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## ASX / MEDIA RELEASE

### PEP 11 Offshore Sydney Basin Seismic Farmout

Bounty Oil & Gas NL (Bounty) is pleased to advise that following discussions with a range of investment partners it has entered a conditional Farmout Agreement on Petroleum Exploration Permit 11 (PEP 11), offshore Sydney Basin.

The current PEP11 joint venture comprises:

Asset Energy Pty Ltd (Asset)	-	85% Working interest (WI) and Operator
Bounty Oil & Gas NL (Bounty)	-	15% WI

Bounty and Asset have jointly entered the Farmout Agreement with RL Energy Pty Ltd (RL Energy).

The Farmout Agreement provides that RL Energy will in a first phase fund and complete the current work commitment of 200 line km of 2D seismic acquisition, processing and interpretation up to a capped amount, to earn a 10% Working Interest in PEP 11.

Upon completion of the 2D seismic survey, the joint venture interests will be:

Asset	-	76.5% WI and Operator
Bounty	-	13.5% WI
RL Energy Pty Ltd	-	10.0% WI

The Farmout Agreement also grants RL Energy an option to move straight to acquiring 3D seismic data to meet the future 500 square kilometre (km<sup>2</sup>) PEP 11 permit work commitment (inclusive of acquisition, processing and interpretation), thereby earning a further 50% working interest in PEP 11 by spending 85% of the costs of such 3D survey up to a capped amount.

This expedited 3D seismic acquisition option, will, subject to NOPTA approval, allow the joint venture to substitute the 3D seismic survey for the 2D survey and within an earlier timeframe. If RL Energy moves to this expedited 3D seismic option it will spend an estimated \$ 4 million including mobilisation expenses and earn a total 60% working interest in PEP 11 pro rata from the existing joint venturers.

Asset and Bounty will receive a contribution to the costs incurred to date from RL Energy on meeting the 2D seismic commitment and a further contribution upon RL Energy committing to acquire the 3D seismic survey.

The material conditions precedent to the farmout agreement are:

- i. An approved Environment Plan for the 2D work commitment currently being assessed by NOPSEMA;
- ii. Confirmation that the PEP11 title is in good standing with NOPTA; and
- iii. Necessary joint venture and regulatory approvals.

Philip Kelso, CEO of Bounty commented:

*“This is an excellent outcome for Bounty and the joint venture. Completion of 2D and probably 3D seismic surveys should sufficiently de-risk the PEP 11 prospects to potentially attract a major drilling partner within a short time frame given the potential to provide gas supplies from the offshore Sydney Basin to the constrained East Australian gas market.*

*There will be considerably less cost exposure for Bounty and although Bounty will potentially dilute to a 6% working interest this will still be a very material interest in this very large prospective permit. Bounty’s management considers this an appropriate interest for its forward participation in PEP 11 while its focus is directed to the Surat Basin oil projects”.*

***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.]

Abbreviations:

NOPSEMA: the National Offshore Petroleum Safety and Environment Management Authority  
NOPTA: the National Offshore Petroleum Titles Administrator  
WI: joint venture working interest percentage