ASX/MEDIA RELEASE

14th March 2012

Interim Financial Report – Half Year to 31 December 2011

Bounty Oil & Gas NL ("Bounty") is pleased to announce its Interim Financial Report for the half year ended 31 December 2011.

Attached are:

- Appendix 4D for the half year ended 31 December 2011
- Interim Financial Report
- Directors and Auditors Reports

Highlights:

- Net profit after tax of $1.238 million following on from a loss of $ 251,208 for the full year ended 30 June 2011.
- Oil revenue up 42.3% to $1.44 million for half year ended December 2011 (Half Year 2010: $1.02 million).
- As a result 2011 calendar year revenue increased to $ 2.11 million
- Current assets and investments at 31 December 2011 of $ 6.07 million.
- Cash at 31 December 2011 of $1.197 million.
- Acquisition of Bounty operated projects in Surat Basin.

Operating Areas:

Australia

- Oil Business strategy on track to provide further growth:
  - Seismic studies progressing toward a decision on possible drill test of 150 million plus bbl oil target at Azalea Prospect in AC/P 32 Timor Sea.

- 3D seismic surveys indicate possible 8 million bbls oil in place at Utopia, Queensland.
- Bounty achieves full ownership of Downlands oil and gas condensate project in Surat Basin, Queensland and also adds contingent undeveloped oil resources.
- Major gas prospects and leads in PEP 11 yet to be tested and the permit has been extended for 3 years. The future work program will include 2D or 3D seismic and a second well.

Tanzania – Nyuni Block

- Development licence for Kiliwani North gas field granted and commercialisation underway.
- Nyuni Block PSA renewed and enlarged in developing Tanzanian gas region.

Commenting; Bounty's CEO, Philip Kelso said:

"Bounty has come through 2011 in a solid position with oil revenue reaching $2.11 million for the calendar year and strategic additions to its acreage in the Surat Basin and Tanzania.

Bounty recorded a profit of $1.238 million and has a strong balance sheet. We will endeavour to again increase operating revenue from oil in 2012.

During the half year we continued to invest in seismic reprocessing in AC/P 32 in the Vulcan Graben offshore Western Australia. We expect the AC/P32 joint venture to make a decision by mid-year on a drill test of the 150 million plus barrel oil target at Azalea.

Bounty is currently working through regulatory approvals on its Surat Basin oil and gas projects and will then focus on Downlands and Bellbird oil development as operator. We also expect to commence the Farawell seismic program to be operated by Origin Energy with the aim of defining an oil/gas target named Farawell Updip east of Bellbird in ATP 754P. Recent floods have delayed this work.

Bounty's aim in 2012 will be to increase oil revenues from its own operated permits while pursuing larger plays in Tanzania and the Timor Sea"

For further information, please contact:

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Chief Executive Officer
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[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 4D

Half Year Report

For the period ended 31 December 2011

Name of entity

BOUNTY OIL & GAS N.L.

ABN

82 090 625 353

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

				$A
Revenues from ordinary activities	**Up**	**42.3%**	**To**	**1,446,081**
Profit from ordinary activities after tax attributable to members	**Up**	**618.3%**	**To**	**1,238,301**
Net profit for the period attributable to members	**Up**	**618.3%**	**To**	**1,238,301**

Dividends

It is not proposed to pay any dividends.

Net Tangible Assets

	Current Period	*Previous Period*
Net tangible asset backing per ordinary security (cents)	**0.037**	**0.038**
Basic earnings / (loss) per share (cents)	**0.16**	**0.02**

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: 14th March 2012

BOUNTY OIL & GAS NL

(ABN 82 090 625 353)

INTERIM FINANCIAL REPORT

For the half year ended 31 December 2011

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DIRECTOR'S REPORT

For the Half Year Ended 31 December 2011

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 2011. 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. Ross was re-elected as a director of the company at the annual general meeting on 28 November 2011.

Review of Operations

For Bounty's schedule of permits, interests and acreages (see Bounty's 2011 Annual Report and website: www.bountyoil.com).

1. Overview

The principal activity of the company during the 6 months to 31 December, 2011, 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 $ 1,238,301 (31 December 2010: Profit $ 172,391).

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

- Petroleum revenue; (mainly from oil sales) of $1,446,081
- A profit on trading listed securities of $145,254
- An unrealized mark to market gain on listed securities of $1,366,000
- Direct petroleum operating expenses of $689,118
- Payments for all other expenses including suppliers and employees of $940,144

In the half year to 31 December 2011 Bounty invested $1,604,792 in exploration and development directed principally at Tanzania and oil focussed projects in the Cooper and Surat Basins.

