



ASX/MEDIA RELEASE

31 July 2018

Quarterly Activities Report – End June 2018

Bounty Group: Operations

Australia

- Bounty's total petroleum revenue for the financial year to 30 June 2018 was \$1.55 million (2017: \$2.68 million).
- Bounty is starting to reap the benefit of patient acquisition of very strategically placed oil development acreage and resources in Australia during the last few years as geopolitical instability in the Middle East generates focus on stable investment regimes.
- Naccowlah Block, Southwest Queensland: Bounty participated in two successful oil appraisal wells at Watkins Field and enjoyed production increases coinciding with good oil prices. Planning for an additional 6 or 7 wells to be drilled in Q4 2018 is underway.
- Surat Basin; Southeast Queensland: Bounty is continuing preparations for development of its light oil EOR project targeting a 1.13 million bbl resource with initial revenue of \$1.25 million pa centred on PL 2 (Alton Oilfield), Surat Basin, Queensland.
- AC/P 32, Timor Sea: Oil price increases attracting renewed farm in interest.
- PEP 11 Sydney Basin Offshore: The Operator completed a 200 Km 2D seismic survey in the Baleen area.

Tanzania – Nyuni Block:

- Kiliwani North (KN) gas field shut in for most of this quarter to allow pressure build up. A review of pressure data has concluded that the well is not draining the lower part of the Neocomian age reservoir and re-perforation may allow additional gas of up to 8 bcf to be recovered.
- New 3D seismic planned to image deep water turbidite gas plays of up to 1.3 TCF potential.

Oil Business - Production:

Bounty's total petroleum revenue for the financial year to 30 June 2018 was \$1.55 million (2017: \$2.68 million).

Unaudited oil revenue for the financial year ended 30 June 2018 was approximately \$1.2 million. This included from oil revenue Bounty's share of oil production volume for the year ended 30 June 2018 was 13,162 bbls (FY1617: 11,058 bbls).

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

Production was at 44 boepd at quarter end with no production from the Kiliwani North Gas field, daily production from Naccowlah has increased by 30%.

Bounty expects to commence oil production from the Alton area; Surat Basin, SE Queensland next quarter.

Bounty's unaudited petroleum revenue, production and sales for the quarter ended 30 June 2018 are summarised below.

Revenue:

Q4	1 April to 30 June 2018	\$
Kiliwani North	Bounty Share (9.5% Interest) - Gas	-
ATP 1189P(2)	Bounty Share (2% Interest) - Oil	407,802
	Total Revenue (1)	407,802

(1) GST exclusive

(2) Naccowlah Block

Production:

Q4	1 April to 30 June 2018	Unit
Kiliwani North	Bounty Share (9.5% Interest) – Mscf	-
ATP 1189P	Bounty Share (2% Interest) bbls	3,842
	Total Production boe	3,842

Sales:

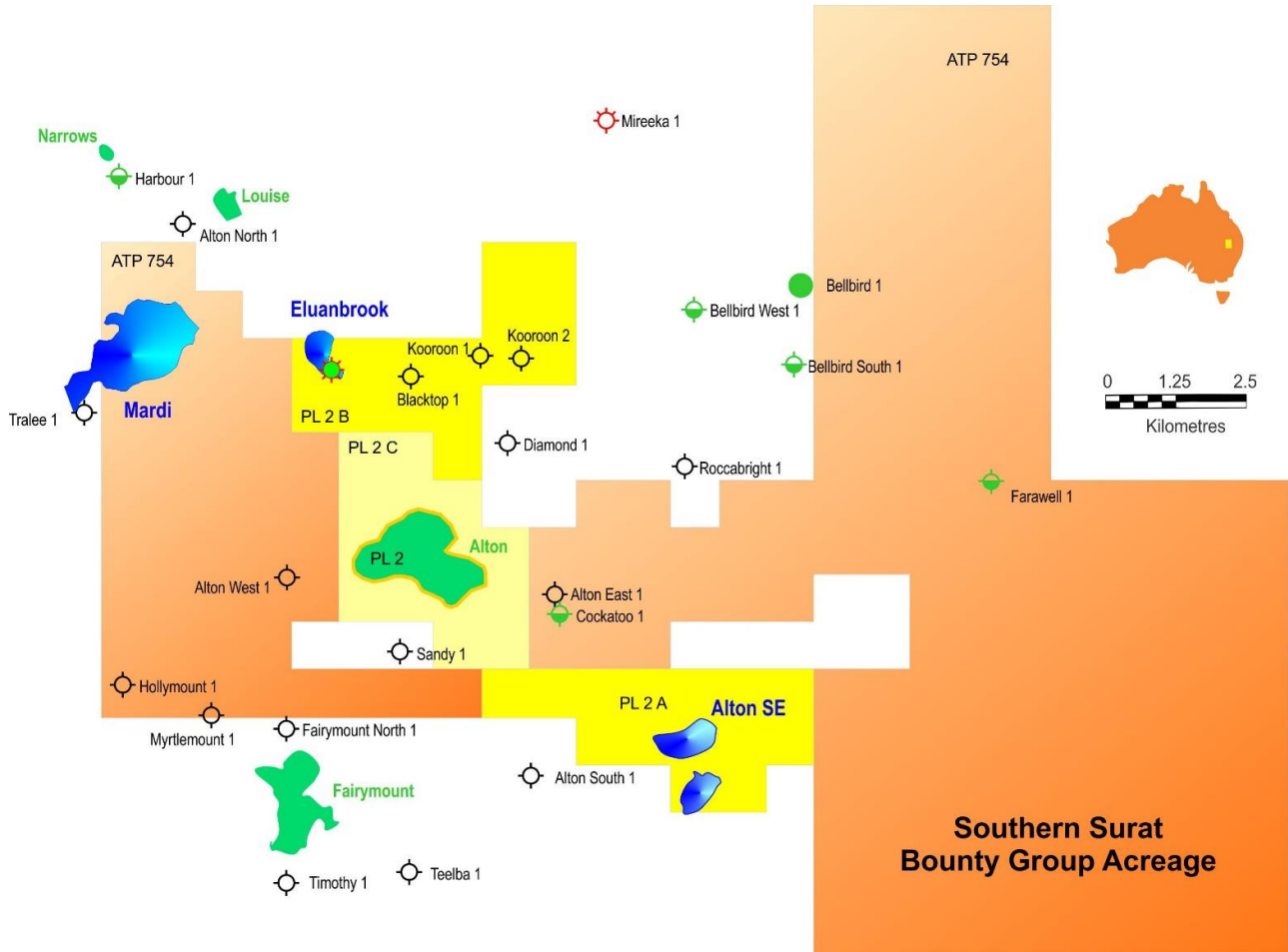
Q4	1 April to 30 June 2018	Unit
Kiliwani North	Bounty Share (9.5% Interest) – Mscf	-
ATP 1189P	Bounty Share (2% Interest) bbls	3,846
	Total Sales boe	3,846

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).

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 advanced its 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 other compliance documentation pending the workovers and production.

Initial gross revenue of \$1,250,000 p.a. from 45 bopd out of 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 recoverable 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 from a proven Showgrounds Formation reservoir containing oil and gas.

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 recoverable oil at the P50 confidence level within a much larger closure which could contain as much as 2 million barrels of recoverable oil. In addition there are several prospects at Alton Southeast identified by seismic surveys.

At the end of the quarter the heads of agreement (HOA) with Armour Energy (Surat Basin) Pty Limited; Bounty’s partner in ATP 754P signed earlier in 2018 was awaiting ministerial approval. DNRM approval of the Later Work Program (LWP) was also pending. The LWP is expected to be approved in the next period. Under the HOA

