AC/P 32 Vulcan Sub-basin
500 MMboiip Prospect
Timor Sea
Australia

Farmin Opportunity

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(see Slide 15)

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Key Points

• Bounty holds AC/P 32 in the oil prolific Vulcan Sub basin, Timor Sea, Australia

• Major 3D seismic reprocessing project undertaken for Bounty by Schlumberger in 2013 has better defined the Azalea Prospect as the principal target

• Azalea has potential >500 million barrels of oil (Mmboip) in place in a huge structural/stratigraphic prospect in Puffin Sands located in shallow water – 130 metres

• Recoveries of between 20% and 40% could be expected

• Good chance that whole Azalea sand body is closed giving an upside of ~1 billion barrels of oil in place

• Several other stratigraphic and structural/stratigraphic leads provide additional upside

• Compelling evidence of excellent sands and hydrocarbon charge
Key Points - Commercial

- A discovery at Azalea will involve the farm in participants in a project with larger potential than any of the other Vulcan Graben oil projects such as Jabiru, Challis and Montara

- Significant production infrastructure in place in Timor sea region such as 9,000 bopd Montara project nearby

- Major development projects in the region – eg. Inpex’s Ichthys gas project

- Export chain to Singapore refineries well established

- Darwin, NT available as a major offshore services hub

- Low sovereign risk - located in Australian Government offshore territory

- Clear and transparent tenure, tax, environmental and foreign ownership rules
Permit Status and Opportunity

- Bounty has met or exceeded all work program commitments until June 23, 2014 and anticipates renewal

- Bounty anticipates commitment to one exploration well by June 2014 to take permit into next term

- Farminee to earn interest by funding:
  - Contribution to exploration costs to date
  - Minimum commitment of two wells, including
  - Exploration well at Azalea to at least 2,000 metres

- Exploration well cost is estimated at US$ 25 million

- Bounty’s team has successfully completed offshore drilling in Timor Sea

<table>
<thead>
<tr>
<th>Permit Interests</th>
<th>Bounty Oil &amp; Gas NL</th>
<th>100%*</th>
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<tbody>
<tr>
<td></td>
<td>*Private interests</td>
<td>1.75% GORR</td>
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*Private interests
AC/P 32 covering 500 km² is located in the oil prolific Vulcan Graben surrounded by oil fields.

The adjacent Montara oil field 25 km SE currently produces 9,000 bopd and is operated by PTTEP.

Azalea Prospect is drill ready and drilling is planned for 2014-2015 as part of renewal commitment.
AC/P 32 Leads and Prospects

Prospects and Leads in Puffin Formation (Green)
• Azalea at 64 km² and >500 MMboip is by far the largest target, trapped in sea floor fan sands with excellent porosity and permeability

• East Swan A Sand is a sand body marginal to a submarine channel or older mass flow sand deposit which the channel has incised. Lateral seal is by shale out and top seal by pinch out

Lead in Jamieson Formation (Orange)
• Nandina Lead is speculative, it is a consistent sand like geobody deeper in the Skua Trough

Leads in Plover Formation (Blue)
• Both Plover Leads B and C are located adjacent to the north or northwest striking faults, sealed by overlying or intraformational shales. They are determined by combination of amplitude anomalies and seismic geobody definition. Up dip the East Swan wells have oil and gas shows and live oil was recovered from thin sands

• The Plover Formation leads offer three stacked targets in the Basal Montara Formation, the top Plover and under an intraformational shale seal horizon in the Plover
• The entire permit is covered by the Onnia 3D survey which has been reprocessed in AC/P 32 in 2010/11, and over the Azalea Prospect and westwards out of the permit in 2012/13

• The 2013 work greatly improved the imaging of the > 500 million barrels of oil in place Azalea Prospect

• In both cases reprocessing was followed by seismic inversion and AVO work. The more recent seismic work defined sand geobodies in prospective parts of the stratigraphy
Stratigraphic Framework and Petroleum System

Source and Migration

- In AC/P 32 only the Plover Formation is mature
- Migration is vertical up faults which were open at intervals from Jurassic to Recent
- Oil in Birch 1 in the Puffin Formation proves migration up dip into the Azalea Prospect and open pathways present to more speculative targets
- Plover Formation is reservoir, source and seal and is an additional oil bearing target
• This map shows the P Impedance view of the Puffin sand horizon immediately underlying the Top Cretaceous Unconformity

• The fan like geometry of the Azalea Sand body (golden hues) is well illustrated

• Also the seismic impedance (essentially in one sand horizon a function of porosity) demonstrates the Azalea sands are comparable to the Upper Sands in Birch 1 with Average porosity of 25%

• Upper Sands at Birch 1 are only loosely compacted and highly permeable

• Azalea sand sealed up dip and along strike by erosion (white areas) or by shale out (brown and blue hues)

• The entire Azalea Sand body appears to be sealed by shale giving an upside of 1 (one) billion barrels of oil in place
The main elements of the structure at the Puffin Sand level are:

- the NW-SW and NE-SW striking erosional highs which the Top Cretaceous Unconformity stripped (white coloured areas) and which provides the up dip termination combined with shaling out of the sands, and
- The gentle dip slope westwards into the depths of the Swan Graben, and
- The diapiric high to the NW at East Swan

Hydrocarbon migration is up the faults bounding the Swan Graben and thence up dip directly into Azalea

The westward limit of volumes A and B is the closing contour, the eastwards limit is the Zero Edge

Volume A has the least closure risk offset by predicted thinner sands

Volume B is sealed to the SW by intraformational seal

Volume C covers the sand body within AC/P 32, it is probably sealed to the South by reservoir degradation and increasing shale
Azalea Prospect - Compelling Target

- Showing the eastwards convergence of the Puffin Upper and Lower sands at Birch 1, and the up dip development of good low impedance sands
- Seismic also suggests a good top sealing shale for most of extent of the sands certainly within the A and B volumes
- Seal integrity studies show that the overlying Johnsons Formation has the mechanical capacity to hold an oil column from Birch to Wisteria
- Calcareous silts and shales which make up the Johnson Formation have measured permeability of < 0.01 mD, much of the literature considers it a seal
This diagramme illustrates the interpreted sand distribution in the Lower Puffin Sand and that the sand body shales out before the horizon is intersected by Wisteria 1.

There is a distinct C2 anomaly over the Puffin Sand interval in Wisteria 1 (which had shaled out in that well). C2 persisted down hole until the peak (black) immediately under the sand - probably the lowest unit of the Puffin Formation mass flow deposits.

C2 strongly suggests that there may be heavier hydrocarbons down dip, in the Puffin Sands at Azalea.

The absolute low tenor of the gas anomaly and absence of any other heavier hydrocarbons also suggests a good updip seal.
Associated with the zero edge of the Puffin Sands and directly related to Palaeogene age faulting is a shallow gas and hydrocarbon related diagenetic zone (HRDZ) in the Oliver Sandstone, a very similar setting to that overlying the Skua oil field to the west.

- There are associated with slight velocity pull ups but strong effects are only noted in very localised areas where fault/fracture zones connect the Top Cretaceous with the Oliver Sandstone.
- The Gas Chimney illustrated is the best example.
- Compelling evidence of a current hydrocarbon charge to the Azalea Prospect.
Azalea Volumetrics – Based on Interval Isopach derived from Seismic

**Probabilistic Resource Estimates Azalea Prospect**
From lowest to highest risk

<table>
<thead>
<tr>
<th>Volume</th>
<th>OOIP MMbo P90</th>
<th>OOIP MMbo P50</th>
<th>OOIP MMbo P10</th>
<th>Recoverable Target MMbo P90</th>
<th>Recoverable Target MMbo P50</th>
<th>Recoverable Target MMbo P10</th>
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<tbody>
<tr>
<td>A</td>
<td>100</td>
<td>135</td>
<td>178</td>
<td>20</td>
<td>30</td>
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<tr>
<td>B</td>
<td>367</td>
<td>511</td>
<td>697</td>
<td>75</td>
<td>113</td>
<td>165</td>
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<tr>
<td>C</td>
<td>722</td>
<td>954</td>
<td>1230</td>
<td>144</td>
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**Factors Used in Resource Estimates Azalea Prospect**

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<tr>
<th>Volume</th>
<th>NTG</th>
<th>Porosity</th>
<th>Sw</th>
<th>Bo</th>
<th>Recovery</th>
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<tbody>
<tr>
<td>A</td>
<td>0.25 to 0.40</td>
<td>0.15 to 0.20</td>
<td>0.3 to 0.6</td>
<td>0.9 to 1</td>
<td>0.15 to 0.30</td>
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<tr>
<td>B</td>
<td>0.25 to 0.45</td>
<td>0.15 to 0.21</td>
<td>0.3 to 0.6</td>
<td>0.9 to 1</td>
<td>0.15 to 0.30</td>
</tr>
<tr>
<td>C</td>
<td>0.3 to 0.65</td>
<td>0.18 to 0.25</td>
<td>0.3 to 0.6</td>
<td>0.9 to 1</td>
<td>0.15 to 0.30</td>
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- The adjacent Swift and Birch Puffin reservoirs had average porosity of 24% and 25% respectively and NTG of 54% and 65% using cut off of 15% porosity and Vshale of 50%

- Water saturation range is an estimate

- Formation Volume Factor (Bo) assumes no gas

- Recovery is estimated - it will be higher if gas present (it was present in Birch 1 and oil is very light)
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[The information in this report that relates to or refers to petroleum or hydrocarbon reserves, is based on information and reports prepared by, reviewed and/or compiled by the CEO of Bounty Oil & Gas NL Mr Philip F Kelso. Mr Kelso is a Bachelor of Science (Geology) and has practised geology and petroleum geology for in excess of 20 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy. He consents to the reporting of that information in the form and context in which it appears.]