



ASX/MEDIA RELEASE

30 April 2018

Quarterly Activities Report – End March 2018

Bounty Group: Operations

Australia

- Bounty preparing for development of its light oil EOR project targeting 1.13 million bbl resource with initial revenue of \$1.25 million pa centred on PL 2 (Alton Oilfield), Surat Basin, Queensland.
- Naccowlah Block, Southwest Queensland, oil production maintained steady and prices improving.
- AC/P 32, Timor Sea: Bounty negotiating seismic data acquisition.
- PEP 11 Sydney Basin Offshore – Operator completes Baleen 2D seismic survey after period.

Tanzania – Nyuni Block

- Kiliwani North-1 gross production for 2017 3.60 BCF (2016: 2.78 BCF)
(Bounty share: 342 mmcf) (2017: 264 mmcf).
- Kiliwani North total ascribed 2P reserves at end 2017 1.94 BCF and with 30.8 BCF Pmean GIIP.
- Kiliwani North (KN) gas field production lower during quarter and now on intermittent production to allow pressure recovery. A review of pressure data has concluded that the well is draining a compartment of the greater field with slow recharge.
- Joint Venture reviewing “near Kiliwani North” structures for additional gas resources – focus on Kiliwani South.

Oil Business - Production:

Bounty produces from two areas – Naccowlah Block in SW Queensland and Kiliwani North Gas Field in Tanzania.

Production was at 46 boepd at quarter end with intermittent gas production from the Kiliwani North Gasfield, daily production from Naccowlah remained steady.

Bounty's unaudited petroleum revenue, production and sales for the quarter ended 31 March 2018 are summarised below.

Revenue:

Q3	1 January to 31 March 2018	\$
Kiliwani North	Bounty Share (9.5% Interest) - Gas	24,352
ATP 1189P(2)	Bounty Share (2% Interest) - Oil	311,435
	Total Revenue (1)	335,787

(1) GST exclusive
 (2) Naccowlah Block

Production:

Q3	1 January to 31 March 2018	Unit
Kiliwani North	Bounty Share (9.5% Interest) – Mscf	5,579
ATP 1189P	Bounty Share (2% Interest) bbls	3,020
	Total Production boe	3,982

Sales:

