



ASX/MEDIA RELEASE

28 January 2022

Quarterly Activities Report – End December 2021

▪ *Highlights*

- Bounty has farmed into the Cerberus Project Carnarvon Basin offshore WA, to acquire a 25% interest in shallow water targets with over 600 million barrels of oil potential.
- New seismic data received in the quarter proves major stratigraphic oil plays which are Dorado lookalikes in the same Lower Triassic sequence as the hugely successful Dorado (344 MMboe 2C), Phoenix South and ROC (78 MMboe 2C) discoveries in the Browse Basin to the northeast
- The Cerberus Honeybadger Prospect - EP 491 has a mean prospective resource of 294 MMbbls oil
- Australian dollar oil prices have increased to in excess of A\$100/bbl this year.

▪ *Oil Development – Naccowlah Block*

- Naccowlah Block oil delineation and development drilling will recommence in 2022 with a development well at Cooroo NW and a potential second well.
- With oil prices at over \$100 per bbl Naccowlah production to continue Bounty oil revenue.

▪ *Gas Exploration*

- The PEP 11 joint venture are preparing a submission to NOPTA in response to the recently announced unprecedented Federal government decision to refuse further extensions of PEP 11.

Oil Business - Production:

Bounty produces oil from the Naccowlah Block in SW Queensland. Average realised oil price for the quarter was a record **AUD 117/bbl**.

Bounty expects to commence oil production from the Alton area, Surat Basin, SE Queensland in 2022.

Bounty's unaudited petroleum revenue production and sales for year to date and for the quarter ended 31 December 2021 are summarised below.

Revenue:

| | | QTR 2 (\$) | YTD (\$) |
|--------------------------|-------------------------------------|-------------------|-----------------|
| ATP 1189P ⁽²⁾ | Bounty Share (2% Interest) - Oil | 429,000 | 817,000 |
| | Total Revenue ⁽¹⁾ | 429,000 | 817,000 |

(1) GST exclusive (2) Naccowlah Block

Production:

| | | QTR 2 (Bbls) | YTD (Bbls) |
|-----------|---------------------------------|---------------------|-------------------|
| ATP 1189P | Bounty Share (2% Interest) bbls | 3,417 | 6,886 |
| | Total Production bbls | 3,417 | 6,886 |

Sales:

| | | QTR 2 (Bbls) | YTD (Bbls) |
|-----------|---------------------------------|---------------------|-------------------|
| ATP 1189P | Bounty Share (2% Interest) bbls | 3,613 | 7,254 |
| | Total Sales bbls | 3,613 | 7,254 |

Oil Business – Production and Development:**SW Queensland****ATP 1189P Naccowlah Block and Associated PL's - Bounty 2%**

