BOUNTY OIL & GAS NL

(ABN 82 090 625 353)

INTERIM FINANCIAL REPORT

Interim Financial Report for the half-year ended 31 December 2014
(including Appendix 4D Disclosures, Directors' Report and Financial Report)

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Appendix 4D

For the half-year ended 31 December 2014
Previous corresponding period: Half-year ended 31 December 2013

Name of entity

BOUNTY OIL & GAS N.L.

ABN

82 090 625 353

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

				$
Revenues from ordinary activities	**Decreased**	**(68%)**	**to**	**821,415**
Impairment expense of oil & gas assets	**N/A**			**(4,231,700)**
Loss from continuing operations after tax attributed to members	**N/A**	**N/A**	**-**	**(5,287,174)**
Loss for the period attributable to members	**N/A**	**N/A**	**-**	**(5,287,174)**

This information is to be read in conjunction with the 2014 Annual Report, the Half-Year Financial Report and Directors' Report for the six months to 31 December 2014.

Dividends

It is not proposed to pay any dividends.

Net Asset Backing

	Current Period	*Previous Period*
Net asset backing per ordinary security (cents)	**0.030**	**0.036**

Details of individual and total dividends or distributions and dividends or distribution payments

There were no distributions or dividends payable or paid during the period.

Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for the participation in any dividends or distribution reinvestment plan.

There were no dividend or distribution reinvestment plans in operation.

Details of entities over which control has been gained during the period

Nil

Material interest in entities which are not controlled entities

There are no material interests in entities which are not controlled entities.

Audit Review

The accounts have been subject to review and are not subject to dispute or qualification.

Commentary on results for the period

This information should be read in conjunction with the Directors' Report and the half yearly financial statements for the period.

Graham Reveleigh

Chairman

Dated: 16 March 2015

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 32 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.

DIRECTOR'S REPORT

For the Half Year Ended 31 December 2014

The directors of Bounty Oil & Gas NL ("Bounty" or "the company") submit the interim financial report of Bounty and its subsidiary ("the Group") for the half year ended 31 December 2014. The attached Bounty Interim Financial Report forms part of this report. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follow:

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

Graham Charles Reveleigh	*(Non-Executive Chairman)*
Roy Payne	*(Non-Executive Director)*
Charles Ross	*(Non-Executive Director)*

Mr Roy Payne was re-elected as a director of the company at the annual general meeting on 20 November 2014.

Review of Operations

For Bounty's schedule of permits, interests and acreages (see Bounty's 2014 Annual Report and website: www.bountyoil.com).

1. Overview

The principal activity of the company during the 6 months to 31 December 2014, was oil production and oil and gas exploration and development. Bounty's secondary activity is investment in listed securities. No significant change in the nature of these activities occurred during the financial half year.

During the period the economic entity made a net loss after tax of $5,287,174 (31 December 2013 half year: Profit $1,094,489).

The operating loss was determined after taking into account the following material items:

- Petroleum revenue (mainly from oil sales) of $1,107,472
- Profit on sale of listed securities of $6,661
- An unrealized mark to market loss on listed securities of $325,490
- Interest and other income of $32,772
- Direct petroleum operating expenses of $645,292
- Non-cash impairment expenses on oil and gas properties of $4,231,700
- Write-off of capitalised exploration expenditure totaling $301,256
- All other expenses including administration, employees and non-cash costs of $930,341.

Revenue from continuing operations for the period was $821,415 (HY December 2013: $2,578,476).

Petroleum revenue for 12 month calendar year to 31 December 2014 was $2,361,016.

In the half year to 31 December 2014 Bounty invested $974,317 in exploration and development directed principally as follows:

Australia:

In offshore Western Australia (AC/P-32 Vulcan Sub Basin) and oil/condensate focussed projects in the Cooper and Surat Basins.

Tanzania:

In ongoing work towards commercialisation of the Kiliwani North gas project (Bounty 10%) and continuing exploration for larger gas targets in the surrounding Nyuni Block PSA (Bounty 5%).