Revenue from continuing operations for the period was $3,020,034 (2010: $1,925,105).

Details of drilling activity, exploration and development operations and cash flows for the half year ended 31 December, 2011 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, 2011 and in additional announcements on particular items. Brief details are set out below:

2. Production Operations

Revenue from production operations for the period was $1,446,081 up 42.3% on the previous half year (2010: $1,016,290). Revenue was derived mainly from crude oil produced from Bounty's production interests in PL 214 Utopia Field and in the Naccowlah Block both located in southwest Queensland.

Oil Production

Revenue for the period was accrued from production of 11,772 bbls of oil and sales of 18,259 bbls.

3. Development Operations

During the period, Bounty expended $ 69,677 on development operations. No development drilling was undertaken during the period. Material active projects were:

Kiliwani North Development Licence; Tanzania (Bounty 5%)

The principal steps towards development of the 40 BCF of proven gas reserves at Kiliwani North during the last 6 months were:

- Grant of a development licence.
- Project engineering and design

Commercialisation operations commenced in September, 2011 with purchase of long lead items. Tie in of the well to the sales gas plant and production is planned for later 2012 subject to completion of a final gas sales contract.

PL 214 Utopia Block (Bounty 40%)

Interpretation of data from the 200 sq. km. 3D seismic survey over PL 214 commenced as a step to preparing a comprehensive oil development plan. Interpretation to date indicates that the producing pool has several extensions with indications that there are 8 mmbo in place above the oil/water contact. Further drilling is planned.

PL 441 Downlands Project (Bounty 40%)

During the period Bounty entered a conditional contract to purchase the remaining interests at Downlands gas/condensate/oil field. At the date of this report completion was pending. The acquisition has added prospective oil resources intersected in the Downlands 3 well.

A number of production enhancement operations on existing production wells were also undertaken during the period and were continuing.

4. Exploration and Evaluation Operations

During the period, Bounty expended $1,535,115 on exploration and evaluation. Material exploration items occurring during the half year ended 31 December, 2011, were:

AC/P 32 Offshore WA – Timor Sea (Bounty 15%)

Bounty continued to participate at its 15% interest in the seismic re-processing project designed to image the Puffin Sand pinchout and model the properties of potential reservoirs at the Wisteria/Azalea Prospect. Seismic interpretation including seismic AVO (amplitude versus offset) and seismic inversion studies were in progress during the period. Interpretation so far suggests that the 2008 Wisteria 1 well narrowly missed this major oil target. The joint venture will in 2012 make a decision on committing to a new exploration well to test this prospect.

Nyuni Block Exploration, Tanzania (Bounty 5%)

During the half year the joint venture:

- Continued drilling the Nyuni 2 exploration/appraisal well spudded on 17th June, 2011
- The well was drilled directionally from the same pad as the 2004 Nyuni 1 well located on Nyuni Island 20 km. north of the Songo Songo gas plant.
- The well was drilled to test a structure identified from seismic interpretation as a large 800 BCF - 1 TFC Neocomian (early Lower Cretaceous age) target to the east of and updip from Nyuni 1A which tested gas in 2004.
- The well encountered significant gas but did not reach the target Neocomian sequence which is likely deeper than predicted and due to severe technical problems, was suspended on 6th October, 2011.
- The joint venture is reviewing the results from the Nyuni 2 well.

Following Nyuni 2 the rig was moved to test the gas encountered in Nyuni 1.

During the period the joint venture also obtained renewal of the Nyuni Block production sharing agreement and the TPDC added additional sub blocks to the renewed tenure. The joint venture now holds a very large exploration block in the gas prospective east Tanzania offshore region.

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.

ATP 754P - Surat Basin Queensland (Bounty 50%)

Following seismic re-processing reviews the joint venture elected to acquire a 3D seismic survey to delineate a structure up dip from oil discovered in the Permian age section in the Farawell 1 well.The survey area is named Farawell Updip and will cover 45 sq km. That survey has yet to commence due to flooding in February 2012.

Subject to confirmation by the 3D seismic survey drilling of Farawell Updip as a multi-zone test for oil and gas/condensate is planned for 2012/2013. In this part of the Surat Basin conventional gas often contains around 80 – 100 bbls of condensate per MMcf gas.