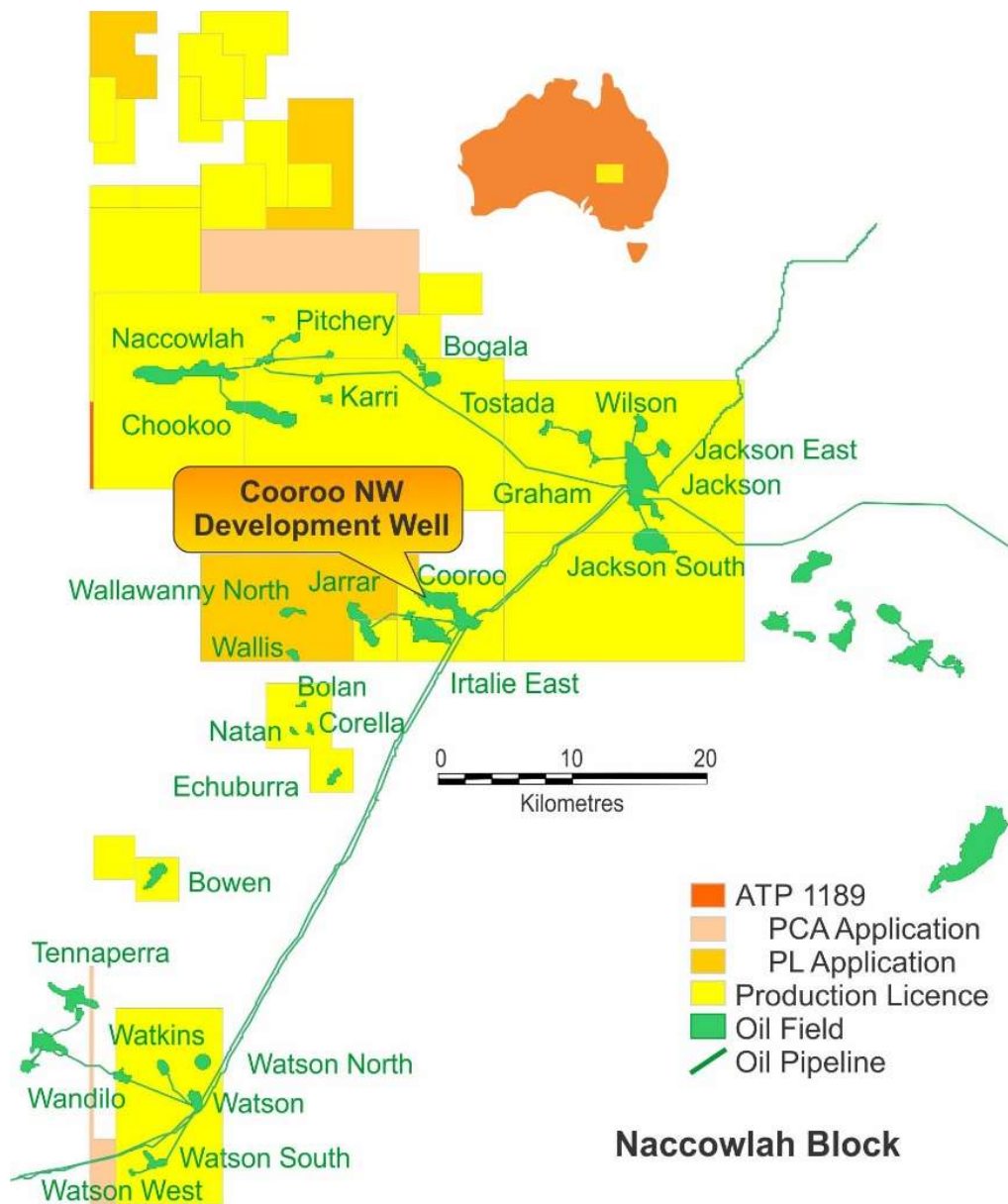
Location: Surrounding Jackson, Naccowlah and Watson Oilfields

Background - Summary

The Naccowlah Block comprises 1,804.5 km² approximately 6% of which is covered by ATP 1189 (N) and 1 Potential Commercial Area (PCA) application and the remainder in 23 petroleum production leases (PL's) and 3 PL applications.

Activities during the Quarter

Principal activities during the quarter were recompletions and stimulation of zones in existing wells and ongoing production optimisation.



Significant Activities Next Quarter - 2022

Bounty has approved the drilling of a development at Cooroo NW Field in 2022. A potential further well is budgeted.

The operator is also preparing to build additional pipelines in the greater Cooroo/Natan-Bolan-Coreolla area of Naccowlah Block to transport additional developed oil from the recent successful drilling campaigns.

Oil Business – Development:

