

Interim Financial Report for the half-year ended 31 December 2013
(including Appendix 4D Disclosures, Directors' Report and Financial Report)

Contents	***Page***

Appendix 4D

For the half-year ended 31 December 2013
Previous corresponding period: Half-year ended 31 December 2012

Name of entity

BOUNTY OIL & GAS N.L.

ABN

82 090 625 353

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

				$
Revenues from ordinary activities	**Decreased**	**(18%)**	**to**	**2,578,476**
Profit from continuing operations after tax attributed to members	**Decreased**	**(11%)**	**to**	**1,094,489**
Profit for the period attributable to members	**Decreased**	**(11%)**	**to**	**1,094,489**

This information is to be read in conjunction with the 2013 Annual Report, the Half-Year Financial Report and Directors' Report for the six months to 31 December 2013.

Dividends

It is not proposed to pay any dividends.

Net Asset Backing

	Current Period	*Previous Period*
Net asset backing per ordinary security (cents)	**0.036**	**0.040**

Details of individual and total dividends or distributions and dividends or distribution payments

There were no distributions or dividends payable or paid during the period.

Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for the participation in any dividends or distribution reinvestment plan.

There were no dividend or distribution reinvestment plans in operation.

Details of entities over which control has been gained during the period

Nil

Material interest in entities which are not controlled entities

There are no material interests in entities which are not controlled entities.

Audit Review

The accounts have been subject to review and are not subject to dispute or qualification.

Commentary on results for the period

This information should be read in conjunction with the Directors' Report and the half yearly financial statements for the period.

J. Gary Higginbotham

Company Secretary

Dated: 13 March 2014

DIRECTOR'S REPORT

For the Half Year Ended 31 December 2013

The directors of Bounty Oil & Gas NL ("Bounty" or "the company") submit the interim financial report of Bounty and its subsidiary ("the Group") for the half year ended 31 December 2013. The attached Bounty Interim Financial Report forms part of this report. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follow:

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

Graham Charles Reveleigh	*(Non-Executive Chairman)*
John Gary Higginbotham	*(Non-Executive Director, Company Secretary & CFO)*
Charles Ross	*(Non-Executive Director)*

Mr Charles Ross was re-elected as a director of the company at the annual general meeting on 27 November 2013.

Review of Operations

For Bounty's schedule of permits, interests and acreages (see Bounty's 2013 Annual Report and website: www.bountyoil.com).

1. Overview

The principal activity of the company during the 6 months to 31 December 2013, was oil production and oil and gas exploration and development. Bounty's secondary activity is investment in listed securities. No significant change in the nature of these activities occurred during the financial half year.

During the period the economic entity made a net profit after tax of $1,094,489 (31 December 2012 half year: Profit $1,202,740).

The operating profit was determined after taking into account the following material items:

- Petroleum revenue; (mainly from oil sales) of $1,549,385
- A profit on trading listed securities of $893,338
- An unrealized mark to market gain on listed securities of $110,200
- Interest and other income of $25,553
- Direct petroleum operating expenses of $346,660
- All other expenses including suppliers and employees of $1,137,327

Revenue from continuing operations for the period was $2,578,476 (2012: $3,126,051).

Petroleum revenue for 12 month calendar year to 31 December 2013 was $2,590,067.

In the half year to 31 December 2013 Bounty invested $1,743,740 in exploration and development directed principally as follows:

Australia:

In offshore Western Australia (AC/P-32 Vulcan Sub Basin) and oil/condensate focussed projects in the Cooper and Surat Basins.

Tanzania:

In ongoing work towards commercialisation of the Kiliwani North gas reserves (Bounty 10%) and continuing exploration for larger gas targets in the surrounding Nyuni Block PSA (Bounty 5%).

Details of drilling activity, exploration and development operations and cash flows for the half year ended 31 December, 2013 have been reported by the company to the Australian Securities Exchange in the Quarterly Activity Reports and Appendix 5B for each of the quarters ended 30 September and 31 December 2013 and in additional announcements on particular items. Brief details are set out below:

2. Production Operations

Revenue from production operations for the period was $1,549,385 up 37% on the previous half year (2012: $1,132,981). Revenue was derived mainly from crude oil produced from Bounty's production interests in PL 214 Utopia Field and in ATP 259P Naccowlah Block both located in southwest Queensland.