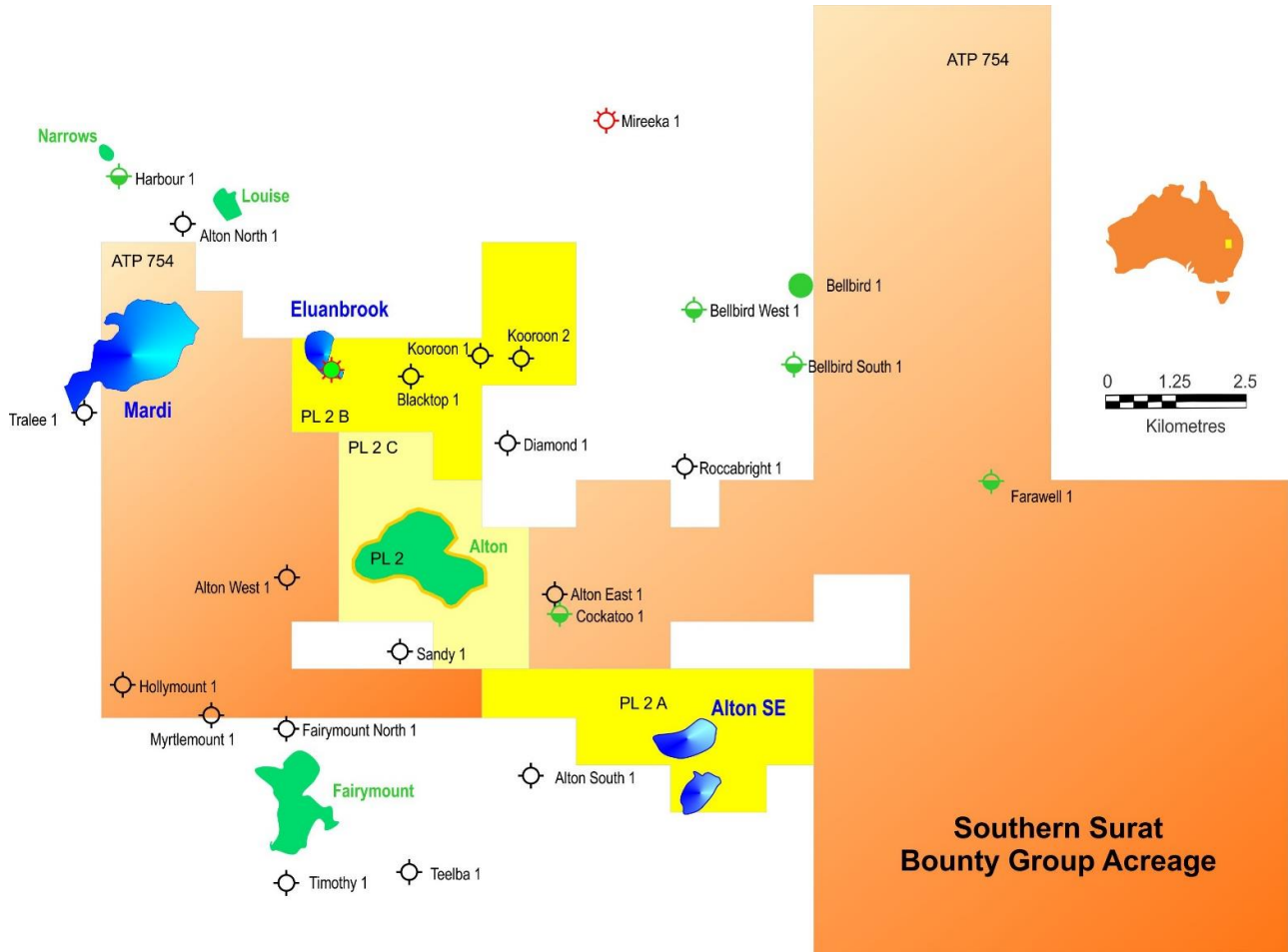
Q3	1 January to 31 March 2018	Unit
Kiliwani North	Bounty Share (9.5% Interest) – Mscf	5,579
ATP 1189P	Bounty Share (2% Interest) bbls	3,292
	Total Sales boe	4,254

Oil Business - Development:

Southern Surat Basin Onshore Queensland

PL 2 and PL 2C Alton Oilfield Bounty - 100%; PL 2A/B Kooroon Joint Venture – Bounty 81.75%; ATP 754P – Bounty 50%.

Location: 70 km northeast of St. George, SE Queensland.



Bounty’s estimates of its oil reserves and resources in the Southern Surat Basin are:-

Category	bbls
Development reserves – Alton Field	167,000
Exploration – Mardi Prospect (ATP 754P) – P50	210,000 – 400,000
Delineation – Eluanbrook Prospect Updip	186,000 - 200,000
Total	563,000 - 600,000

Bounty’s oil resources in the Southern Surat Basin are light oils (high API) derived from Permian coals (Cooper Basin equivalent) and are calculated from oil production records and development drilling.

Background

PL 2 (Alton Oil Field) was acquired by Bounty in May 2016.

A summary of the Southern Surat Basin interests is set out above. Alton has to date produced over 2 million barrels from the early Jurassic age Evergreen Formation.

PL 2 2018 Development Operations

Bounty now owns the elements of a significant oil production project in and around Alton and holds:

- 100% of the Alton Oilfield and Alton Block.
- Development reserves: 167,000 bbls of recoverable oil in the early Jurassic age Basal Evergreen sand reservoir included with a potential 1.136 million bbls of 2P reserves located in the three sands of the Boxvale/Evergreen members.
- Production facilities at Alton Oilfield.
- Surrounding exploration acreage where there is considerable potential for further reserve additions with undrilled locations and attic oil in the Evergreen Formation and possibly extensive oil in the Lower Showgrounds Formation which has been proven as a high productivity sand in the area.