ATP 470P Formosa Downs/Parknook - Surat Basin Queensland (Bounty 100%)

During June 2011 the remaining parties in ATP 470P transferred their interests to Bounty which now holds 100% subject to renewal which is also pending. Bounty is targeting gas in sands of the Tinowan Formation underlying the Parklands and Namara Gas Fields. Bounty now holds 100% of the gas reserves at Weribone East and gas discovered in other wells in the Tinowan Formation in this permit.

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

In 2010/11 Bounty was free carried through New Seaclem 1 an offshore exploration well drilled 55 km north/east of Newcastle by Advent Energy Limited at a cost of over $25 million targeting potential gas reserves in the Tertiary age sequences. The well was the first to be drilled in the offshore Sydney Basin and tested only a shallow gas target.

The well was plugged and abandoned after failing to encounter hydrocarbons although it intersected excellent Tertiary age reservoir and Lower Permian Age source rocks of the Sydney Basin. Further south of the location drilled these Permian sequences have been proven to be generating gas and are considered to be prospective for gas with major prospects and leads in the Fish-Baleen area 20 km offshore and south east from Newcastle. They are yet to be tested. As a result of drilling the well the permit continues in good standing and is undergoing renewal.

During the period post well studies on New Seaclem 1 and seismic data continued.

Corporate and Equity Issues

During the period the company completed a placement of ordinary shares to raise $0.48 million before issue expenses and at the end of the interim reporting period at 31 December 2010 it had $ 1,197,354 cash and no debt.

At 31 December 2011 the value of Bounty's listed investments on a mark to market basis was $ 4,368,692.

Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year ended 31 December 2011 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 2011 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: 14th March 2012

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.

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John K. Tompsett Grad Dip Fin., C.A., A.C.I.S.

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Bounty Oil & Gas NL

I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporation Act 2001* in relation to the review; and
(b) any applicable code of professional conduct in relation to the review.

JOHN K TOMPSETT
PRINCIPAL
J K TOMPSETT & CO Chartered Accountant

Sydney
13 March 2012

Liability limited by a scheme, approved
under Professional Standards Legislation

DIRECTORS' DECLARATION

Interim Financial Report

The directors of the company declare that:

1. The consolidated financial statements and notes as set out on pages 7 to 16.

   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, 2011 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

14th March, 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Notes	31.12.2011	31.12.2010
		$	$
Revenue	4	**1,446,081**	1,016,290
Investment income	4	**1,511,254**	817,417
Other income	4	**62,699**	91,398
Direct petroleum operating expenses		**(689,118)**	(634,099)
Changes in inventories		**(45,342)**	11,594
Employee benefits expenses		**(397,211)**	(423,196)
Depreciation and amortisation expense		**(149,840)**	(139,054)
Rehabilitation expense		**(2,631)**	(23,336)
Occupancy expenses		**(59,237)**	(45,367)
Corporate activity costs		**(121,527)**	(236,110)
Finance costs		**(4,729)**	-
Exploration costs expensed		**(23,090)**	(55,015)
Fair value unrealised profit/(loss) on foreign currency		**(3,434)**	(19,614)
General, legal and professional costs		**(139,145)**	(92,000)
Other expenses		**(146,429)**	**(96,517)**
Profit/(loss) before income tax expense	2	**1,238,301**	172,391
Income tax expense		**-**	-
Profit/(loss) from continuing operations	2	**1,238,301**	**172,391**
(Loss)/Profit from discontinued operations		-	-
Profit for the period	2	**1,238,301**	172,391
Other comprehensive income		-	-
Total comprehensive income for the period		**1,238,301**	172,391
Profit attributable to			
- Member of the parent entity		**1,238,301**	172,391
Total comprehensive income attributable to			
- Member of the parent entity		**1,238,301**	172,391
Earnings per share		**cents**	cents
From continuing and discontinued operations			
- Basic (cents) per share		**0.16**	0.02
- Diluted earning per share (cents)		**0.16**	0.02
From continuing operations			
- Basic (cents) per share		**0.16**	0.02
- Diluted earning per share (cents)		**0.16**	0.02