Oil Production

Revenue for the period was accrued from production of 13,432 bbls of oil and sales of 15,155 bbls.

Production Drilling

PL 214 Utopia Block (Bounty 40%)

Three development appraisal wells - Utopia 15, 16 and 17 - were completed during the half year. All 3 wells were cased and suspended as a future Murta zone oil production wells.

Bounty participated only in Utopia 16 and retained buy back rights to the other 2 wells.

The new development wells will commence production in early 2014 when they will be tied into production facilities.

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

During the period production increased with the success of production optimisation projects mainly in the Jackson Field. In particular oil behind pipe in the Westbourne Formation has been bought on line, which contributed to an overall production increase of 25% in the Jackson Field in calendar 2013.

During the half year to 31 December 2013 Bounty participated in a very successful near field exploration drilling campaign in the Naccowlah Block at Irtalie East and Cooroo NW.Three wells were drilled; Irtalie East 4 and 5 and Cooroo Northwest 1. All encountered good oil and reservoir and were cased pending completion as production wells. Work during 2014 will commence to tie in these 3 new wells and commence production. 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. Further development wells at Irtalie East and production optimisation are planned.

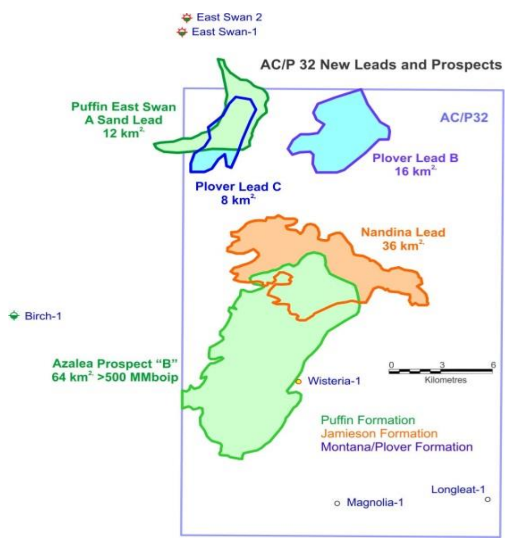
3. Development Operations

During the period, Bounty expended Nil on development operations. No development drilling was undertaken during the period and all drilling (see above) has been classified as production drilling.

4. Exploration and Evaluation Operations

During the period, Bounty expended $571,680 on exploration and evaluation. Material items occurring during the half year ended 31 December 2013, were:

AC/P 32 Offshore WA – Timor Sea (Bounty 15%) –Map Prospects and Leads



Bounty completed interpretation and evaluation of the reprocessed 3D seismic data and 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, that target is up dip from oil discovered in the Birch 1 Well in those sands – Puffin Formation; and that 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 in the north west section of AC/P32.

In early 2014 Bounty commenced farmout activities, seeking a partner to drill an exploration well at Azalea and a follow up appraisal well.

Kiliwani North Development Licence; Tanzania (Bounty 5%)

During the period substantial progress was made towards development of the 45 BCF of proven gas reserves at Kiliwani North. A summary follows:

The Tanzanian Petroleum Development Corporation ('TPDC') has financed and is constructing the main 36" south-north pipeline system (East Tanzania Gas Pipeline), the Songo-Songo 24" lateral and the Songo-Songo Gas Processing Plant. It will also construct the tie-in line from the Plant to the Kiliwani North Gas Field.

TPDC has since the end of the period given a pipeline progress report as follows:-

- All the 36" segments of pipe for the main 36" pipeline system have arrived in Tanzania Construction commenced in September 2013; is making good progress and is on schedule.

- When construction is completed this will allow Kiliwani North Gas to be tied in and commercialised.

- The Pipe Laying Barge CPP601 is currently at the Somanga Songo-Songo offshore construction site and laying of the 24" gas pipeline lateral to Songo-Songo Island commenced on 16 January 2014 (now 15% complete).

- The Songo-Songo Gas Processing Plant is under construction, including excavation for the foundations, pouring of binding concrete and column rebar, strip footing and block-work.

- TPDC advises that the Songo-Songo Gas Processing Plant and the pipeline system is on schedule to be completed in early 2015.

- First production from the Kiliwani North Field: early 2015.

- Gas Sales Agreement: Largely complete.