PL 2 Alton has very significant potential upside from four undrilled locations. Alton is 440 km west of Brisbane and oil will be transported and sold into the Brisbane Refinery.

Activities during the Quarter and Next Quarter

Bounty commenced advanced preparation for work over of 2-3 wells and plans to commence production at Alton in the next 3 months while it generates a full field development plan including an up-dip appraisal well at Eluanbrook in the northwest section of PL2. An independent environmental audit gave the field a “clean bill of health” and Bounty is progressing safety compliance documentation pending the workovers and production.

Initial gross revenue of \$1,250,000 p.a. from 45 bopd from the Evergreen Formation is anticipated followed by development with potential recoverable oil of 167,000 bbls.

Surat Delineation/Exploration

2018 Activities and Further Programmes

PL 2 and ATP 754P

To date Bounty has identified two oil prospects – Mardi (ATP 754P) and Eluanbrook Up dip (PL 2B) in the oil fairway which have potential resources of between 200,000 and 400,000 barrels and upside of over 2 MMbo.

First focus will be on the Eluanbrook Updip prospect which Bounty considers could have 186,000 - 200,000 barrels of recoverable oil from 625,000 bbls of P50 of oil in place, up dip in the Showgrounds Formation reservoir containing oil and gas. This reservoir was discovered in Eluanbrook 1 Well.

In ATP754P the Mardi Prospect in the Evergreen Formation lies up dip of the Showgrounds and Permian pinchouts and is directly connected to the Permian source rocks by faults. Bounty estimates that the culmination at Mardi could contain 210,000 bbls of oil resource at the P50 confidence level within a much larger closure which could contain as much as 2 million barrels of oil. In addition there are several prospects at Alton Southeast identified by seismic surveys.

During late 2017 Bounty finalised a heads of agreement (HOA) with Armour Energy (Surat Basin) Pty Limited; Bounty’s partners in ATP 754P to advance several projects within ATP 754P and to obtain DNRM approval of a Later Work Program (LWP). The LWP is still awaiting approval and is expected in the next period. Under the HOA

Armour will fund 2D/3D seismic if required to further image the Mardi Prospect and have an option to drill an exploration well.

Summary

Having now secured control and operatorship over PL 2 and holding a material interest in ATP 754P Bounty sees potential for projects in the Southern Surat area to deliver 200 - 300 bopd once the work overs and drilling operations outlined above have been completed.

SW Queensland

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

Location: Surrounding Jackson, Naccowlah and Watson Oilfields

Oil production continued during the quarter, production has remained fairly constant at approximately 33.5 bopd net to Bounty.