Details of drilling activity, exploration and development operations and cash flows for the half year ended 31 December, 2014 have been reported by the company to the Australian Securities Exchange in the Quarterly Activity Reports and Appendix 5B for each of the quarters ended 30 September and 31 December 2014 and in additional announcements on particular items. Brief details are set out below:

2. Production Operations

Revenue from production operations for the period was $1,107,472 down 29% on the previous half year (HY December 2013: $1,549,385). Revenue was derived mainly from crude oil produced from Bounty's production interests in PL 214 Utopia Field and in ATP 259P Naccowlah Block both located in southwest Queensland.

Oil Production

Revenue for the period was accrued from production of 11,817 bbls of oil and sales of 10,561 bbls.

Production Drilling

PL 214 Utopia Block (Bounty 40%)

Several workover operations were completed in the half year and ongoing development has been impacted by oil price declines. Development drilling in early 2014 failed to achieve a material improvement in production and reserves.

As a result Bounty resolved to make a permanent non-cash impairment expense against the PL 214 Utopia assets of $4,231,700. Further field development is under review.

ATP 259P Naccowlah Block and Associated PL's SW Queensland - Bounty 2%

All new production wells in the Irtalie East field are on line and no further development activities were carried out during the half year. Further development wells at Irtalie East are planned and Cooroo North West 1 will be bought online. Production optimisation is ongoing and contributes significantly to maintaining production. The pace of further development drilling will be reviewed in the light of oil price movements.

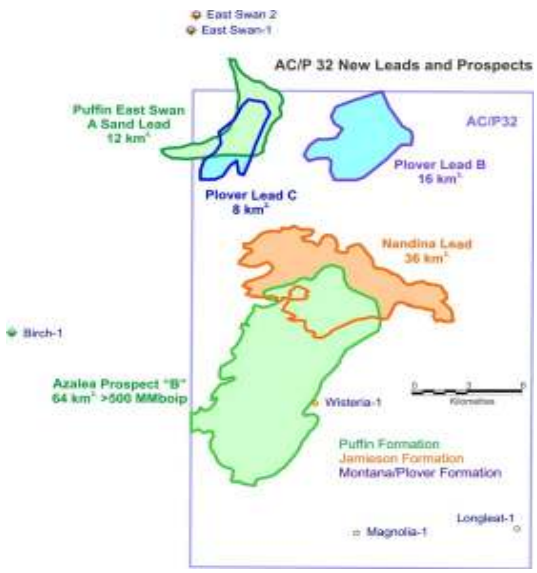
3. Development Operations

During the period, Bounty expended Nil on development operations. No development drilling was undertaken during the period and all drilling (see above) has been classified as production drilling.

4. Exploration and Evaluation Operations

During the period, Bounty expended $317,730 on exploration and evaluation.

AC/P 32 Offshore WA – Timor Sea (Bounty 15%) –Map Prospects and Leads



Bounty completed interpretation and evaluation of the reprocessed 3D seismic data and defined the Azalea Prospect with a potential 500 million barrels of oil in place of which over 100 million barrels would be recoverable. The work to date has established as far as possible that the sands in the Azalea Prospect are high porosity, sealed along strike and up dip, that target is up dip from oil discovered in the Birch 1 Well in those sands – Puffin Formation; and that there are direct indications of a possible hydrocarbon charge. In addition to Azalea; Bounty has established new structural stratigraphic leads with potential in the 10 – 40 million barrel recoverable range in the north west section of AC/P32.

In June 2014 AC/P 32 was renewed for a period of 5 years and Bounty commenced an international campaign seeking partners to farm in and drill an exploration well at Azalea and a follow up appraisal well.

Kiliwani North Development Licence; Tanzania (Bounty 5%)

During the period substantial progress was made towards development of the 45 BCF of proven gas reserves at Kiliwani North.

The Tanzanian Petroleum Development Corporation ('TPDC') has financed and is constructed the main 36" south-north pipeline system (East Tanzania Gas Pipeline), the Songo-Songo 24" lateral and the Songo-Songo Gas Processing Plant. It is also constructing the tie-in line from the Plant to the Kiliwani North Gas Field.