Other Properties

During the period Bounty continued to fund exploration and development expenditure in connection with its other joint venture interests located in Queensland, New South Wales and Western Australia, both onshore and offshore.

Corporate and Equity Issues

No share issues were undertaken by Bounty during the period and at the end of the interim reporting period at 31 December 2013 it had $1,982,647 cash and no debt.

At 31 December 2013 the value of Bounty's listed investments on a mark to market basis was $1,866,100.

Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year ended 31 December 2013 which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the review for the half year ended 31 December 2013 is attached.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of *Corporations Act 2001*.

On behalf of the Directors

J. Gary Higginbotham
Director

Dated: 13 March 2014

For further details of the activities of the Group, see the Bounty Oil & Gas N.L. website www.bountyoil.com.

For abbreviations of technical terms see the last page of the Interim Financial Report.

dfk richard hill
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BOUNTY OIL & GAS N.L. ABN 82 090 625 353 AND CONTROLLED ENTITY

AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF BOUNTY OIL & GAS NL

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there has been:

a. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

b. No contraventions of any applicable code of professional conduct in relation to the review.

Richard Hill
Date: 13 March 2014
Address: Level11, 32 Martin Place Sydney 2000

DIRECTORS' DECLARATION

Interim Financial Report

The directors of the company declare that:

1. The consolidated financial statements and notes as set out on pages 9 to 18.

   a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations and,

   b. give a true and fair of the company's financial position as at 31 December 2013 and of its performance for the half year ended on that date.

2 In the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, pursuant to section 303(5) of the *Corporations Ac 2001*.

On behalf of the directors

J. Gary Higginbotham
Director

13 March 2014

Consolidated statement of profit and loss and other comprehensive income
for the half-year ended 31 December 2013

	Notes	Half-year ended 31-Dec-13 $	Half-year ended 31-Dec-12 $
Revenue	4 (a)	**1,549,385**	1,132,981
Investment income	4 (a)	**1,003,538**	1,972,178
Other income	4 (a)	**25,553**	20,892
Direct petroleum operating expenses	4 (b)	**(346,660)**	(613,072)
Changes in inventories		**(46,788)**	8,931
Employee benefits expense		**(507,042)**	(568,510)
Depreciation expense		**(33,263)**	(43,626)
Amortisation of oil producing assets		**(170,017)**	(112,911)
Occupancy expense		**(56,472)**	(51,201)
Corporate activity costs		**(132,201)**	(155,441)
Rehabilitation expense		**(68,611)**	(68,726)
Foreign exchange gains/(losses)		**26,175**	(33,727)
Write off of exploration expenses		**(903)**	-
General legal and professional costs		**(123,785)**	(116,691)
Other expenses		**(24,420)**	(168,337)
Profit before tax		**1,094,489**	1,202,740
Income tax expense		**-**	-
Profit for the period from continuing operations		**1,094,489**	1,202,740
Profit for the period		**1,094,489**	**1,202,740**
Other comprehensive income for the year, net of income tax		**-**	**-**
Total Comprehensive income for the period		**1,094,489**	**1,202,740**
Total comprehensive income attributable to owners of the parent		**1,094,489**	**1,202,740**
Earnings per share			
Basic (cents per share)		**0.12**	0.15
Diluted (cents per share)		**0.12**	0.14

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position
for the half-year ended 31 December 2013

	Notes	31-Dec-13 $	30-Jun-13 $
Assets			
Current assets			
Cash and cash equivalents		**1,982,647**	1,982,473
Trade and other receivables		**805,688**	770,878
Inventories		**37,146**	65,848
Other current financial assets	5	**1,866,100**	2,791,141
Total current assets		**4,691,581**	5,610,340
Non-current assets			
Exploration and evaluation assets	6	**12,872,581**	12,300,901
Production and development assets	6	**16,484,036**	15,904,274
Property, plant and equipment	7	**1,128,121**	777,992
Total non-current assets		**30,484,738**	28,983,167
Total assets		**35,176,319**	34,593,507
Liabilities			
Current liabilities			
Trade and other payables		**688,758**	1,372,758
Provisions		**1,077**	3,055
Total current liabilities		**689,835**	1,375,813
Non-current liabilities			
Rehabilitation provisions		**982,240**	807,939
Total non-current liabilities		**982,240**	807,939
Total liabilities		**1,672,075**	2,183,752
Net assets		**33,504,244**	32,409,755
Equity			
Issued capital	8	**43,275,163**	43,275,163
Reserves		**201,600**	201,600
Retained losses		**(9,972,519)**	(11,067,008)
Equity attributable to owners of the parent		**33,504,244**	32,409,755
Total equity		**33,504,244**	32,409,755

The statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
for the half-year ended 31 December 2013

	Note	Ordinary share capital $	Option reserve $	Accumulated losses $	Total $
Balance at 1 July 2012		40,407,660	-	(9,570,039)	30,837,621
Profit for the period		-	-	1,202,740	1,202,740
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	1,202,740	1,202,740
Shares issued during the period	8	1,230,119	-	-	1,230,119
Share issue transaction costs		(13,045)	-	-	(13,045)
Balance at 31 December 2012		**41,624,734**	**-**	**(8,367,299)**	**33,257,435**
Balance at 1 July 2013		43,275,163	201,600	(11,067,008)	32,409,755
Profit for the period		-	-	1,094,489	1,094,489
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	1,094,489	1,094,489
Shares issued during the period	8	-	-	-	-
Share issue transaction costs		-	-	-	-
Balance at 31 December 2013		**43,275,163**	**201,600**	**(9,972,519)**	**33,504,244**

The statement of change in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the half-year ended 31 December 2013

	Notes	Half-year ended 31-Dec-13 $	Half-year ended 31-Dec-12 $
Cash flows from operating activities			
Receipts from petroleum operations		1,722,543	1,132,577
Proceeds from sale of available-for-sale financial assets		1,972,006	2,227,223
Payments for available-for-sale financial assets		(43,427)	(667,051)
Payments to suppliers and employees		(2,198,800)	(1,237,770)
Cash generated by operations		1,452,322	1,454,979
Interest received		8,772	8,753
Other		12,800	14,987
Net cash generated by operating activities		1,473,894	1,478,719
Cash flows from investing activities			
Payments for exploration and evaluation assets		(466,656)	(696,664)
Payments for oil production & development assets		(749,779)	(1,293,895)
Payments for property plant and equipment		(270,850)	(105,444)
Loans repayment/(advanced)		(12,610)	(75,000)
Net cash (used in) investing activities		(1,499,895)	(2,171,003)
Cash flows from financing activities			
Proceeds from issue of shares		-	542,699
Costs associated with issue of shares		-	(13,045)
Net cash generated by/(used in) financing activities		-	529,654
Net (decrease) in cash and cash equivalents		**(26,001)**	**(162,630)**
Cash and cash equivalents at the beginning of the period		1,982,473	2,448,882
Effects of exchange rate changes on the balance of cash held in foreign currencies		26,175	(33,536)
Cash and cash equivalents at the end of the period		**1,982,647**	**2,252,716**

The statement of cash flow is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements for the half-year ended 31 December 2013

1. Corporate Information

The financial report of Bounty Oil and Gas NL and its controlled entities ("the Group") for the Half-Year ended 31 December 2013 was authorised for the issue in accordance with a resolution of the Directors on 13 March 2014.

Bounty Oil and Gas N.L. Is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

2. Summary of significant accounting policies

The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The interim financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report. It is also recommended that this report be considered together with any public announcements made by the Group during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

a. Basis of preparation

The interim financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

b. Accounting policies

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the company's 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations described below.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and have had no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations have not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its interim financial statements. There are no upcoming new or revised Standards and Interpretations which are expected to have a material impact on the Group.

Notes to the consolidated financial statements for the half-year ended 31 December 2013

c. Basis of consolidation

The interim financial statements comprise the financial statements of Bounty Oil and Gas N.L. and its controlled subsidiaries ("the Group").

d. Joint arrangements

AASB 11 replaces AASB 131 Interest in Joint Ventures and UIG-113 Jointy-controlled Entities - Non-monetary Contributions by Joint Venture.

AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore t0 determine whether joint control exists or may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for joint arrangements is dependent on the nature of the rights and obligations arising from the arrangment. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.

e. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the full year financial report as at and for the year ended 30 June 2013.

f. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilites, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation of uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2013.

h. Going concern basis

The directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the period ended 31 December 2013, the Group realised a net profit after tax of $1,094,489 (2012: profit $1,202,740). This was largely driven by continuing oil production and investment operations. The net cash generated by operating activities for the period ended 31 December 2013 was $1,473,894 (2012: net cash generated $1,478,719). The Group's net asset position at 31 December 2013 was $33,504,244 (30 June 2013: $32,409,755) and its cash balance amounted to $1,982,647 (30 June 2013: $1,982,473).

The directors' cash flow forecasts project that the group will continue to be able to meet its liabilities and obligations (including those exploration commitments as disclosed in Note 10) as and when they fall due for a period of at least 12 months from the date of signing of this financial report. The cash flow forecasts are dependent upon the generation of sufficient cash flows from operating activities to meet working capital requirements, the ability of the group to manage discretionary exploration and evaluation expenditure on non-core assets via farmout or disposal of certain interests and or a reduction in its future work programmes. The directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are satisfied as to the ability of group to implement the above.

h. Fair value measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilites. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets and liabilites carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendmends were also made to other standards.

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that a significant input to the measurement can be categorised into as follows:

- level 1: Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Notes to the consolidated financial statements for the half-year ended 31 December 2013

h. Fair value measurement (continued)

-level 2: Measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

-level 3: Measurements based on unobservable inputs for the asset or liability.

The carrying values of financial assets and liabilites recorded in the financial statements approximates their respective fair values, determined in accordance with the acounting policies described above and adjusted for capitalised transaction costs, if any.

3. Segment Information

Identification of Reportable Segments

Information reported to the Chief Operating Decision Maker, being the CEO, for the purposes of resource allocation and assessment of the performance is more specifically focused on the category of business units. The Group's reportable segments under AASB 8 Operating Segments are therefore as follows:

Core Petroleum Segment - Oil and gas exploration, development and production
Secondary Segment - Investment in listed shares and securities.

Segment revenue and results	**Segment revenue**		**Segment profit/(loss)**	
	31-Dec-13	31-Dec-12	**31-Dec-13**	31-Dec-12
Core Oil & Gas Segment	**$**	$	**$**	$
Production projects	**1,549,385**	1,132,981	**919,721**	163,499
Development projects	**-**	-	**-**	-
Exploration projects	**-**	-	**-**	-
Secondary Segment				
Listed securities	**1,003,538**	1,972,178	**1,003,538**	1,953,949
Total from continuing operations	**2,552,923**	3,105,159	**1,923,259**	2,117,448
Other revenue			**51,728**	20,892
Central admin costs and directors remuneration			**(880,498)**	(935,600)
Profit before tax			**1,094,489**	1,202,740

Revenue reported above represents revenue/income generated from external sources. There were no intersegment sales during the period (2012: nil)

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 1. Segment profit/(loss) in this Note represents the profit/(loss) earned by each segment without allocation of central administration costs and directors remuneration, other investment revenue such as interest earned, finance costs and income tax expense.

Information about major customers

Included in the revenue arising from direct sales of oil of $ 1,549,385 (2012: 1,132,981) are revenues of approximately $1,033,518 (2012:$855,593) which arose from sales to the Group's largest customer. The revenue from the Group's second largest customer was approximately $515,867 (2012:$277,388). No other single customer contributed 10% or more to the Groups revenue for both 2013 and 2012.

Other segment information	**Amortisation, depreciation & depletion**		**Additions to non-current assets**	
	31-Dec-13	31-Dec-12	**31-Dec-13**	31-Dec-12
Core Oil & Gas Segment	**$**	$	**$**	$
Production projects	**188,534**	149,688	**1,172,060**	174,741
Development projects	**-**	-	**-**	6,016
Exploration projects	**-**	-	**571,680**	1,252,617
Secondary Segment				
Listed securities	**-**	-	-	-
Other	**14,746**	6,849	**29,709**	9,595
Total	**203,280**	156,537	**1,773,449**	1,442,969

Notes to the consolidated financial statements
for the half-year ended 31 December 2013

3. Segment Information (continued)

	Impairment losses(expenses)		Exploration write off	
	31-Dec-13	31-Dec-12	**31-Dec-13**	31-Dec-12
Core Oil & Gas Segment	**$**	$	**$**	$
Production projects	**-**	-	**-**	-
Development projects	**-**	-	**-**	-
Exploration projects	**-**	-	**903**	-
Secondary Segment				
Listed securities	**-**	-	**-**	-
Total	**-**	-	**903**	-

