



ASX/MEDIA RELEASE

2 August 2015

Quarterly Activities Report – End June 2015

Highlights:

Australia

- Full-Year ended June 2015 revenue totalled \$2.01 million on crude oil production of 24,008 bbls
- Tanzania gas sales of around \$2.5 million pa expected to add revenue from next Quarter onwards
- High impact Oil Business strategy moving Bounty's 100% AC/P 32, Timor Sea project to farmout and drill:-
 - At Azalea Prospect, where completion of seismic project has outlined a major stratigraphic target with potential 500 MMbbls oil in place and 100 MMbbls recoverable
 - Azalea has direct hydrocarbon indicators
 - AC/P 32 renewed for 5 years and farmout campaign underway

Tanzania – Nyuni Block

- Kiliwani North 1 Christmas tree connection to pipeline in final phases.
- Kiliwani North Well preparing to commence production next Quarter with stabilised production at 20-30 MMcf/day by last Quarter, 2015
- The Songo-Songo Gas Processing Plant is nearly complete and handover of the new plant and infrastructure scheduled for next quarter 2015
- Gas Sales Agreement close to signing.
- Nyuni PSA – new 3D seismic planned to image deep water turbidite gas plays of up to 1.3 TCF potential.

Oil Business

Production:

Bounty produces from two areas – Naccowlah Block and Utopia Oil Field in SW Queensland. The Downlands Field in the Surat Basin Queensland is shut in pending lease renewal and development.

Sales revenue decreased to \$395,937 for the quarter primarily due to lower sales volumes.

Production was at 67 bopd. Kiliwani North coming onstream will offset this reduction over the coming quarters.

Bounty's unaudited petroleum revenue, production and sales for the quarter ended 30 June 2015 are summarised below.

Revenue:

Q2	1 April - 30 June 2015	\$
PL214, Utopia	Bounty Share (40% Interest)	143,892
ATP 259	Bounty Share (2% Interest)	252,045
	Total Revenue ⁽¹⁾	395,937

(1) GST exclusive.

Production:

Q2	1 April - 30 June 2015	boe
PL214, Utopia	Bounty Share (40% Interest) bbls	2,368
ATP 259	Bounty Share (2% Interest) bbls ⁽¹⁾	3,744
	Total Production boe	6,112

(1) Includes previous quarter adjustment.

Sales:

Q2	1 April - 30 June 2015	Boe
PL 214, Utopia	Bounty Share (40% Interest) bbls	2,160
ATP 259	Bounty Share (2% Interest) bbls	3,075
	Total Sales boe	5,235

Development:

Utopia Block; PL 214 and ATP 560P Eromanga Basin, SW Queensland – Bounty 40%

Location: 30 km south/east of Tarbat/Ipundu oil fields and 45km south/east of Eromanga.

Background

Significant Activities during Quarter

Production was maintained during the quarter but no other significant activities were undertaken.

Significant Activities next Quarter

Future activities involving development drilling and well work overs are still under review.

