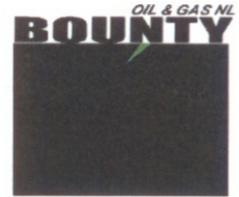


LVL 7, 283 GEORGE STREET  
SYDNEY, NSW, 2000  
AUSTRALIA

ASX: BUY  
ABN: 82 090 625 353

TEL: 61 (2) 9299.2007  
FAX: 61 (2) 9299.7300  
EMAIL: geo@bountyoil.com



31<sup>st</sup> December 2010

The Manager  
Company Announcements Office  
ASX Compliance Pty Limited  
20 Bridge Street  
Sydney NSW

Dear Sir

**Bounty Oil & Gas NL (ASX: BUY) - Securities Trading Policy**

---

Please find attached a copy of the Bounty Oil & Gas NL - Securities Trading Policy, lodged with ASX in accordance with ASX Listing Rule 12.9 which takes effect on 1 January 2011.

Yours faithfully,

**BOUNTY OIL & GAS NL**

A handwritten signature in black ink, appearing to read "J. Gary Higginbotham". The signature is written in a cursive style with a long horizontal flourish extending to the right.

**J. Gary Higginbotham**  
Company Secretary



31<sup>st</sup> December 2010

## **ASX/MEDIA RELEASE**

### **Bounty Oil & Gas NL – Securities Trading Policy ASX Listing Rule 12.9**

**ASX Code: BUY**

---

#### **1. Policy objectives**

- 1.1 Directors and other key management personnel are encouraged to be long-term holders of Bounty Oil & Gas NL (Company) securities (see 2.4 below). However, care must be taken in the timing of any acquisition or disposal of securities of the Company.
- 1.2 The objective of this Policy is:
  - 1.2.1 to ensure that the Directors and other key management personnel are aware of and do not inadvertently breach the insider trading provision of the Corporations Act 2001 when dealing in securities of the Company; and
  - 1.2.2 to assist in maintaining market confidence in the trading of the Company's securities.

#### **2. Who does this Policy apply to ?**

##### **People covered**

- 2.1 This Policy applies to all Directors and other key management personnel of the Company and their associates.
- 2.2 In this Policy, key management personnel means the Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, and all senior executives.
- 2.3 Persons covered by this Policy must not trade through any member of their family, or through a trust or company over which they have influence or control, in

circumstances where they would have been prohibited from trading in their own name.

### **Securities covered**

- 2.4 This Policy applies to all securities issued by the Company from time to time, including fully or partly paid ordinary shares, instrument convertible into shares such as convertible notes and options over securities.

### **Exclusions**

- 2.5 This Policy does not apply to any acquisition of securities as part of:
- 2.5.1 a new issue where the issue is available pro rata to all holders of securities of the relevant class; or
  - 2.5.2 a share purchase plan; or
  - 2.5.3 an executive or employee share or option plan.
- 2.6 This Policy will apply however to any subsequent disposals of securities acquired under any of the above.

## **3. Inside Information**

- 3.1 Inside Information is information which is not generally available to the market and, if it were generally available to the market, would be likely to:
- 3.1.1 have a material effect on the price or value of any company's securities (not just the Company's securities); or
  - 3.1.2 influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.
- 3.2 Information is generally available if:
- 3.2.1 it consists of readily observable matter;
  - 3.2.2 it has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
  - 3.2.3 it is derived from information which has been made public; or
  - 3.2.4 it consists of observations, deductions, conclusions or inferences made or drawn from the other generally available information.
- 3.3 It does not matter how or where a person covered by this Trading Policy obtains inside Information – it does not have to be from the Company or about the Company to constitute Inside Information.

3.4 Persons subject to this policy are aware that the Corporations Act 2001 provides for criminal and civil sanctions with respect to misuse of Inside Information.

#### **4. Policy - Inside Information**

No trading when in possession of Inside Information

4.1 No person to whom this Policy applies may deal in the Company's securities or any other security at any time if they have Inside Information.

4.2 No person to whom this Policy applies may pass Inside Information to another person in circumstances where it may be misused.

#### **5. Policy - Black Out Periods**

5.1 A person covered by this Policy may trade in securities at any time but only if:

5.1.1 there is no black out period in place; and

5.1.2 they have no Inside Information.

The Board, the Managing Director or the Company Secretary may implement a black out period with immediate effect via written notification (generally distributed by e-mail) from the Company Secretary. When a black out period is implemented, no one covered by this policy is permitted to trade in the securities of the Company. The Company Secretary will communicate in writing the lifting of a black out period.

In addition to the above, there are seven (7) designated black out periods each year as follows:

5.1.3 The business day on which the Company releases its December quarterly cash flow and activities report and for four (4) business days before that day;

5.1.4 The business day on which the Company releases its March quarterly cash flow and activities report and for four (4) business days before that day;

5.1.5 The business day on which the Company releases its June quarterly cash flow and activities report and for four (4) business days before that day;

5.1.6 The business day on which the Company releases its September quarterly cash flow and activities report and for four (4) business days before that day; and

5.1.7 The business days on which the Company releases each of its preliminary financial report, annual financial report and half year financial report and for four (4) business days before those days.

## 5.2 **Excluded Trading**

- 5.2.1 A person covered by this Policy may trade in securities during a black out period if that trading falls within one of the following categories of “excluded trading”;
- 5.2.2 transfers of securities already held from a person’s own name into a superannuation fund of which that person is a beneficiary and vice versa;
- 5.2.3 an investment in, or trading in units of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party;
- 5.2.4 undertakings to accept, or the acceptance of, a takeover offer;
- 5.2.5 trading under an offer or invitation made to all or most members such as a rights issue, equal access buy back scheme or a share purchase plan;
- 5.2.6 a disposal of Company shares that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- 5.2.7 trading under any employee incentive scheme in accordance with the rules of a Board approved Incentive Plan.

### **Other authorised trades**

- 5.3 A key management person covered by this Policy may trade in securities outside of black out periods only if:
  - 5.3.1 they are personally satisfied that they are not in possession of Inside Information;
  - 5.3.2 in the case of Directors – they have obtained the approval of the Chairman or in the case of any proposed trade by the Chairman, of another non-executive Director nominated by the Board for the purpose; and
  - 5.3.3 In the case of others - they have obtained the approval of the Company Secretary.
- 5.4 Approval to trade during a black out period may only be given where:
  - 5.4.1 the person is in financial hardship or other exceptional circumstances exist; and
  - 5.4.2 the approvers are satisfied that there is no Inside Information which has not been disclosed to ASX Limited.
- 5.5 Determination as to whether the applicant is in financial hardship or whether a particular set of circumstances exist may only be made by the approving person but using reasonable commercial discretion.

- 5.6 If approval is given, the trade must be executed within the time stipulated by the approver.

**Disclosure to the Company**

- 5.7 Key management personnel must advise the Company Secretary in writing of their holdings of securities in the Company within 2 business days of appointment or resignation from their position with the Company and details of completed transactions within 2 business days following each transaction. Details required include the name of the shareholder, the date of transaction, type of transaction (purchase, sale, etc.), number of securities, price per security and margin lending details. Notification is necessary whether or not prior authority has been required.
- 5.8 The Company Secretary must maintain a register of securities transactions for the purposes of this Policy.
- 5.9 The Company must comply with its obligations to notify ASX in writing of any changes in the holdings of securities or interests in securities by Directors.

J Gary Higginbotham  
Company Secretary

31 December 2010