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Notes	31.12.2011	30.06.2011
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**1,197,354**	2,540,837
Trade and other receivables		**452,455**	389,701
Inventories		**51,455**	72,404
Other Financial assets	5	**4,368,692**	3,039,577
TOTAL CURRENT ASSETS		**6,069,956**	6,042,519
NON-CURRENT ASSETS			
Property, plant and equipment		**645,161**	669,937
Production and development	6(a)	**14,542,598**	14,324,132
Exploration and evaluation	6(b)	**10,094,699**	8,658,725
TOTAL NON-CURRENT ASSETS		**25,282,458**	23,652,794
TOTAL ASSETS		**31,352,414**	29,695,313
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**808,568**	724,364
Financial Liabilities		**-**	32,914
Provision		**1,978**	-
TOTAL CURRENT LIABILITIES		**810,546**	757,278
NON-CURRENT LIABILITIES			
Provisions - Rehabilitation		**584,693**	657,214
TOTAL NON-CURRENT LIABILITIES		**584,693**	657,214
TOTAL LIABILITIES		**1,395,239**	1,414,492
NET ASSETS		**29,957,175**	28,280,821
EQUITY			
Issued capital	7	**40,411,171**	39,973,118
Accumulated losses		**(11,692,297)**	(11,441,089)
Current year earnings		**1,238,301**	(251,208)
TOTAL EQUITY		**29,957,175**	28,280,821

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Notes	Ordinary Share Capital $	Accumulated Losses $	Total Equity $
Balance at 1 July 2010		35,092,940	(11,441,089)	23,651,851
Comprehensive income				
Profit for the period		-	172,391	172,391
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	172,391	172,391
Transactions with owners in their capacity as owners				
Shares issued during the period		5,331,122	-	5,331,122
Share issue transaction costs		(450,944)	-	(450,944)
Transactions with owners in their capacity as owners		4,880,178	**-**	4,880,178
Balance at 31 December 2010		**39,973,118**	**(11,268,698)**	**28,704,420**
Balance at 1 July 2011		39,973,118	(11,692,297)	28,280,821
Comprehensive income				
Profit for the period		-	1,238,301	1,238,301
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	1,238,301	1,238,301
Transactions with owners in their capacity as owners				
Shares issued during the period	7	480,000	-	480,000
Share issue transaction costs		(41,947)	-	(41,947)
Transactions with owners in their capacity as owners		438,053	**-**	438,053
Balance at 31 December 2011		**40,411,171**	**(10,453,996)**	**29,957,175**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Notes	31.12.2011 $	31.12.2010 $
Cash flows from operating activities			
Receipts from petroleum operations (inclusive of GST)		**1,423,158**	350,509
Proceeds from sale of available-for-sale financial assets		**185,442**	345,325
Payments for available-for-sale financial assets		**(3,583)**	(144,534)
Payments for petroleum operations, to suppliers, employees and for all other expenses (inclusive of GST)		**(1,209,259)**	(1,035,449)
Interest Received		**27,125**	70,254
Other revenue and receipts		**1,462**	36,023
Interest paid		**(415)**	-
GST refund		**3,607**	-
Net cash inflow (outflow) from operating activities		**427,537**	(377,872)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		**(1,535,115)**	(1,893,705)
Payments for oil production & development assets		**(655,869)**	-
Payments for property, plant and equipment		**(1,639)**	(150,911)
Proceeds from sale of Exploration assets		-	-
Proceeds to/from related parties		-	-
Loans advanced		-	(292,000)
Repayment of loans – other		**(40,864)**	3,848
Net cash inflow (outflow) from investing activities		**(2,233,487)**	(2,332,768)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**480,000**	5,331,122
Share issue transaction costs		**(41,946)**	(317,267)
Net cash inflow (outflow) from financing activities		**438,054**	5,013,855
Net increase (decrease) in cash and cash equivalents		**(1,367,896)**	2,303,215
Cash and cash equivalents at the beginning of the half-year		**2,540,837**	4,067,577
Effects of exchange rate changes on cash and cash equivalents		**24,413**	(27,647)
Cash and cash equivalents at end of the half-year		**1,197,354**	6,343,145

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Report for the Half-Year Ended 31 December 2011

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134:Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Bounty Oil & Gas NL and its controlled entities (referred to as the Consolidated Group or the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2011, together with any public announcements made during the following half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2011 annual report, except in relation to the following matter:

Impairment – carbon price

There is presently uncertainty in relation to the impacts of the carbon pricing mechanism recently introduced by the Australian Government. This carbon pricing system could potentially affect the assumptions underlying value-in-use calculations used for asset impairment testing purposes.
The consolidated entity has not incorporated the effect of any carbon price implementation in its impairment testing at 31 December 2011.