ATP 1189P Naccowlah Block and Associated PL's SW Queensland - Bounty 2%

Location: Surrounding Jackson, Naccowlah and Watson Oilfields

Background

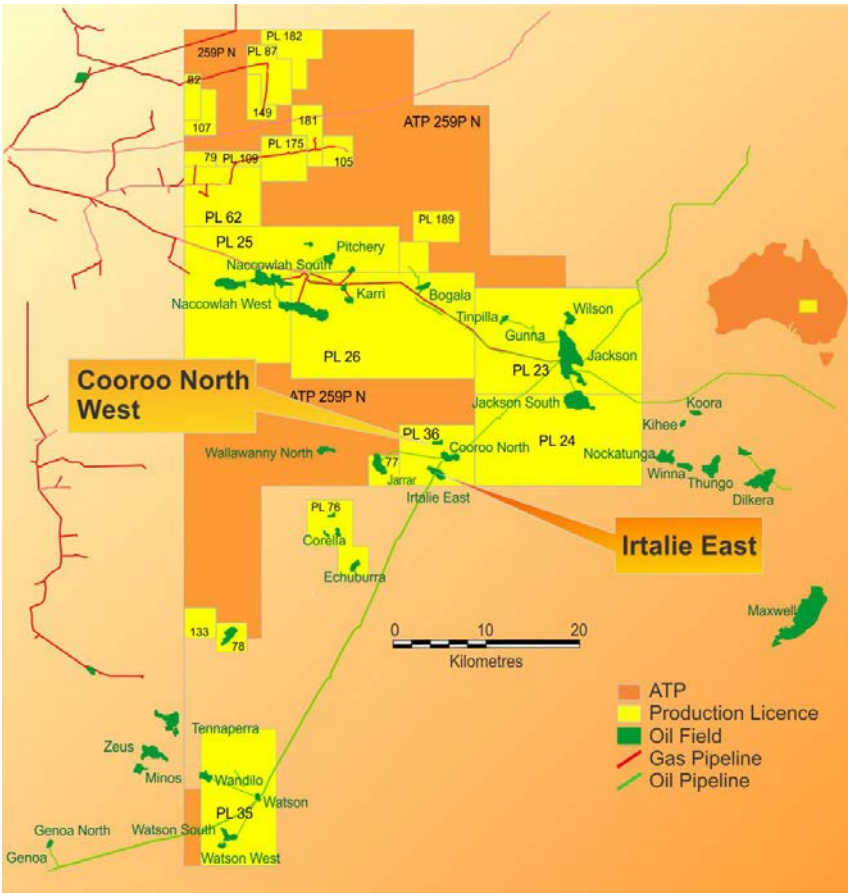
The Naccowlah Block comprises 2,544 km² approximately 40% of which is covered by ATP 1189 (N) and the remainder in 22 petroleum production leases (PL's) covering producing fields. Production is 40 bopd net to Bounty.

Significant Activities during Quarter

Production was maintained at ~40 Bopd net to Bounty with oil behind pipe in the Irtalie East Field being bought on-stream. The historic ATP259P was replaced by ATP 1189P (N).

Significant Activities next Quarter and Beyond

Further development drilling will be



reviewed in the light of oil price stabilisation.

Exploration:

Southern Surat Basin Onshore Queensland

ATP 754P – Bounty 50%, PL 2A/B – Bounty 24.25%, PL 2C – Bounty 36.5%

Location: 40 km northeast of St. George, SE Queensland.

Significant Activities during the Quarter

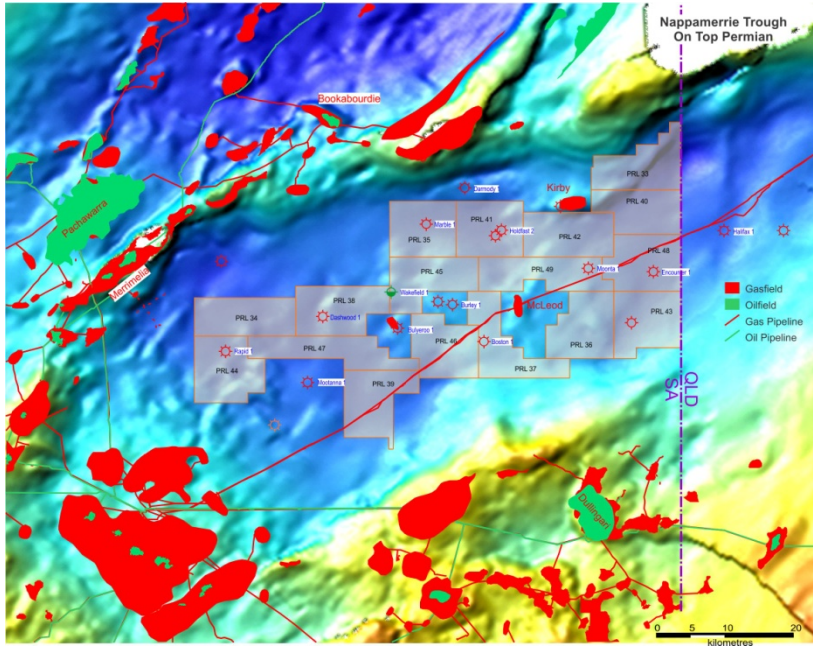
Petroleum Lease (PL) 2: PL 2 contains a structure up dip from the Eluanbrook 1 oil and gas well with potential for 200,000 bbls of recoverable renewal work programme will see the drilling of Eluanbrook 1 up dip. PL 2 has recently been the subject of a partial sale. Further work is under discussion with the new joint venture partners.