Since the end of the period tie-in construction to the Kiliwani North well head was commenced and has been laid to near the well. Installation of a skid metering unit and tie is awaiting signature of the Gas Sales Agreement by the TPDC. The new gas plant will process 20 million cubic feet per day of Kiliwani North gas. Bounty's 10% equity should produce gross revenue of at least $2 million per annum and will add 364 boepd to Bounty's production.

Other Properties

During the period Bounty continued to fund exploration and development expenditure in connection with its other joint venture interests located in Queensland, New South Wales and Western Australia, both onshore and offshore.

Corporate and Equity Issues

No share issues were undertaken by Bounty during the period and at the end of the interim reporting period at 31 December 2014 it had $1,124,162 cash and no debt.

At 31 December 2014 the value of Bounty's listed investments on a mark to market basis was $735,472.

Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year ended 31 December 2014 which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the review for the half year ended 31 December 2014 is attached.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of *Corporations Act 2001*.

On behalf of the Directors

Graham Reveleigh
Chairman

Dated: 16 March 2015

For further details of the activities of the Group, see the Bounty Oil & Gas N.L. website www.bountyoil.com.

For abbreviations of technical terms see the last page of the Interim Financial Report.

dfk richard hill
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BOUNTY OIL & GAS N.L. ABN 82 090 625 353 AND CONTROLLED ENTITY

AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF BOUNTY OIL & GAS NL

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there has been:

a. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

b. No contraventions of any applicable code of professional conduct in relation to the review.

Richard Hill
Date: 16 March 2015
Address: Level11, 32 Martin Place Sydney 2000

DIRECTORS' DECLARATION

Interim Financial Report

The directors of the company declare that:

1. The consolidated financial statements and notes as set out on pages 9 to 19.

    a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations and,

    b. give a true and fair of the company's financial position as at 31 December 2014 and of its performance for the half year ended on that date.

2 In the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, pursuant to section 303(5) of the *Corporations Ac 2001*.

On behalf of the directors

Graham Reveleigh
Chairman

16 March 2015

Consolidated statement of profit and loss and other comprehensive income
for the half-year ended 31 December 2014

		Half-year ended	
		31-Dec-14	31-Dec-13
	Notes	**$**	$
Revenue	4	**1,107,472**	1,549,385
Net Investment (loss)/income	4	**(318,829)**	1,003,538
Other income	4	**32,772**	25,553
Direct petroleum operating expenses		**(645,292)**	(346,660)
Changes in inventories		**(82,399)**	(46,788)
Employee benefits expense		**(388,238)**	(507,042)
Depreciation expense		**(51,140)**	(33,263)
Amortisation of oil producing assets		**(178,056)**	(170,017)
Occupancy expense		**(51,565)**	(56,472)
Corporate activity costs		**(97,781)**	(132,201)
Rehabilitation expense		**(58,041)**	(68,611)
Foreign exchange gains		**57,224**	26,175
Impairment of oil and gas assets		**(4,231,700)**	-
Write off of exploration expenses		**(301,256)**	(903)
General legal and professional costs		**(56,662)**	(123,785)
Other expenses		**(23,683)**	(24,420)
Profit/(Loss) before Tax		**(5,287,174)**	1,094,489
Income tax expense		**-**	-
Profit/(Loss) for the period from continuing operations		**(5,287,174)**	1,094,489
(Loss)/Profit for the period		**(5,287,174)**	**1,094,489**
Other comprehensive income for the year, net of income tax		**-**	**-**
Total Comprehensive (loss)/income for the period		**(5,287,174)**	**1,094,489**
Total comprehensive income attributable to owners of the parent		**(5,287,174)**	**1,094,489**
Earnings per share			
Basic (cents per share)		**(0.56)**	0.12
Diluted (cents per share)		**(0.56)**	0.12

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position
for the half-year ended 31 December 2014