Impairment of exploration expenditure

The consolidated entity tests the carry forward amounts of exploration and development expenditures against AASB 6 at each half year and has determined that for the half year ended 31 December 2011no impairment expense be applied.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

For the half-year reporting period to 31 December 2011, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Group. A discussion of these new and revised requirements that are relevant to the Group is provided below:

- AASB 124:Related Party Disclosures (December 2009)

  AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended), including the following:

  - The definition of a “related party” is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
    - the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
    - entities significantly influenced by one person and entitles significantly influenced by a close member of the family of that person are no longer related parties of each other;
    - the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other; and
    - the definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.

Note 1: Summary of Significant Accounting Policies (cont)

- A partial exemption is provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

  Application of AASB 124 (December 2009) did not have a significant impact on the financial statements of the Group.

- AASB 2010 – 4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13)

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the ASB's annual improvements project. Key changes include:

  - Clarifying the application of AASB 108 prior to an entities first Australian-Accounting-Standards financial statements;
  - Adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments.

- Amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
  - Adding a number of examples to the list of events and transactions that require disclosure under AASB 134; and
  - Making sundry editorial amendments to various Standards and Interpretations.

Application of the amendments in AASB 2010-4 did not have a significant impact on the financial statements of the Group.

- AASB 1054; Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project {AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113}

  AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

Application of AASB 1054 did not have a significant impact on the financial statements of the Group.

Note 2 – Profit for the half year

	Consolidated Group Half Year	
	31.12.2011	31.12.2010
	$	$
Profit for the half year includes the following revenue and expense items relevant to explaining the financial performance for the interim period:		
Gains:		
Fair Value Unrealized gain on listed securities	**1,366,000**	628,277
Profit on sale of listed securities	**145,254**	189,140
Expenses:		
Depreciation of non-current assets	**(149,840)**	(139,054)

Note 3 – Segment Reporting

Identification of Reportable Segments

The Group operates predominately in two business segments as follows:

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

Investment in listed securities is presented in these 2011 interim financial statements and report as an additional and new segment which has necessitated certain re-allocations from the prior 2010 period.

Segment revenues and results

The following is an analysis of the group's revenue and results from continuing operations by reportable business unit.

	Segment revenue		Segment profit/(loss)	
	31.12.2011	31.12.2010	**31.12.2011**	31.12.2010
	$	$	**$**	$
Core Oil & Gas Segment				
Production projects	**1,446,081**	1,016,290	**435,970**	187,399
Development projects	**-**	-	**-**	-
Exploration projects	**-**	-	**(23,090)**	(55,015)
Secondary Segment				
Listed securities	**1,511,254**	817,417	**1,511,254**	808,338
Total from continuing operations	**2,957,335**	1,833,707		
Other revenue			**62,699**	91,398
Central admin costs and directors remuneration			**(743,803)**	(859,729)
Finance costs			**(4,729)**	-
Profit before tax (continuing operations)			**1,238,301**	172,391

Revenue reported above represents revenue/income generated from external sources.

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 1. Segment profit/(loss) 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

Other Segment information

	Amortisation, depreciation & depletion		Additions to non-current assets	
	31.12.2011	31.12.2010	**31.12.2011**	31.12.2010
	$	**$**	**$**	$
Core Oil & Gas Segment				
Production projects	**152,471**	162,390	**127,602**	1,598,114
Development projects	**-**	-	**90,864**	462,225
Exploration projects	**-**	-	**1,435,974**	(419,825)
Secondary Segment				
Listed securities	**-**	-	-	-
Total	**152,471**	162,390	**1,654,440**	1,640,514

Other Segment information (cont)

	Impairment losses(expenses)		Exploration write off	
	31.12.2011	31.12.2010	**31.12.2011**	31.12.2010
	$	$	**$**	$
Core Oil & Gas Segment				
Production projects	-	-	-	-
Development projects	-	-	-	-
Exploration projects	-	-	**23,090**	55,015
Secondary Segment				
Listed securities	-	-	-	-
Total	-	-	**23,090**	55,015

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	
	31.12.2011	31.12.2010	**31.12.2011**	31.12.2010
	$	$	**$**	$
Australia	**3,020,034**	1,925,105	**26,709,454**	29,439,944
Tanzania	-	-	**2,985,859**	1,912,470
Total	**3,020,034**	1,925,105	**29,695,313**	31,352,414