Background

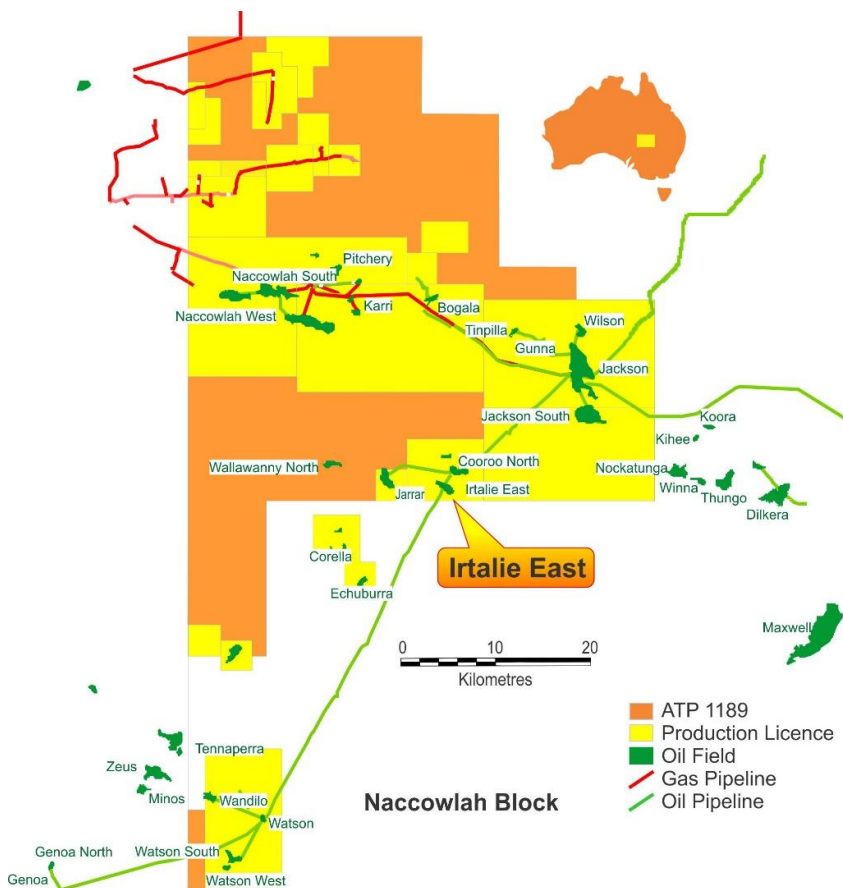
The Naccowlah Block comprises 2,544 km² approximately 40% of which is covered by ATP 1189 (N) and the remainder in 22 petroleum production leases (PL's) covering producing fields.

Activities during the Quarter

Production optimisation is ongoing; planning for applications for Potential Commercial Areas covering parts of ATP 1189 is also underway as is planning for more Near Field Appraisal and Exploration wells later this year.

Significant Activities Next Quarter

Irtalie East 6 should be bought online early next quarter.



Exploration:

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. Bounty has a JV interest of 23.28% in the post Permian section in each PRL; and now has very secure title to a major gas exploration Block in the Cooper Basin.

There was no material joint venture activity in the quarter.



Rough Range Project Onshore Carnarvon Basin – WA

EP 359, EP 435 and L 16 – Bounty 90%

Location: Exmouth Gulf – WA

Background

Rough Range 1 was the first oilfield ever discovered in Australia, this was followed up by two other discoveries: Roberts Hill 1 and Parrott Hill 1. Rough Range is the only pool to have been produced.

Activities during the Quarter and next Quarter

Bounty has a controlling interest in all these permits and is seeking work program variations as seismic data does not sufficiently image the principal structures in the region due to poor surface statics.

Seismic re-processing is planned for 2018.

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.