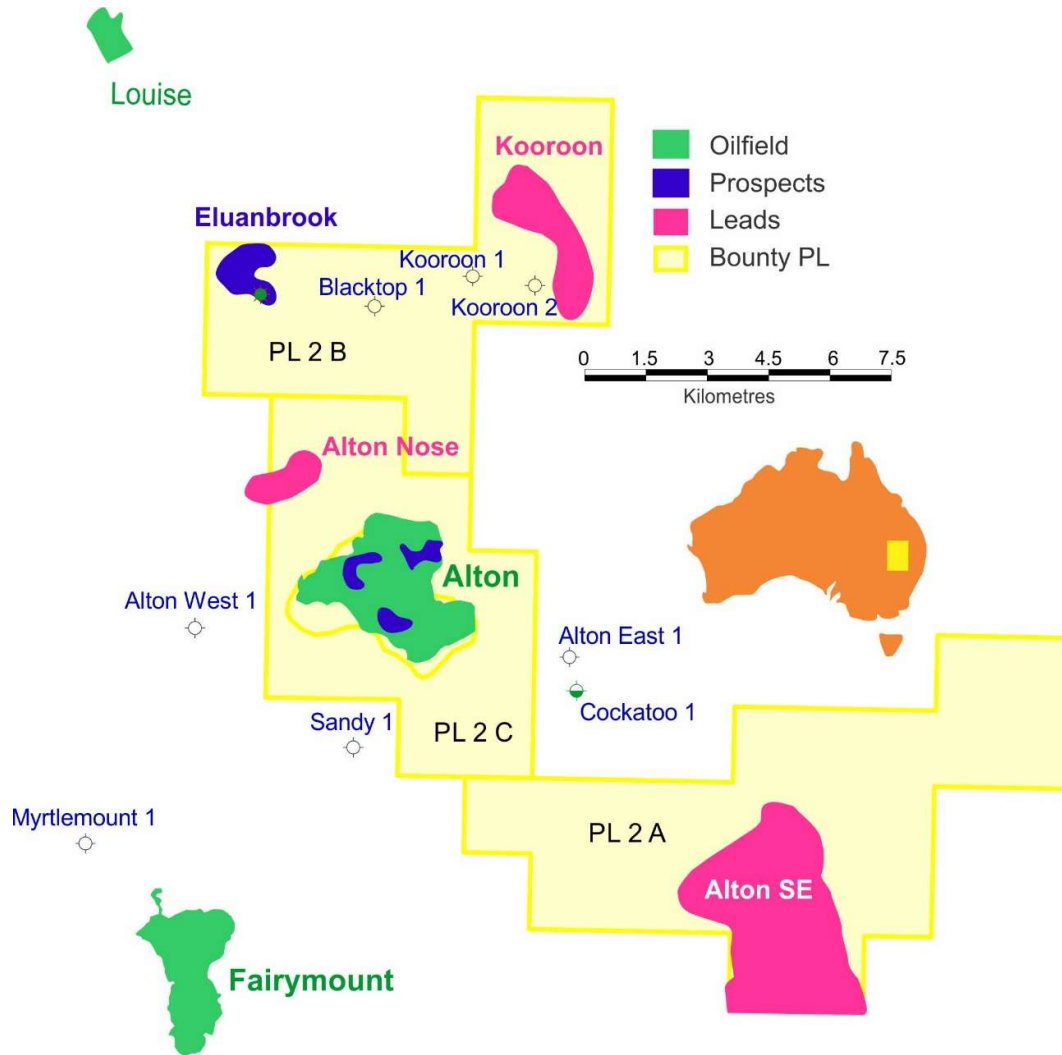
Southern Surat Basin Onshore Queensland

PL 2 Alton Oilfield Bounty - 100%;

Location: 70 km northeast of St. George and 440 km west of Brisbane, SE Queensland.

Background

The location of Bounty group Southern Surat Basin interests is shown below. Alton has had historical production of over 2 million barrels from the early Jurassic age Evergreen Formation.



Bounty's oil resources in the Southern Surat Basin are light oils (high API) derived from Permian coals (Cooper Basin equivalent) and offer 360,000 bbl 2C recoverable oil in proven pools for development.