ATP 754P: the partners are still awaiting determination from the Queensland Government on an amended work programme.

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

Location: 50 Km northeast of Moomba, South Australia.

Background Land Position



The former PEL 218 has been replaced with 17 Petroleum Retention Licences (PRL) covering the deep basin gas in which Bounty has no interest. However in the post Permian section in each PRL Bounty has a 23.28% and now has very secure title to a major gas exploration Block in the Cooper Basin

Significant Activities during the Quarter

There was no material joint venture activity although finalising a comprehensive joint operating agreement to cover the post Permian section Joint Venture and formalise the earned Joint Venture interests in the Retention Licences continued and was close to completion.

Wakefield 1 remains suspended pending a joint venture decision to undertake cased hole testing.

High Impact Oil Growth Projects:

AC/P 32 – Offshore Vulcan Sub-basin, Ashmore and Cartier Territory - Bounty 100%

Location: Offshore 500 Km northwest of Darwin, NT.

Background

This 336 km² permit is located within the oil prolific Vulcan Sub-basin and is surrounded by oil and gas fields. Bounty has identified stratigraphic prospects and leads which have the potential to contain very significant oil resources.

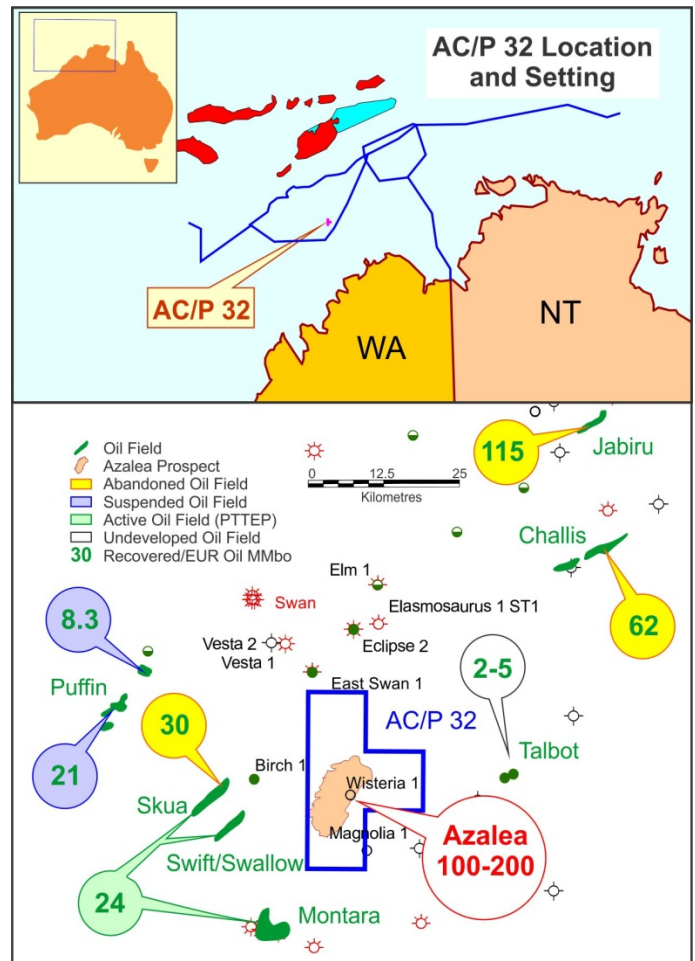
Interpretation and evaluation of the reprocessed seismic and inversion has defined the Azalea Prospect with a potential 500 million barrels of oil in place of which over 100 million barrels would be recoverable. The work to date has established as far as possible that:-

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

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

Significant Activities during the Quarter

During the Quarter Bounty continued seismic studies and farmout activities, seeking a partner to drill an



exploration well at Azalea and a follow up appraisal well.