	Notes	31-Dec-14 $	30-Jun-14 $
Assets			
Current assets			
Cash and cash equivalents		**1,124,162**	2,044,196
Trade and other receivables		**607,583**	633,850
Inventories		**109,521**	91,563
Other current financial assets	5	**735,472**	1,076,326
Total current assets		**2,576,738**	3,845,935
Non-current assets			
Exploration and evaluation assets	6	**13,237,843**	13,221,369
Production and development assets	6	**12,464,322**	16,741,340
Property, plant and equipment	7	**1,686,380**	1,637,283
Total non-current assets		**27,388,545**	31,599,992
Total assets		**29,965,283**	35,445,927
Liabilities			
Current liabilities			
Trade and other payables		**674,042**	917,442
Provisions		**3,631**	2,696
Total current liabilities		**677,673**	920,138
Non-current liabilities			
Rehabilitation provisions		**1,026,727**	977,732
Total non-current liabilities		**1,026,727**	977,732
Total liabilities		**1,704,400**	1,897,870
Net assets		**28,260,883**	33,548,057
Equity			
Issued capital	8	**43,275,163**	43,275,163
Reserves		**201,600**	201,600
Retained losses		**(15,215,880)**	(9,928,706)
Equity attributable to owners of the parent		**28,260,883**	33,548,057
Total equity		**28,260,883**	33,548,057

The statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
for the half-year ended 31 December 2014

	Note	Ordinary share capital $	Option reserve $	Accumulated losses $	Total $
Balance at 1 July 2013		43,275,163	201,600	(11,067,008)	32,409,755
Profit for the period		-	-	1,094,489	1,094,489
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	1,094,489	1,094,489
Shares issued during the period	8	-	-	-	-
Share issue transaction costs		-	-	-	-
Balance at 31 December 2013		**43,275,163**	**201,600**	**(9,972,519)**	**33,504,244**
Balance at 1 July 2014		43,275,163	201,600	(9,928,706)	33,548,057
Loss for the period		-	-	(5,287,174)	(5,287,174)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	(5,287,174)	(5,287,174)
Shares issued during the period	8	-	-	-	-
Share issue transaction costs		-	-	-	-
Balance at 31 December 2014		**43,275,163**	**201,600**	**(15,215,880)**	**28,260,883**

The statement of change in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the half-year ended 31 December 2014

	Half-year ended	
	31-Dec-14	**31-Dec-13**
	$	**$**
Cash flows from operating activities		
Receipts from petroleum operations	1,205,915	1,722,543
Proceeds from sale of available-for-sale financial assets	135,957	1,972,006
Payments for available-for-sale financial assets	(113,932)	(43,427)
Payments to suppliers and employees	(1,978,841)	(2,198,800)
Cash generated by operations	(750,901)	1,452,322
Interest received	14,183	8,772
Other	-	12,800
Net cash generated by/(used in) operating activities	(736,718)	1,473,894
Cash flows from investing activities		
Payments for exploration and evaluation assets	(213,609)	(466,656)
Payments for oil production & development assets	(132,738)	(749,779)
Payments for property plant and equipment	12,305	(270,850)
Loans advanced (net)	93,502	(12,610)
Net cash (used in) investing activities	(240,540)	(1,499,895)
Net (decrease) in cash and cash equivalents	**(977,258)**	**(26,001)**
Cash and cash equivalents at the beginning of the period	2,044,196	1,982,473
Effects of exchange rate changes on the balance of cash held in foreign currencies	57,224	26,175
Cash and cash equivalents at the end of the period	**1,124,162**	**1,982,647**

The statement of cash flow is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements for the half-year ended 31 December 2014

1. Corporate Information

The financial report of Bounty Oil and Gas NL and its controlled entities ("the Group") for the Half-Year ended 31 December 2014 was authorised for the issue in accordance with a resolution of the Directors.

Bounty Oil and Gas N.L. Is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

2. Summary of significant accounting policies

The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The interim financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report. It is also recommended that this report be considered together with any public announcements made by the Group during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

a. Basis of preparation and accounting policies

The interim financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by the Group during the interim reporting period, in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies adopted in this interim financial report are the same as those policies applied in the 2014 Annual Report, except for the adoption of new standards and interpretations as of 1 July 2014, noted below:

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 2012-3 Amendments to AAS - Offsetting Financial Assets and Financial Liabilities: AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
- AASB 1031 Materiality: The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.