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

Activities during the Quarter

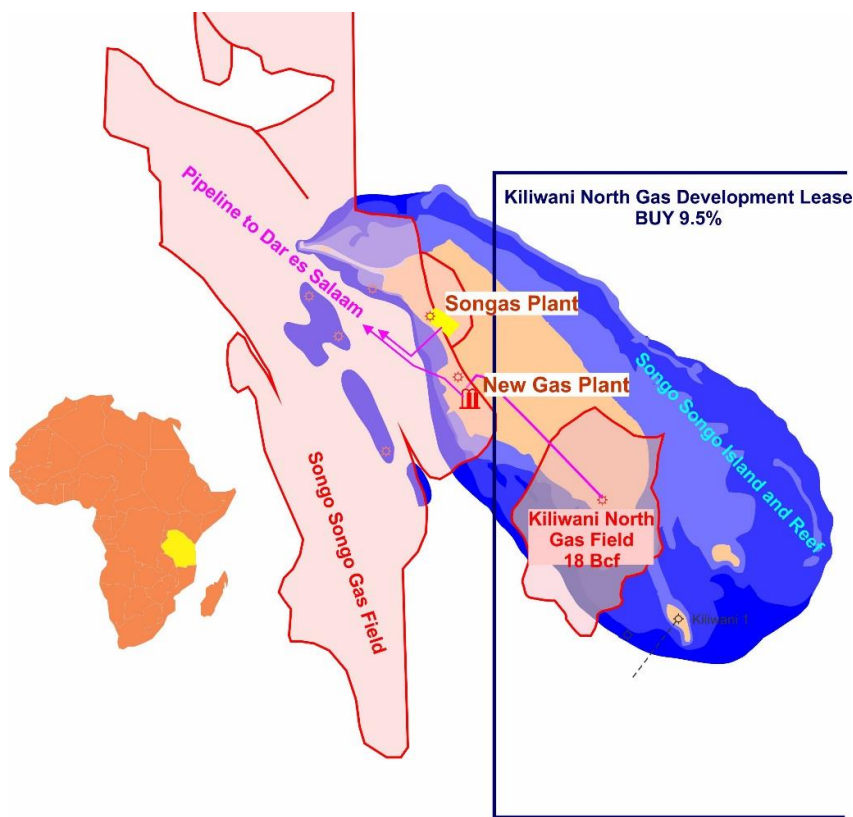
With increase in oil price there has been renewed interest from potential partners as the focus returns to offshore exploration. Bounty obtained an extension to the licence term from NOPTA in July 2017 to enable more definitive studies of the potential fluid content of the Azalea Prospect and was negotiating to acquire the long offset modern 3D seismic data recently acquired by Polarcus over the area.

Activities next Quarter

Ongoing discussions with potential farm in partners and acquire 3D data licence.

Gas/Condensate Business (incl. associated Oil development)

Production:



**Kiliwani North Development Licence
Offshore Tanzania: Bounty 9.5%**

Location: 30 Km offshore from Rufiji Delta Tanzania

**Activities during Second-half 2017
and Quarter**

The Kiliwani North-1 well (“KN-1”) has been producing since April 2016 and has been providing Bounty with gas revenues since then. The gas is being sold at wellhead and achieved an average price of \$3.27 per MCF in 2017. To date the well has generated US \$18.4 million in revenue for the joint venture partners (Bounty: US1.748 million). While the well continued to produce in the first half of 2017 at approximately 15 MMcfd, it experienced decline in late 2017 and options are being explored to

maximise production and thereby gas recovered from the in-place resources. By mid-December 2017 the well head pressure had recovered sufficiently for the well to be put back on production with rates of up to approximately 9 MMcfd. Gas from Kiliwani North is sold at wellhead and is delivered into the Tanzanian National Gas Gathering System. A 24-inch spur line from the SSIGPP connects Kiliwani North to a 532 km 36-inch pipeline which transmits gas to Dar es Salaam.

The Joint Venture has analysed production and pressure data acquired throughout 2017 and concluded that the well is probably draining a small portion of the greater Kiliwani North structure. The data also suggests that the well is showing signs of a slow recharge from elsewhere in the surrounding structure via leaky faults or baffles within the reservoir. The Joint Venture continues to investigate various options to increase production and recovery of resources from the well.

Analysis of technical data over the Joint Venture PSA licence for the Nyuni Area has identified several areas of interest, over which the operator is planning to acquire 3D seismic, with the objective of fast-tracking potential development opportunities. Production from any discoveries in this area could be tied back to the Songo Songo Island Gas Processing Plant relatively quickly and economically. The deep-water sector of Nyuni remains of long term interest but the inshore shelf area is the Joint Venture’s priority, offering early production opportunities.

As a result of the review of technical data over the Kiliwani North Development Licence block, the Joint Venture Operator, Aminex PLC, has identified the Kiliwani South structure as a viable lead for further exploration with its management estimating a Pmean gross GIIP of 57 BCF.