Significant Activities next Quarter

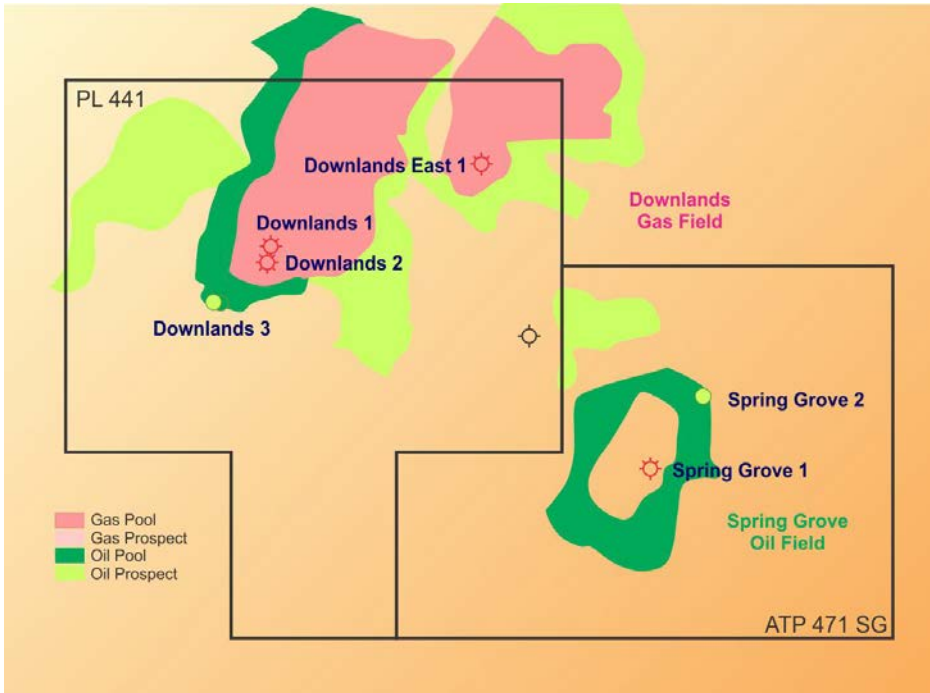
Ongoing discussions with potential farm in partners.

Gas/Condensate Business (incl. associated Oil development)

Development:

Downlands PL 119; PPL 58 (Bounty 100%)and ATP 471 (Spring Grove) Bounty 24.748%, PL 71 Bounty 20% (exploration rights only); Surat Basin, Queensland –

Location: 2km north of the town of Surat



Significant Activities during the Quarter

During the quarter Bounty continued work on obtaining land access and regulatory approval for renewal of PL119 Downlands and Pipeline Licence 58. Bounty now holds 100% of these proved developed reserves including gas pipelines, gas compression unit and all production infrastructure.

ATP 471 SG: This property contains proven oil in Tinowan sands which were production tested with inconclusive results. Bounty holds an interest in the 471 SG Block. It is a sub-block of a larger permit. The operator is reviewing plans to revisit the Spring Grove (SG) oil discovery in the future.

Kiliwani North Development Offshore Tanzania: Bounty 10%

Location: 30 Km offshore from Rufiji Delta Tanzania

Background:

Kiliwani North 1 tested at 40 MMcfg/day from the Kiliwani North Pool located only 2 km. from the new Songo Songo gas plant and pipeline to Dar es Salaam.

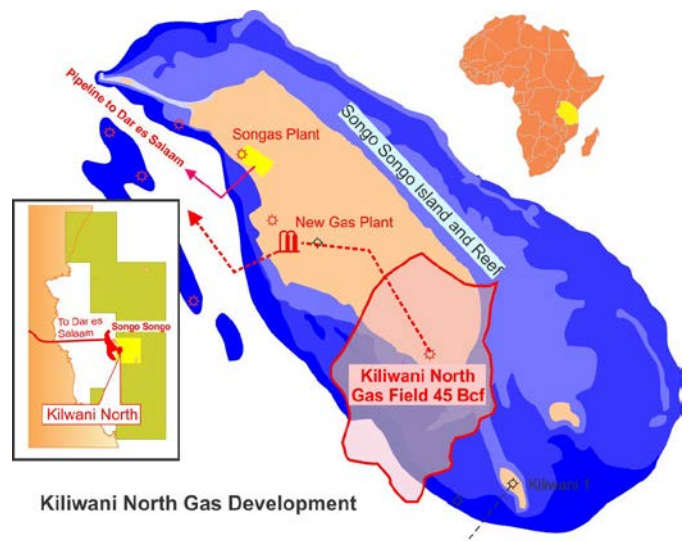
Significant Activities during the Quarter

Final connection from the Well Head to the pipeline is almost complete.