	Segment assets		Segment liabilities	
	31-Dec-13	30-Jun-13	**31-Dec-13**	30-Jun-13
Core Oil & Gas Segment	**$**	$	**$**	$
Production projects	**12,173,873**	11,835,081	**1,361,459**	1,878,135
Development projects	**4,310,163**	4,310,163	**8,734**	8,141
Exploration projects	**12,872,581**	12,300,901	**23,796**	121,700
Secondary Segment				
Listed securities	**1,866,100**	2,791,141	**-**	-
Unallocated	**3,953,602**	3,356,221	**278,086**	175,776
Total	**35,176,319**	34,593,507	**1,672,075**	2,183,752

Geographical Segment information

The following table details the group's geographical segment reporting of revenue and carrying amount of assets in each geographical region where operations are conducted.

	Revenue		Carrying amounts of assets	
	31-Dec-13	31-Dec-12	**31-Dec-13**	30-Jun-13
	$	$	**$**	$
Australia	**2,578,476**	3,126,051	**31,332,975**	30,751,333
Tanzania	**-**	-	**3,843,344**	3,842,174
Total	**2,578,476**	3,126,051	**35,176,319**	34,593,507

4(a). Revenue and other income

	31-Dec-13	31-Dec-12
Sales revenue:	**$**	$
Oil sales	**1,543,644**	1,119,079
Revenue from tariffs	**5,741**	13,902
Total sales revenue	**1,549,385**	1,132,981
Investment income:		
Investment income from financial assets at fair value through		
Profit and loss (held for trading listed shares)		
Realised gain	**893,338**	1,319,177
Unrealised gain	**110,200**	653,001
Total investment income	**1,003,538**	1,972,178
Other income:		
Interest received	**12,753**	16,637
Other income	**12,800**	4,255
Total other revenue	**25,553**	20,892
Total revenue	**2,578,476**	3,126,051

Notes to the consolidated financial statements for the half-year ended 31 December 2013

4(b). Direct petroleum operating expenses

During the period, the consolidated entity received a royalty credit for the amount of $394,945 from the Naccowlah Joint Operation, which has contributed to significantly reduced direct petroleum operating expenses compared to the previous period.

5. Other current financial assets	**31-Dec-13**	30-Jun-13
	$	$
Financial assets at fair value through profit and loss - shares in listed corporations	**1,866,100**	2,791,141
Total current financial assets	**1,866,100**	2,791,141

6. Non current assets

(a): Production and development assets

SW Queensland		
Oil producing property – PL214 Utopia – at cost	**8,038,849**	7,754,228
Oil producing property – Naccowlah Block – at cost	**3,224,331**	2,964,940
Less: Amortisation – SW Queensland production assets	**(929,288)**	(770,589)
East Queensland		
Oil producing property – Joint venture interest PL119 Downlands – at cost	**3,747,089**	3,708,831
Less: Depletion and amortisation – E Queensland	**(2,518,608)**	(2,518,608)
Rehabilitation costs – all petroleum properties	**611,500**	455,309
Development assets	**4,310,163**	4,310,163
Total production and development assets	**16,484,036**	15,904,274

b): Exploration and evaluation assets

Exploration assets	**12,872,581**	12,300,901
Total exploration assets	**12,872,581**	12,300,901

7. Plant property and equipment

Opening balance	**777,992**	644,768
Expenditure incurred during the period	**463,308**	171,097
Depreciation expense	**(113,179)**	(37,873)
Balance carried forward	**1,128,121**	777,992

8. Issued capital	**$**	$
(a) Share Capital	**43,476,763**	43,476,763
(b) Movement in fully paid ordinary shares	**No. of Shares**	No. of Shares
Balance at beginning of period	**938,400,982**	772,150,982
Shares issued during the period	**-**	166,250,000
Balance at end of period	**938,400,982**	938,400,982
(b) Movement in unlised options		
Balance at beginning of period	**20,000,000**	36,000,000
Lapsed during the period	**-**	(16,000,000)
Balance at end of period	**20,000,000**	20,000,000

9. Interest in Subsidiaries

Set out below are the Group's subsidiaries at 31 December 2013. The subsidiaries listed below have share capital consisiting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's country of incorporation or registration is also its principal place of business.