Activities during the Quarter and Next Quarter

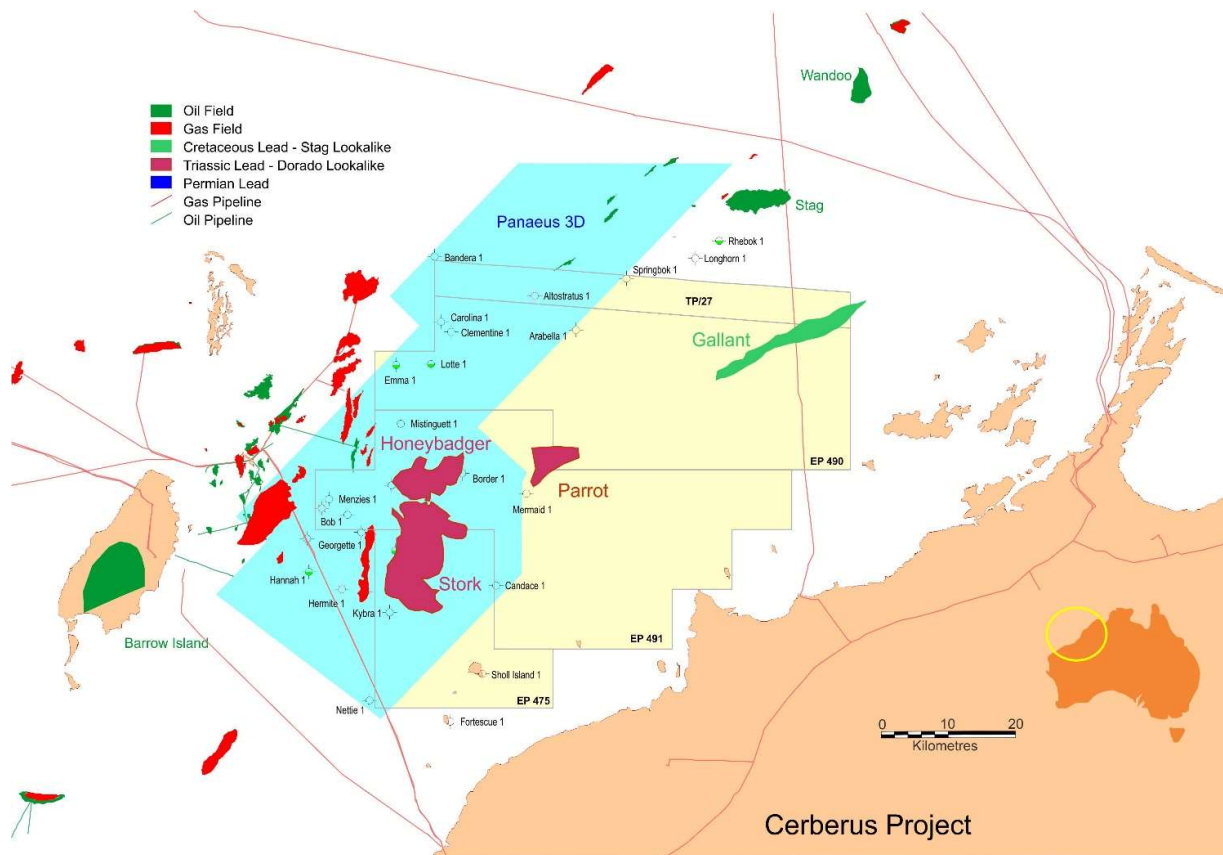
Bounty has prepared compliance systems for Alton and submitted these to the Queensland regulator for approval so that we can recommence production, especially in light of higher oil prices.

2022 Plans

Bounty is actively planning to work over 2-3 wells at Alton in 2022 and commence oil production while it generates a full field development plan aimed at producing 167,000 bbls of potential recoverable oil of from the Evergreen Formation. Further development will include drilling an up-dip appraisal well at Eluanbrook in the northwest section of PL 2 B and up to 3 attic oil locations within Block 2 C - the Alton Pool. Initial production of 100 bopd is expected from the Evergreen Formation and then moving to develop attic oil.

Surat Delineation/Exploration

Bounty will focus near term exploration on development of PL 2 Alton while reviewing new exploration activities in the areas adjacent to PL 2.

Major Growth Project:**Cerberus Project Offshore Carnarvon Basin WA – Bounty earning 25%**

Location: 70 km. East of Barrow Island WA

Titles: EP 475, 490 and 491, TP 27 totalling 3,759 km²

Background:

On 7 October 2021 Bounty entered a farmin agreement with Coastal oil Pty Ltd. (Coastal) to earn a 25% interest in this 600 mmbbl potential oil project, offshore Carnarvon Basin, West Australia. The project is right in the heart of Australia's most active oil production area and offers a large number of prospects and leads, many drill ready, with prospective resources of over 600 million barrels.

Bounty is earning its 25% by paying A\$6 million towards the cost of drilling 3 wells and retains an option for six months to earn two additional tranches of 25% each by pro rata contributions to the well costs or finding farmin partners. The project is principally targeting oil in a lower Triassic source rock and reservoir sequence at the base of the Locker Shale, in lookalikes to the highly successful Dorado Project (2C reserves of 344 MMboe) being developed by Santos Limited and Carnarvon Petroleum Ltd in the Browse Basin to the northeast.

Bounty reviewed this project in the later part of FY 2020/21 and finalised the agreement in October 2021. Bounty simultaneously announced on 15 October 2021 the farmin, a \$2.74 million capital raising to finance the farmin, and the appointment of Mr Kane Marshall as Chief Operating Officer to head up the new WA office and manage the project as it moves to drilling.