The Gas Sales Agreement is close to signing as certain minor technical clauses are finalised.

Bounty expects its gross revenue from gas sales will be \$2.5 million pa after start up.

A recent Independent Competent Person review of Kiliwani North field indicated 44 BCF gas in place (Pmean) of which 28 BCF are Contingent Resources (2C - best estimate). Once the Gas Sales Agreement is in place and production commences these will be bookable reserves of which Bounty will have 2.8 BCF or 510,000 boe.



Significant Activities Next Quarter

All parties involved in the East Tanzania Gas Project expect gas production to commence next quarter.

Growth Projects:

Nyuni Block – Offshore Mandawa Basin Tanzania – PSA: Bounty 5%;

Location: 30 Km offshore from Rufiji Delta Tanzania

Background

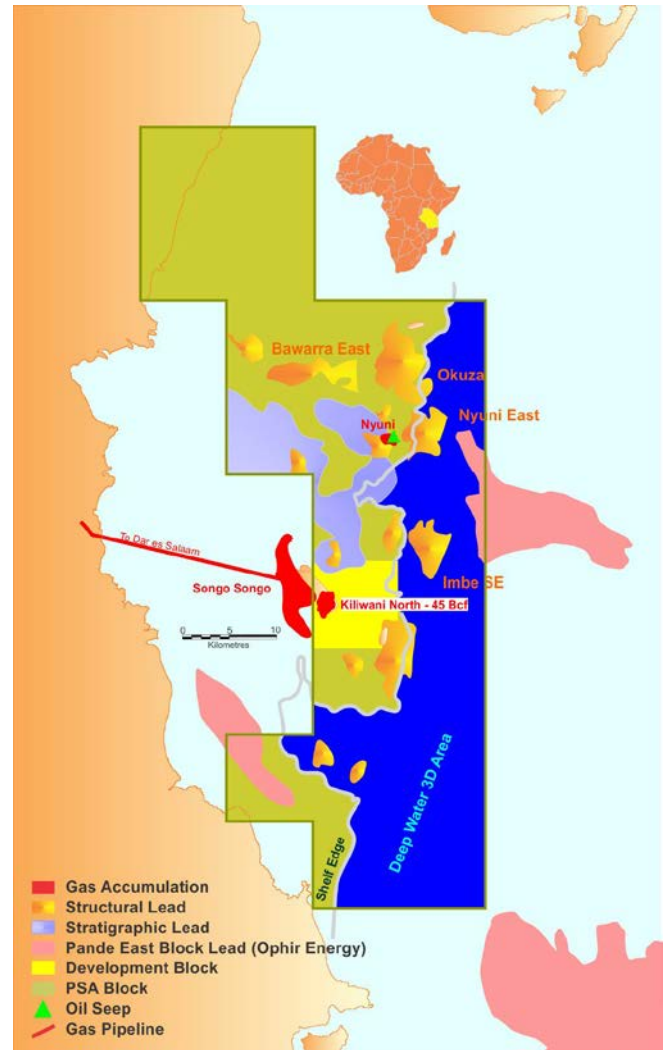
Participation in the Nyuni PSA is giving Bounty direct participation in one of the most dynamic and successful new exploration plays worldwide.

The Nyuni Joint Venture has drilled three wells to date for two new field gas discoveries at Nyuni 1 and Kiliwani North 1. The project is adjacent to recent deep water gas discoveries and has within it seismic amplitude anomalies which may be due to gas in similar settings to the adjacent block.

Nyuni Block Exploration – 2015

The Joint Venture has commenced EIA studies for the 3D seismic survey over the deepwater part of the PSA Contract area. The Tanzanian authorities have now agreed to defer the two well commitment conditional on the acquisition of 3D seismic. 3D seismic is the proven exploration technique in this offshore area. With the downturn in the industry the cost of seismic acquisition has fallen and the joint venture, consequently the joint venture is re-tendering the seismic acquisition.

The survey is designed to detail the up dip extension of Lead 3 in the adjacent Ophir/RakGas East Pande permit which independent consultants recently suggested could contain 1.3 TCF gas within the Nyuni PSA area. There are numerous other deep water channel/fan features apparent from the limited seismic coverage available with associated seismic anomalies.