- AASB 2014-1 Part A: Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:
- AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.
- AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.
- AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.
- AASB 116 & AASB 138 - Clarifies that the determination of accum. depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.
- AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in para 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

AASB 136 Recoverable Amount Disclosures for Non-Financial Assets: AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose addl. information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and have had no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations have not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its interim financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the consolidated financial statements for the half-year ended 31 December 2014

b. Basis of consolidation

The interim financial statements comprise the financial statements of Bounty Oil and Gas N.L. and its controlled subsidiaries ("the Group").

c. Joint arrangements

AASB 11 replaces AASB 131 Interest in Joint Ventures and UIG-113 Jointy-controlled Entities - Non-monetary Contributions by Joint Venture.

AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore t0 determine whether joint control exists or may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for joint arrangements is dependent on the nature of the rights and obligations arising from the arrangment. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.

d. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the full year financial report as at and for the year ended 30 June 2014.

e. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilites, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation of uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2014.

f. Going concern basis

The directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the period ended 31 December 2014, the Group realised a net loss after tax of $5,287,174 (2013: profit $1,094,489). This was largely driven by impairment of oil and gas producing assets and unrealised loss on investments. The net cash used in operating activities for the period ended 31 December 2014 was $736,717 (2013: net cash generated $1,473,894). The Group’s net asset position at 31 December 2014 was $28,260,883 (30 June 2014: $33,548,057) and its cash balance amounted to $1,124,162 (30 June 2014: $2,044,196).

The directors’ cash flow forecasts project that the group will continue to be able to meet its liabilities and obligations (including those exploration commitments as disclosed in Note 10) as and when they fall due for a period of at least 12 months from the date of signing of this financial report. The cash flow forecasts are dependent upon the generation of sufficient cash flows from operating activities to meet working capital requirements, the ability of the group to manage discretionary exploration and evaluation expenditure on non-core assets via farmout or disposal of certain interests and or a reduction in its future work programmes. The directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are satisfied as to the ability of group to implement the above.

g. Fair value measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilites. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets and liabilites carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendmends were also made to other standards.

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that a significant input to the measurement can be categorised into as follows:

- level 1: Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Notes to the consolidated financial statements for the half-year ended 31 December 2014

g. Fair value measurement (continued)

-level 2: Measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

-level 3: Measurements based on unobservable inputs for the asset or liability.

The carrying values of financial assets and liabilites recorded in the financial statements approximates their respective fair values, determined in accordance with the acounting policies described above and adjusted for capitalised transaction costs, if any.

3. Segment Information

Identification of Reportable Segments

Information reported to the Chief Operating Decision Maker, being the CEO, for the purposes of resource allocation and assessment of the performance is more specifically focused on the category of business units. The Group's reportable segments under AASB 8 Operating Segments are therefore as follows:

Core Petroleum Segment - Oil and gas exploration, development and production
Secondary Segment - Investment in listed shares and securities.

Segment revenue and results	**Segment revenue**		**Segment profit/(loss)**	
	31-Dec-14	31-Dec-13	**31-Dec-14**	31-Dec-13
Core Oil & Gas Segment	**$**	$	**$**	$
Production projects	**1,107,472**	1,549,385	**(4,179,631)**	919,721
Development projects	**-**	-	**-**	-
Exploration projects	**-**	-	**(301,256)**	-
Secondary Segment				
Listed securities	**(318,829)**	1,003,538	**(318,829)**	1,003,538
Total from continuing operations	**788,643**	2,552,923	**(4,799,716)**	1,923,259
Other revenue			**89,996**	51,728
Central admin costs and directors remuneration			**(577,454)**	**(880,498)**
Profit before tax			**(5,287,174)**	**1,094,489**

Revenue reported above represents revenue/income generated from external sources. There were no intersegment sales during the period (2013: nil)

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 1. Segment profit/(loss) in this Note represents the profit/(loss) earned by each segment without allocation of central administration costs and directors remuneration, other investment revenue such as interest earned, finance costs and income tax expense.