Note 4 – Revenue from continuing operations

	Half Year	
	31.12.2011	31.12.2010
	$	$
Sales Revenue:		
Oil sales	**1,438,057**	1,016,290
Revenue from tariffs	**8,024**	-
Total Sales Revenue	**1,446,081**	1,016,290
Investment Income:		
Profit on sale of listed securities	**145,254**	189,140
Fair value unrealised gain on listed securities	**1,366,000**	628,277
Total Investment Income:		
Other Income:		-
Interest received	**33,175**	91,398
Fair value unrealised gain on foreign currency	**27,847**	-
Other income	**1,677**	-
Total Other Revenue	**62,699**	91,398
Total Revenue	**3,020,034**	1,925,105

Note 5 – Other financial assets

	31.12.2011 $	30.06.2011 $
Current:		
Financial assets at fair value through profit and loss - shares in listed corporations	**4,368,692**	3,039,577
Total available for sale financial assets	**4,368,692**	3,039,577

Note 6 – Other non current assets

	31.12.2011 $	30.06.2011 $
Non Current:		
(a): Production and development assets		
Oil producing property – Joint venture interest PL441 (formerly PL119) Downlands, Qld – at cost	**3,636,760**	3,164,876
Less: Depletion and amortisation	**(2,518,608)**	(2,518,608)
Oil producing property – PL214 Utopia, Qld – at cost	**6,414,600**	6,611,273
Oil producing property – Naccowlah Block, Qld - at cost	**1,988,577**	2,037,151
Development Assets	**4,632,354**	4,541,490
Rehabilitation costs – petroleum properties	**388,915**	487,950
Total Production and development assets	**14,542,598**	14,324,105
b): Exploration and evaluation assets		
Exploration Assets	10,070,944	8,658,725
Rehabilitation costs – petroleum properties	23,755	-
Total Exploration Assets	**10,094,699**	8,658,725

Note 7 – Issued capital (contributed equity)

During the half year reporting period, Bounty Oil & Gas N L issued the following equity securities:

Date	**Number**	**Issue Price**	**Gross proceeds**
		$	**$**
1 August 2011	20,000,000	$0.024	480.000
Total	**20,000,000**	**$0.024**	**480.000**

As a result of this issue at 31st December, 2011, the Company had 772,150,982 fully paid ordinary shares on issue.

On 1 August 2011 20,000,000 options over unissued shares were issued one for one to the allottees of the 20,000,000 fully paid ordinary shares issued on that date. No non cash expense has been recognised for these options in these interim financial statements. Shareholder approval of the said issue of 20 million shares and 20 million attached options was given on 28 November, 2011. The options are unlisted, expire on 28 July 2014 and are exercisable at $0.032. There are no listed options and no options were exercised during the period.

The movements as a result of the equity issues are set out below:

	31.12.2011	30.06.2011
Number of issued fully paid ordinary shares	**772,150,982**	752,150,982
Options over fully paid ordinary shares	**36,000,000**	16,000,000

Note 8 – Contingencies and commitments

As at the date this report, there were no contingent assets or liabilities.

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:

	31.12.2011	30.06.2011
	$	$
Payable		
- Not later than 1 year	**1,400,000**	1,980,000
- Later than 1 year but not later than 5 years	**2,500,000**	2,595,000
Total	**3,900,000**	4,575,000

Note 9 – Joint Ventures

Revenue and expenses for the period 1 July 2011 to 31 December 2011 are included in the appropriate items in the Consolidated Statement of Comprehensive Income.

The company's share of the assets and liabilities of the joint venture operations, including cash calls, capital payments and initial investment are included in the appropriate items in the Consolidated Statement of Financial Position.

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

Note 10 – Events occurring after the reporting period

There are no material events which have occurred subsequent to the end of the reporting period.

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

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Independent Auditor's Review Report to the Members of Bounty Oil & Gas NL

We have reviewed the accompanying half-year financial report of Bounty Oil & Gas NL, which comprises the condensed statement of financial position as at 31 December 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 Engagements 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 a true and fair view of the consolidated entity's financial position as at 31 December 2011 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 other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance

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that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

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 same terms if given to the directors as at the time of this auditor's 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 in accordance with the *Corporations Act 2001,* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

J K TOMPSETT & CO

JOHN K TOMPSETT
PRINCIPAL
CHARTERED ACCOUNTANT
Sydney, 13 March 2012