RPS Energy (RPS) was engaged late in 2017 to compile an independent Competent Person's Report (CPR) on Kiliwani North and this was finalised in February 2018. The new CPR assigned 1.94 BCF of 2P reserves remaining to be produced from the Kiliwani North-1 well. The Joint Venture continues to produce from the Kiliwani North-1 well at restricted rates while it seeks alternatives to remediate the well.

Activities Next Quarters

The Joint Venture has conducted an extensive review of existing seismic data to identify drillable prospects which could be tied back to the Gas Gathering System on Songo Songo Island. The Operator; Aminex is planning to acquire 3D seismic over several areas on the shelf close to Songo Songo Island and these will include 3D seismic over the Kiliwani North and Kiliwani South structures.

Downlands PL 119 (441); PPL 58 (Bounty 100%) and ATP 1190 (Spring Grove) Bounty 24.748%

Surat Basin, Queensland –

Location: 2km north of the town of Surat

Activities during the Quarter

PL 119: During the quarter Bounty continued to progress re-commencement of gas production while advancing native title clearances.

ATP 1190 (Spring Grove): Potential Commercial Area application over the Spring Grove oil discovery is awaiting DNRM approval.

Gas Growth Projects:

Nyuni Block – Offshore Mandawa Basin Tanzania – PSA: Bounty 10%;

Location: 30 Km offshore from Rufiji Delta Tanzania

Background

Currently the operator, Aminex PLC, is negotiating a work program variation with TPDC to enable the acquisition of deep water 3D seismic in the outboard sector of the PSA area and the deferral of the two exploration well drilling commitment.

Focus will be on targets such as Kiliwani South in close proximity to production facilities at Kiliwani North (see above).

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

2018 Exploration

During the quarter the operator progressed its plans for a 2D seismic survey in PEP 11, as a work commitment for the petroleum title.

After the quarter the Joint Venture completed a 200 km 2D seismic survey at Baleen with a tie line to the New Seaclem 1 well site.

Subsequent commitments in PEP 11 include 3D seismic acquisition and Bounty will participate in the 3D surveys. Potential discovery of commercial quantities of natural gas in PEP 11 provides an exciting future for the PEP 11 Joint Venture including Bounty considering the gas market demands emerging for the east coast of Australia.

The Looming gas shortage NSW has provided increased interest in the offshore potential of PEP 11.

Corporate

Current Assets – 31 March 2018

At the end of the quarter cash, receivables and held for sale investments were around \$ 2.45 million. This sum includes \$638,000 (USD \$489,000) of receivables from Tanzania gas sales.

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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Website: www.bountyoil.com

ABBREVIATIONS

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	Drillstem test with a drill rig to test if hydrocarbons flow to the surface from a reservoir.
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
NOPTA	National Offshore Petroleum Titles Authority
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)
TPDC	Tanzania Petroleum Development Corporation
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 35 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 and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

BOUNTY OIL & GAS NL

ABN

82 090 625 353

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	81	758
1.2 Payments for		
(a) exploration & evaluation	(7)	(45)
(b) development	(32)	(111)
(c) production	(10)	(63)
(d) staff costs	(132)	(508)
(e) administration and corporate costs	(39)	(203)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other . GST received/(paid)	(13)	(39)
1.9 Net cash from / (used in) operating activities	(151)	(209)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	(11)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(65)	(182)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(65)	(193)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	833	1,024
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(151)	(209)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(193)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	5	-
4.6	Cash and cash equivalents at end of period	622	622

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	559	705
5.2 Call deposits	63	128
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)	622	833

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(102)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors fees and other fringe benefits are paid to related entities in accordance with service contracts.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	(10)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	(65)
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Joint venture operations only.

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(35)
9.2 Development	(20)
9.3 Production	(65)
9.4 Staff costs	(135)
9.5 Administration and corporate costs	(40)
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	(295)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.

Sign here:
(Director/Company Secretary)

Date: 30 April 2018

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.