Information about major customers

Included in the revenue arising from direct sales of oil of $1,107,472 (2013: 1,549,385) are revenues of approximately $466,047 (2013: $1,033,518) which arose from sales to the Group's largest customer. The revenue from the Group's second largest customer was approximately $392,310 (2013:$515,867). No other single customer contributed 10% or more to the Groups revenue for both 2014 and 2013.

Other segment information	**Amortisation, depreciation & depletion**		**Additions to non-current assets**	
	31-Dec-14	31-Dec-13	**31-Dec-14**	31-Dec-13
Core Oil & Gas Segment	**$**	$	**$**	$
Production projects	**217,095**	188,534	**656,587**	1,172,060
Development projects	**-**	-	**-**	-
Exploration projects	**-**	-	**317,730**	571,680
Secondary Segment				
Other	**12,101**	14,746	**514,534**	29,709
Total	**229,196**	203,280	**1,488,851**	1,773,449

Notes to the consolidated financial statements
for the half-year ended 31 December 2014

3. Segment Information (continued)

	Impairment losses(expenses)		Exploration write off	
	31-Dec-14	31-Dec-13	**31-Dec-14**	31-Dec-13
Core Oil & Gas Segment	**$**	$	**$**	$
Production projects	**4,231,700**	-	**-**	-
Development projects	**-**	-	**-**	-
Exploration projects	**-**	-	**301,256**	903
Secondary Segment				
Total	**4,231,700**	-	**301,256**	903

	Segment assets		Segment liabilities	
	31-Dec-14	30-Jun-14	**31-Dec-14**	30-Jun-14
Core Oil & Gas Segment	**$**	$	**$**	$
Production projects	**8,093,105**	12,370,123	**1,668,766**	1,557,334
Development projects	**4,371,217**	4,371,217	**8,734**	8,734
Exploration projects	**13,237,843**	13,221,369	**23,796**	23,796
Secondary Segment				
Listed securities	**735,472**	1,076,326	**-**	-
Unallocated	**3,527,646**	4,406,892	**3,104**	308,006
Total	**29,965,283**	35,445,927	**1,704,400**	1,897,870

Geographical Segment information

The following table details the group's geographical segment reporting of revenue and carrying amount of assets in each geographical region where operations are conducted.

	Revenue		Carrying amounts of assets	
	31-Dec-14	31-Dec-13	**31-Dec-14**	30-Jun-14
	$	$	**$**	$
Australia	**821,415**	2,578,476	**25,907,806**	31,441,436
Tanzania	**-**	-	**4,057,477**	4,004,491
Total	**821,415**	2,578,476	**29,965,283**	35,445,927

4. Revenue and other income

	31-Dec-14	31-Dec-13
Sales revenue:	**$**	$
Oil sales	**1,079,600**	1,543,644
Revenue from tariffs	**27,872**	5,741
Total sales revenue	**1,107,472**	1,549,385
Investment income:		
Investment income from financial assets at fair value through Profit and loss (held for trading listed shares)		
Realised gain	**6,661**	893,338
Unrealised (loss)/gain	**(325,490)**	110,200
Total investment income	**(318,829)**	1,003,538
Other income:		
Interest received	**18,164**	12,753
Other income	**14,608**	12,800
Total other revenue	**32,772**	25,553
Total revenue	**821,415**	2,578,476

Notes to the consolidated financial statements
for the half-year ended 31 December 2014

5. Other current financial assets	31-Dec-14	30-Jun-14
	$	$
Financial assets at fair value through profit and loss - shares in listed corporations	**735,472**	1,076,326
Total current financial assets	**735,472**	1,076,326