Name of Subsidiary	**Principal place of Business**	**Ownership Interest held by the Group**	
		31-Dec-13	30-Jun-13
Ausam Resources Pty Ltd.	Sydney, Australia	100%	100%

Notes to the consolidated financial statements
for the half-year ended 31 December 2013

10. Contingencies and commitments

As at the date this report, there were no contingent assets or liabilities. There is no litigation against or involving Bounty Oil & Gas N.L. or its subsidiaries of which the Directors are aware.

In order to maintain current rights of tenure to its exploration permits, the company has certain obligations to perform work in accordance with the work programmes, as approved by the relevant statutory body, when the permits are granted. These work programs form the exploration commitment which may be renegotiated, varied between permits, or reduced due to farm-out, sale, reduction of exploration area and/or relinquishment of non-prospective permits. Work in excess of the work programs may also be undertaken.

The following discretionary exploration expenditure requirements have not been provided for in the accounts:

Payable	**31-Dec-13** **$**	30-Jun-13 $
Not longer than 1 year	**886,000**	2,400,000
Longer than 1 year and not longer than 5 years	**1,200,000**	1,800,000
	2,086,000	4,200,000

11. Interest in joint arrangements

Set out below are the joint arrangements of the Group as at 31 December 2013, which in the opinion of the directors are material to the Group:

Name of the joint arrangement	Classification of joint arrangement	Principal place of business	Proporation of participating share	
			31-Dec-13	30-Jun-13
PL 214 Oilwells of Kentucky Inc.	Joint operations	Sydney, Australia	**40%**	40%
ATP 259P Naccowlah block	Joint operations	Adelaide, Australia	**2%**	2%
Nyuni PSA	Joint operations	Dar es Salaam, Tanzania	**5%**	5%
Kiliwani North	Joint operations	Dar es Salaam, Tanzania	**10%**	10%
ATP 754P	Joint operations	Brisbane, Australia	**50%**	50%

The accounting policies adopted for the group’s joint operations are consistent with those of the previous financial year and corresponding interim reporting period.

12. Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year ended 31 December 2013 which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Abbreviations
Bbl(s): barrel(s) of oil
mmbo: million barrels of oil .
MMBOE: million barrels of oil equivalent.
BCF: billions of cubic feet of natural gas
TCF: trillions of cubic feet of natural gas
MMcf/d: millions of cubic feet of natural gas (/d per day)
CSG: coal seam gas
PSA: Production Sharing Agreement
PSC: Production Sharing Contract
PL: Petroleum production lease
ATP: Authority to prospect for petroleum
TPDC: Tanzania Petroleum Development Corporation
Pmean: 50% probability of occurrence
P90: 90% probability of occurrence
P10: 10% probability of occurrence
OOIP/GIIP: Oil or Gas initially in place
Contingent Resources: discovered resources, not yet fully commercial
Prospective Resources: undiscovered resources
2D/3D: 2D seismic data creates a 2 dimensional cross section of data (either in time or depth) and 3D creates a 3 dimensional block of data
AVO: amplitude versus offset processing of seismic data to reveal possible hydrocarbons

dfk richard hill
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BOUNTY OIL & GAS N.L. ABN 82 090 625 353 AND CONTROLLED ENTITY
INDEPENDENT AUDITOR's REPORT TO THE MEMBERS OF BOUNTY OIL & GAS N.L.

Report on the Half-year Financial Report
We have reviewed the accompanying half-year financial report of Bounty Oil & Gas NL, which comprises the consolidated condensed statement of financial position as at 31 December 2013, the consolidated condensed statement of profit or loss, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, and consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Bounty Oil & Gas NL are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporation Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410*: Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving true and fair view of Bounty Oil & Gas NL's financial position as at 31 December 2013 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Bounty Oil & Gas NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope that an audit conducted in accordance with Australian Auditing Standards and consequently dose not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bounty Oil & Gas NL, would be in the same terms if provided t to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bounty Oil & Gas NL is not accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of Bounty Oil & Gas NL's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(ii) complying with AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

Richard Hill
Date this 13 day of March 2014
Address: Level 11, 32 Martin Place Sydney 2000