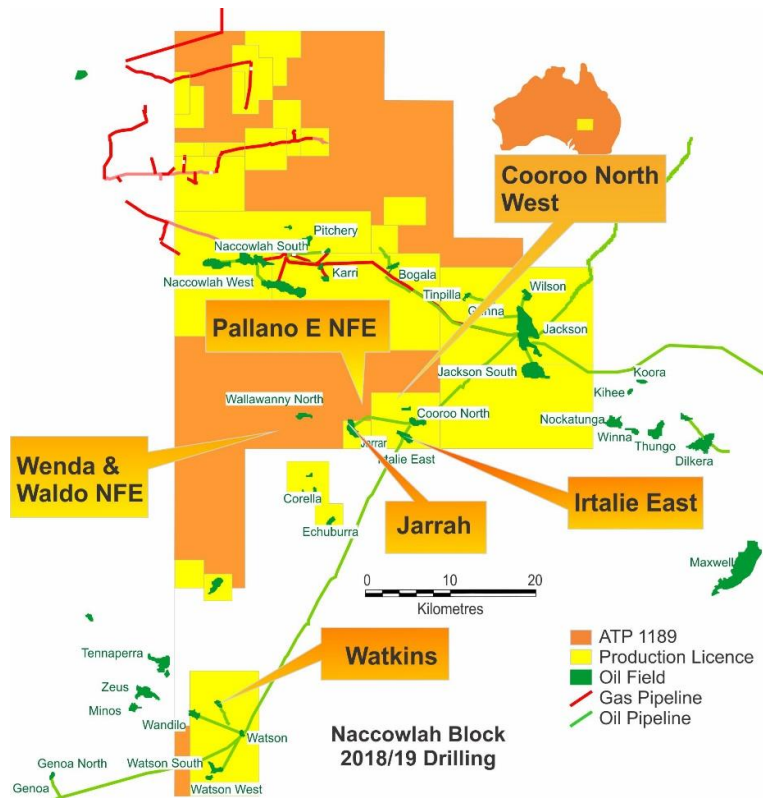
Armour will fund 2D/3D seismic if required to further image the Mardi Prospect and have an option to drill an exploration well.

Summary

Having now secured control and operatorship over PL 2 and holding a material interest in ATP 754P Bounty sees potential for oil projects in the Southern Surat area to deliver 200 - 300 bopd (\$6 million pa gross revenue) 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 and increased by 30% to approximately 44 bopd net to Bounty.

Background

The Naccowlah Block comprises 2,556 km² approximately 40% of which is covered by ATP 1189 (N) and the remainder in 25 petroleum production leases (PL's) and applications covering producing fields and a Potential Commercial Area application.

Activities during the Quarter

During the quarter Bounty participated in a 2 well program designed to further appraise the producing Watkins Field in PL 35, Naccowlah Block. The Watkins Field is located approximately 45 km southwest of Jackson Oil Facility.

The first well; Watkins 2 was spudded on 4 May 2018. The well encountered oil in the target Birkhead Formation and was cased and suspended as a potential Birkhead oil producer. The Ensign 950 rig was then moved to the Watkins 3 location.

Watkins 3 was spudded on 12 May 2018 as a vertical appraisal well. It was drilled to total depth of 1736 metres to evaluate the Birkhead Formation as a primary objective. The well also encountered oil in the target Birkhead Formation and was cased and suspended as a potential Birkhead oil producer.

Further development, appraisal and near field exploration wells are planned for last quarter 2018. Success with this programme has the potential to double Bounty's production from this project. During the quarter a pump replacement at the Cooroo NW 1 production well contributed to the production increase for the quarter.

Significant Activities Next Quarters

Q4 should see a substantial drilling programme of 6 – 7 wells within the Naccowlah Block and production licences.

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. This is 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 re-mapping regional seismic data sets attempting to image the principal structures in the region due to poor surface statics.

Seismic re-processing is planned for late 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 the increase in oil price in 2018 there has been renewed interest from potential partners as the focus returns to offshore oil exploration. Bounty obtained an extension to the licence term from NOPTA in July 2017 to