6. Non current assets

(a): Production and development assets

SW Queensland		
Oil producing property – PL214 Utopia – at cost	**8,676,475**	8,534,668
Oil producing property – Naccowlah Block – at cost	**2,879,283**	2,964,870
Less: Amortisation – SW Queensland production assets	**(1,078,705)**	(976,000)
Less: Impairment – SW Queensland production assets	**(4,231,700)**	-
East Queensland		
Oil producing property – Joint venture interest PL119 Downlands – at cost	**3,775,432**	3,763,979
Less: Depletion and amortisation – E Queensland	**(2,518,608)**	(2,518,608)
Rehabilitation costs – all petroleum properties	**590,929**	601,214
Development assets	**4,371,217**	4,371,217
Total production and development assets	**12,464,322**	16,741,340

b): Exploration and evaluation assets

Exploration assets	**13,237,843**	13,221,369
Total exploration assets	**13,237,843**	13,221,369

7. Plant property and equipment

Opening balance	**1,637,283**	777,992
Expenditure incurred during the period	**1,113,733**	1,013,496
Depreciation expense	**(205,345)**	(154,205)
Balance carried forward	**1,686,380**	1,637,283

8. Issued capital	$	$
(a) Share Capital	**43,476,763**	43,476,763
(b) Movement in fully paid ordinary shares	**No. of Shares**	No. of Shares
Balance at beginning of period	**938,400,982**	938,400,982
Shares issued during the period	**-**	-
Balance at end of period	**938,400,982**	938,400,982
(b) Movement in unlised options		
Balance at beginning of period	**20,000,000**	20,000,000
Lapsed during the period	**(20,000,000)**	-
Balance at end of period	**-**	20,000,000

9. Interest in Subsidiaries

Set out below are the Group's subsidiaries at 31 December 2014. The subsidiaries listed below have share capital consisiting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's country of incorporation or registration is also its principal place of business.

Name of Subsidiary	Principal place of Business	Ownership Interest held by the Group	
		31-Dec-14	30-Jun-14
Ausam Resources Pty Ltd.	Sydney, Australia	100%	100%

Notes to the consolidated financial statements for the half-year ended 31 December 2014

10. Financial instruments

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described in note 2(g) above, and based on the lowest level input that is significant to the fair value measurement as a whole.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The financial assets and liabilities of the Group are recognised in the consolidated statement of financial position in accordance with the accounting policies set out in Note 2 of the 2014 Annual Report.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Trade and other receivables

The carrying value is a reasonable approximation of fair value due to the short-term nature of trade receivables.

Available for sale investments

The fair value of available for sale investments is determined by reference to their quoted market price on a prescribed equity stock exchange at the reporting date, and hence is a Level 1 fair value measurement.

Trade and other payables

The carrying value is a reasonable approximation of fair value due to the short-term nature of trade payables.

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Consolidated		Note	Fair value hierarchy	31-Dec-14 $	30-Jun-14 $
Financial assets at fair value through profit or loss	**Quoted bid prices in an active market**	**12**	**Level 1**	**735,472**	1,076,326

11. Impairment of oil & gas properties

During the half year impairments were made as follows:

	$	$
ATP 560/PL 214	**4,231,700**	-

In accordance with the Group's accounting policies and procedures, the Group performs its impairment testing on annual basis. A number of factors represented indicators of impairment as at 31 December 2014, including a significant decline in the oil price throughout the period. As a result, the Group assessed the recoverable amounts of its oil & gas properties.

Impairment is recognised when the carrying amount of an oil & gas producing property exceeds its recoverable amount. The recoverable amount for each producing property is estimated based on the discounted cash flows over the estimated production life of its 2P reserves, using forecast crude oil price, exchange rate, operating costs and capital expenditure information sourced from JV Operator and other external independent sources.

As one of more of the significant inputs is not based on observable market data, the oil and gas properties are deemed to be Level 3 within the fair value hierarchy. See note 2(g) and note 10 above for further explanation.

Key assumptions used:	**2015-2018**	**2019+**
Crude oil price (US$)	$69 increasing to $92	$94 increasing to $129
AUD:USD exchange rate	$0.80	$0.81
CPI (%)	2.5%	2.5%
Pre-tax discount rate (%)	11.0%	11.0%

As a result of impairment testing, the recoverable amount of ATP560/PL 214 was reduced to $3.97 million and an impairment loss of $4.23 million was recognised in profit and loss.