The attraction of this area is twofold, excellent prospective volumes offering reserves greater than Bounty's onshore projects, and shallow water jack up drilling with abundant opportunities to achieve economies of scale by participating in drilling groups, resulting in costs only a few times more than onshore but with huge rewards.

Bounty is targeting three plays:

- Dorado lookalikes in the same Lower Triassic sequence as the hugely successful Dorado (344 MMboe 2C), Phoenix South and ROC (78 MMboe 2C) discoveries in the Browse Basin to the northeast
- Sand bodies entirely sealed within clay filled subsea channels in the Triassic Locker Shale similar to those providing the top seal to the Dorado discovery
- Stag (85 MMbo) and Wandoo (100 MMbo) lookalikes in identical pinchouts in the same Lower Cretaceous sand package

Active gas seepage from around the edges of the Triassic prospects is a prominent feature, providing additional evidence of mobile hydrocarbons and minimising the risk of charge.

The main focus is on four targets with the best chance of success with Prospective Resources as follows:

| Prospective Resource MMbo | Mean | 1U Low | 2U Best | 3U High | Reservoir Age |
|-------------------------------|------|--------|---------|---------|---------------|
| Honeybadger Prospect - EP 491 | 294 | 13 | 102 | 814 | Triassic |
| Stork Prospect - EP 475 | 228 | 14 | 94 | 620 | Triassic |
| Parrot - EP 491 | 105 | 14 | 61 | 262 | Triassic |
| Gallant - EP 490 | 44 | 6 | 26 | 108 | Cretaceous |

Activities This Quarter – 2022

Bounty is jointly operating the project with Coastal. The primary prospects of interest for drilling are the Triassic stratigraphic plays outlined above. Coastal and Bounty are aiming for the commencement of the Drilling Programme in late 2022 subject to regulatory approvals. Since executing the farmout agreement, Bounty and Coastal have:

- Engaged a Drilling Manager and procurement consultants for the Drilling Programme;
- Engaged Xodus and commenced preparation of the required Environment Plan for the Drilling Programme;
- Commenced drilling engineering designs for the three (3) wells;
- Commenced engaging with the regulators and stakeholders for the drilling and environmental approvals;
- Acquired recently reprocessed 3D seismic over the main areas of prospectivity to lock down the 3 target locations by the end of February 2022; and
- Closely reviewed the prospective resource volumes in light of new information in the area including publicly available information from Dorado and the newly acquired reprocessed 3D seismic. Any material updates will be released to the market in due course.

Activities Next Quarter

The selection of the three well sites is aimed to be completed by end next quarter. Activities seeking the relevant approvals for the wells and planning to drill the wells is ongoing. Drilling slots are available in late 2022 on two jackup rigs which will be active in the area throughout 2022. Bounty and Coastal are in continuing discussions with both rig contractors.

Nappamerri Trough Eromanga Basin, NE South Australia – Bounty 23.28% in section above the Permian

Location: 50 km northeast of Moomba, South Australia.

There was no material joint venture activity in the quarter.

Rough Range Project Onshore Carnarvon Basin – WA

L 16 – Bounty 100%

Location: Exmouth Gulf – WA

Background. The principal undrilled prospect is the 3 million bbl potential Bee Eater prospect in the southern section of L 16.

Activities during the Quarter and next Quarter

Bounty is re-mapping regional seismic data sets and analysing the geological database attempting to image the principal structures in the region. This is challenging due to poor surface statics. The targets are relatively shallow at around 1100 metre depth to target. Seismic re-processing for L 16 is planned for early 2021 with a potential drill test contingent on seismic imaging.

Gas/Condensate Business (incl. associated Oil development)

Downlands PL 441; PPL 58 (Bounty 100%) and PCA 159 (Spring Grove) Bounty 24.748%

Surat Basin, Queensland

Location: 2 km north of the town of Surat

Activities during the Quarter

Downlands

Bounty has prepared compliance systems for the Downlands oil and gas field and submitted these to the Queensland regulator for approval so that Bounty can commence production from the fields in light of higher oil and gas prices.

PCA 159 (Spring Grove JV)

This oil discovery adjoins PL 441 to the southeast and the Potential Commercial Area application over the Spring Grove oil discovery awaits DNRME approval.