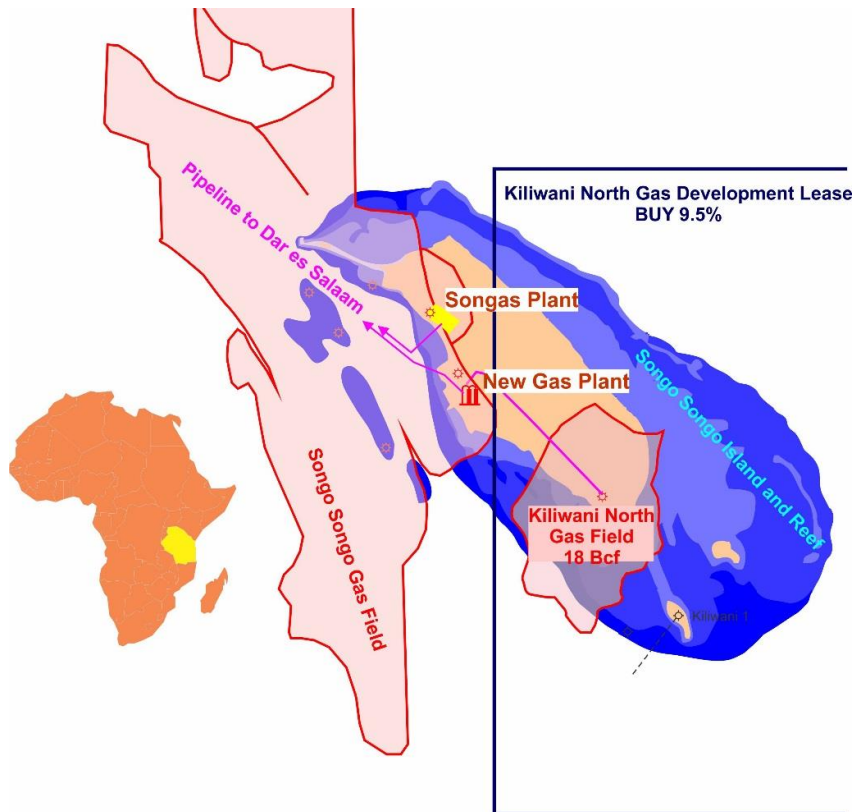
enable more definitive studies of the potential fluid content of the Azalea Prospect and was negotiating to acquire the long offset modern 3D seismic data recently acquired by Polarcus over the area.

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 the Quarter

Gas production from KN 1 well was halted this quarter as the pressure build up continues. Analysis of the pressure data gathered to date suggests that the lower part of the reservoir may not have been produced and that a re-perforation programme may allow a further 8 BCF to be recovered from the well.

During the quarter the operator continued seismic re-mapping of the Kiliwani North block and the adjoining Nyuni Area acreage close to the Songo Songo Island gas processing plant with the aim of

identifying potential new drilling targets within the Kiliwani North Field which could be brought on stream relatively quickly to supplement renewed gas production from the KN 1 well.

This work is expected to lead to much clearer resolution of fault surfaces offering the possibility of drilling additional wells to address unrecovered resources.

Activities Next Quarter

Continue monitoring pressure build up and evaluating engineering solutions to remedy decline in production.

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 awaits 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.

A re-tender process is planned to select a 3D seismic contractor capable of acquiring high resolution 3D seismic over the key Pande West lead in 2019 and to identify other potential prospects in the deep water with a view to bringing them to drill-ready status.

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

2018 Exploration

During the quarter the operator completed a 200 line kilometre 2D seismic Survey in compliance with the work commitment for the PEP 11 petroleum title. This survey followed approval by NOPSEMA of a modified Environmental Plan (“EP”).

The title in good standing.

During the quarter the operator entered a conditional agreement with a private company RL Energy to conduct a 3D seismic survey in PEP 11. Bounty declined to enter that agreement. 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 gas shortage in NSW has provided increased interest in the offshore potential of PEP 11.

Corporate

Current Assets – 30 June 2018

At the end of the quarter cash, receivables and held for sale investments were around \$ 2.4 million. This sum includes \$645,000 (USD \$476,000) 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:

Philip F Kelso Chief Executive Officer Tel:+612 9299 7200 Email: corporate@bountyoil.com
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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
NOPSEMA:	National Offshore Petroleum Safety and Environmental Management Authority
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 ≡ 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")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	115	873
1.2 Payments for		
(a) exploration & evaluation	(1)	(46)
(b) development	(5)	(116)
(c) production	(28)	(91)
(d) staff costs	(123)	(631)
(e) administration and corporate costs	(41)	(244)
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)	(9)	(48)
1.9 Net cash from / (used in) operating activities	(92)	(301)

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 (12 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	(5)	(187)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5)	(198)

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	622	1,024
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(92)	(301)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(198)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	16	16
4.6	Cash and cash equivalents at end of period	541	541

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	478	559
5.2 Call deposits	63	63
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)	541	622

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	(83)
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	(28)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	(5)
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Joint venture operations.

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	(20)
9.2 Development	(30)
9.3 Production	(70)
9.4 Staff costs	(105)
9.5 Administration and corporate costs	(55)
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	(280)

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: 31 July 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.