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

Background

PEP 11 covers 4,576 km² of the offshore Sydney Basin immediately adjacent to the largest gas market in Australia and is a high impact exploration project.

2015/2016 Exploration

There was no material joint venture activity during the Quarter but post well seismic and regional studies continued. The ongoing programme will reprocess seismic and acquire new 2D (or possibly 3D) seismic to define a drilling target to test Permian Gas targets in 2015.

Corporate

Current Assets – 30 June, 2015

During the quarter Bounty expended \$231,375 on production assets and \$15,661 on development and other exploration projects. At the end of the quarter cash, receivables and held for sale investments were around \$1.29 million.

Appendix 5B is attached.

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

For further information, please contact:

Philip F Kelso Chief Executive Officer Tel:+612 9299 7200 Email: corporate@bountyoil.com
--

Website: www.bountyoil.com

ABBREVIATIONS

ATP:	Authority to Prospect for petroleum
AVO:	Specialised processing of seismic amplitude data compared to offset (distance along seismic lines).
BCF:	Billion cubic feet (of natural gas)
BBLS:	Barrels of oil
Bopd	barrels of oil per day
CSG:	Coal seam gas
DST	Drillstem test with a drill rig to test if hydrocarbons flow to the surface from a reservoir.
MDRT	Measured Depth below drilling rig Rotary Table
MMbbls:	Million barrels of oil.
MMBOE:	Million barrels of oil equivalent.
MMcf/d	Millions of cubic feet per day of natural gas
PL:	Petroleum production lease
P_{mean}	The average (mean) probability of occurrence
P90	90% probability of occurrence
P10	10% probability of occurrence
PSA:	Production Sharing Agreement
TCF:	Trillion cubic feet (of natural gas)
Contingent Resources	Discovered resources, not yet fully commercial
Prospective Resources	Undiscovered resources

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 25 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy.
4. Mr Kelso is a qualified person as defined in the ASX Listing Rules: Chapter 19 and consents to the reporting of that information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 01/06/10, 17/12/10

Name of entity

BOUNTY OIL & GAS NL

ABN

82 090 625 353

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

	Current quarter \$A	Year to date \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	363,386	1,935,353
1.2 Payments for (a) exploration and evaluation	(15,661)	(241,501)
(b) development	-	(120,368)
(c) production assets	(231,375)	(726,462)
(d) production expenses	(206,017)	(1,361,963)
(d) administration	(186,787)	(1,145,898)
1.3 Dividends received	3,015	4,796
1.4 Interest and other items of a similar nature received	5,352	17,781
1.5 Interest and other costs of finance paid	-	-
1.6 GST (refund)/paid	4,124	(23,403)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(263,963)	(1,661,665)
Cash flows related to investing activities		
1.8 Payment for purchases of:	¤	¤
(a) prospects	-	-
(b) equity investments	-	(174,033)
(c) other fixed assets	-	(53,500)
(d) petroleum tenement	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	28,129	908,311
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(124,508)
1.11 Loans repaid by other entities	-	26,664
1.12 Other (provide details if material)	-	-
Net investing cash flows	28,129	582,934
1.13 Total operating and investing cash flows (carried forward)	(235,834)	(1,078,731)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(235,834)	(1,078,731)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	50,600	50,600
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (other entities)	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue expenses)	-	-
	Net financing cash flows	50,600	50,600
	Net increase (decrease) in cash held	(185,234)	(1,028,132)
1.20	Cash at beginning of quarter/year to date	1,258,791	2,041,018
1.21	Exchange rate adjustments to item 1.20	2,464	63,135
1.22	Cash at end of quarter	1,076,021	1,076,021

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	73,987
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A	Amount used \$A
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	25,000
4.2 Development	15,000
4.3 Production	200,000
4.4 Administration	180,000
Total :	420,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	1,002,651	1,185,421
5.2 Deposits at call	73,370	73,370
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,076,021	1,258,791

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	953,400,982	953,400,982		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	15,000,000	15,000,000	0.011	0.011
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: [Signed]..... Date: 31 July 2015
(Company Secretary)

Print name: SACHIN SARAF

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==