Notes to the consolidated financial statements for the half-year ended 31 December 2014

12. Contingencies and commitments

As at the date this report, there were no contingent assets or liabilities. There is no litigation against or involving Bounty Oil & Gas N.L. or its subsidiaries of which the Directors are aware.

In order to maintain current rights of tenure to its exploration permits, the company has certain obligations to perform work in accordance with the work programmes, as approved by the relevant statutory body, when the permits are granted. These work programs form the exploration commitment which may be renegotiated, varied between permits, or reduced due to farm-out, sale, reduction of exploration area and/or relinquishment of non-prospective permits. Work in excess of the work programs may also be undertaken.

The following discretionary exploration expenditure requirements have not been provided for in the accounts:

Payable	**31-Dec-14** **$**	30-Jun-14 $
Not longer than 1 year	**858,000**	2,300,000
Longer than 1 year and not longer than 5 years	**2,460,000**	1,950,000
	3,318,000	4,250,000

13. Interest in joint operations

Set out below are the joint arrangements of the Group as at 31 December 2014, which in the opinion of the directors are material to the Group:

Name of the joint arrangement	Principal activity	Principal place of business	Proporation of participating share	
			31-Dec-14	30-Jun-14
ATP 560/PL 214 OWK Inc.	Production	Sydney, Australia	**40%**	40%
ATP 259P Naccowlah block	Production	Adelaide, Australia	**2%**	2%
ATP 754P	Exploration	Brisbane, Australia	**50%**	50%
PEP11	Exploration	Perth, Australia	**15%**	15%
Nyuni PSA	Exploration	Dar es Salaam, Tanzania	**5%**	5%
Kiliwani North	Development	Dar es Salaam, Tanzania	**10%**	10%

The accounting policies adopted for the group's joint operations are consistent with those of the previous financial year and corresponding interim reporting period.

14. Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year ended 31 December 2014 which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Abbreviations

Bbl(s): barrel(s) of oil
mmbo: million barrels of oil .
MMBOE: million barrels of oil equivalent.
BCF: billions of cubic feet of natural gas
TCF: trillions of cubic feet of natural gas
MMcf/d: millions of cubic feet of natural gas (/d per day)
CSG: coal seam gas
PSA: Production Sharing Agreement
PSC: Production Sharing Contract
PL: Petroleum production lease
ATP: Authority to prospect for petroleum
TPDC: Tanzania Petroleum Development Corporation
Pmean: 50% probability of occurrence
P90: 90% probability of occurrence
P10: 10% probability of occurrence
OOIP/GIIP: Oil or Gas initially in place
Contingent Resources: discovered resources, not yet fully commercial
Prospective Resources: undiscovered resources
2D/3D: 2D seismic data creates a 2 dimensional cross section of data (either in time or depth) and 3D creates a 3 dimensional block of data
AVO: amplitude versus offset processing of seismic data to reveal possible hydrocarbons

dfk richard hill
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BOUNTY OIL & GAS N.L. ABN 82 090 625 353 AND CONTROLLED ENTITY
INDEPENDENT AUDITOR's REPORT TO THE MEMBERS OF BOUNTY OIL & GAS N.L.

Report on the Half-year Financial Report
We have reviewed the accompanying half-year financial report of Bounty Oil & Gas NL, which comprises the consolidated condensed statement of financial position as at 31 December 2014, the consolidated condensed statement of profit or loss, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, and consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Bounty Oil & Gas NL are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporation Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410*: Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving true and fair view of Bounty Oil & Gas NL's financial position as at 31 December 2014 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Bounty Oil & Gas NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope that an audit conducted in accordance with Australian Auditing Standards and consequently dose not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bounty Oil & Gas NL, would be in the same terms if provided t to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bounty Oil & Gas NL is not accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of Bounty Oil & Gas NL's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(ii) complying with AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

Richard Hill
Date this 16 day of March 2015
Address: Level 11, 32 Martin Place Sydney 2000