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ASX / MEDIA RELEASE

Kiliwani North Operations Update

Bounty Oil & Gas NL (Bounty) advises that Aminex PLC the operator of the Kiliwani North joint venture has reported that current production rates from the Kiliwani North-1 well in Tanzania are fluctuating at rates below 1 million cubic feet per day. A review of the existing technical data has concluded that Kiliwani North-1, which has recovered in excess of 6 BCF to date, is currently draining only a compartment within the greater Kiliwani North structure and is exhibiting slow recharge across faults or via tortuous pathways.

Wellhead pressure at Kiliwani North-1 has continued to decline. Modelling by the operator shows that gas production from Kiliwani North-1 could be increased from the current levels with the installation of compression facilities. The operator is sourcing compressors and discussing plans with the Tanzania Petroleum Development Corporation ('TPDC') to agree a work programme to increase production rates. The outcome of the plans may give rise to impairment of the carrying value of Bounty's interest in the Kiliwani North Development Licence.

The Kiliwani North Development Licence benefits from close proximity to available capacity at the gas processing and transportation infrastructure on Songo Songo Island, Tanzania. Consequently the operator and the joint venturers including Bounty continue to assess further drilling opportunities within the licence and in the adjoining shallow water part of the Nyuni Area PSA so as to expand Bounty's Tanzanian gas production.

Bounty is an Australian ASX listed oil producer and explorer (ASX Code: BUY). Its core petroleum production and exploration assets are located in the Cooper/Eromanga Basins and in the Surat Basin in Queensland and South Australia. It also holds oil exploration interests in Western Australia. Its growth assets are spread over a number of high impact projects in Australia and Tanzania where it is exploring for oil and gas. In Australia it holds 100% of AC/P32 in the Timor Sea with the 500mmbbl OOIP Azalea Prospect as its first drill target and a 15% interest in PEP 11 offshore Sydney Basin.

Bounty has gas development permits in Tanzania where it is a participant in the Kiliwani North Gas Field development and the Nyuni Exploration Licence.

[The information in this report that relates to or refers to petroleum or hydrocarbon production, development and exploration 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 40 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy. 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.]