Gas Growth Projects:

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

Background

PEP 11 covers 4,576 sq. km immediately adjacent to the largest gas market in Australia and is a high impact exploration project (see Location below). PEP 11 remains one of the most significant untested gas plays in Australia. The PEP 11 JV has demonstrated considerable gas generation and migration in the offshore Sydney Basin, with the previously observed mapped prospects and leads being highly prospective for gas. In 2010 it drilled New Seaclem 1 and demonstrated capacity to drill in this permit.

Activities this and next Quarter

On 16 December 2021 the Prime Minister Scott Morrison announced that the application to extend the PEP 11 Permit would be refused, Bounty received formal notification of this decision from the National Offshore Petroleum Title Administrator (NOPATA). Bounty and the Joint Venture Operator Advent Energy were reviewing the notice at the end of the quarter.

Payments to Related Parties during the quarter

\$20,375 was paid to an entity related to the CEO towards office rent and \$16,000 was paid to directors as remuneration.

Loans of \$110,000 (net) were repaid to entities related to the CEO and directors.

Current Assets (unaudited) – 31 December 2021

At the end of the quarter cash, receivables and held for sale investments were around \$ 3.52 million.

Appendix 5B is attached.

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

For further information, please contact:

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ABBREVIATIONS

| | |
|-----------------------|--|
| AVO: | Amplitude versus offset analysis of seismic data |
| ATP: | Authority to Prospect for petroleum |
| BCF: | Billion cubic feet (of natural gas) |
| BBLS: | Barrels of oil |
| Bopd; boepd | barrels of oil per day; barrels of oil equivalent per day |
| DST | Drill stem test with a drill rig to test if hydrocarbons flow to the surface from a reservoir. |
| DNRME | Department of Natural Resources, Mines and Energy (Queensland) |
| EOR | Enhanced oil recovery |
| JOA | Joint operating agreement |
| JV | joint venture |
| 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 |
| Mscf | Thousand standard cubic feet of gas |
| NOPSEMA: | National Offshore Petroleum Safety and Environmental Management Authority |
| NOPTA | National Offshore Petroleum Titles Authority |
| P&A | Petroleum well plugged and abandoned |
| PCA | Potential Commercial Area application Queensland |
| 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 |

INFORMATION REQUIRED UNDER CHAPTER 5 OF ASX LISTING RULES

Estimates of oil volumes presented in this announcement are:

- Reported at the date of this release
- Determined as an estimate of recoverable resources in place unadjusted for risk
- Best Estimate Prospective Resources unless specified as 2C in which case they are Proved and Probable Contingent Resources
- Estimated using probabilistic methods unless indicated with an "*" in which case they are deterministic
- If specified as " boe" then they are converted from gas to oil equivalent at the rate of 182 bbls \equiv 1 million standard cu ft of gas
- Reported at 100% project equity unless specifically stated as net to Bounty

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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 45 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

BOUNTY OIL & GAS NL

ABN

82 090 625 353

Quarter ended ("current quarter")

31 December 2021

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | 356 | 794 |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (175) | (193) |
| | (b) development | (13) | (83) |
| | (c) production | (254) | (372) |
| | (d) staff costs | (303) | (419) |
| | (e) administration and corporate costs | (186) | (299) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | (1) | (1) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | 3 | 33 |
| 1.8 | Other (provide details if material) | (27) | (22) |
| 1.9 | Net cash from / (used in) operating activities | (600) | (562) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | - | - |
| | (e) investments | (50) | (52) |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | 15 | 15 |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | (110) | (193) |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (145) | (230) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 2,741 | 2,741 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (159) | (159) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 2,582 | 2,582 |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,409 | 1,411 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (600) | (562) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (145) | (230) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 2,582 | 2,582 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | 6 | 51 |
| 4.6 | Cash and cash equivalents at end of period | 3,252 | 3,252 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 3,186 | 1,343 |
| 5.2 | Call deposits | 66 | 66 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 3,252 | 1,409 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | (16) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | (110) |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| | | |
|---|---|--|
| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| n/a | | |

| | |
|---|----------------|
| 8. Estimated cash available for future operating activities | \$A'000 |
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (600) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (600) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 3,252 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 3,252 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 5.4 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:28/01/2022.....

Authorised by: "By the Board"
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.