



11 March 2016

## ASX / MEDIA RELEASE

### PEP 11, Update and APPEA Gas Supply Warning

Bounty Oil & Gas NL (Bounty) is pleased to announce that the operator of PEP 11, offshore Sydney Basin managed by MEC Resources Limited (ASX: MMR) has commenced preparatory work to perform a new seismic survey in PEP11. This includes procurement of specialist seismic service providers to assist in the new data acquisition planned for PEP11.

The PEP 11 joint venture participants and participating interests are:

- Asset Energy Pty Ltd (1) 85% (Operator)
- Bounty Oil and Gas NL 15%

(1) Asset Energy Pty Ltd is a wholly owned subsidiary of MEC Resources Ltd investee entity Advent Energy Ltd.

Bounty and MEC Resources are closely monitoring gas market dynamics in eastern Australia, and strongly believe the PEP11 project is ideally placed to potentially provide gas into the east coast gas network.

The **Australian Petroleum Production and Exploration Association (APPEA)** has succinctly described the forecast shortfall in the east coast gas market in a public statement released on 10<sup>th</sup> March 2016.

*"The latest Gas Statement of Opportunity (GSOO) warns that developed gas reserves in eastern and south-eastern Australia can only meet forecast demand until 2019."*

*"The information released by AEMO (Australian Energy Market Operator) today is a sobering reminder that the east coast needs rapid development of new gas reserves to guarantee supply."*

The full public statement by APPEA is attached to this announcement.

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*Bounty is an Australian ASX listed oil producer and explorer (ASX Code: BUY). Its core petroleum production and exploration assets are located in the Cooper/Eromanga Basins and in the Surat Basin in Queensland and South Australia. It also holds oil exploration interests in Western Australia. Its growth assets are spread over a number of high impact projects in Australia and Tanzania where it is exploring for oil and gas. In Australia it holds AC/P32 in the Timor Sea with the 500mmbbl OOIP Azalea Prospect as its first drill target.*

*Bounty has gas development permits in Tanzania where it is a participant in the Kiliwani North Gas Field development and in the Nyuni Exploration Licence.*

*Bounty has reserves and resources approaching 4 million barrels of oil equivalent.*



appea

the voice of australia's  
oil and gas industry

Media Release

10 March 2016

## Gas supply warning demands urgent action

Governments in eastern Australia must pull out all stops to encourage the investment needed to address predicted gas shortages as highlighted by the Australian Energy Market Operator (AEMO) today.

The latest *Gas Statement of Opportunity (GSOO)* warns that developed gas reserves in eastern and south-eastern Australia can only meet forecast demand until 2019.

"The information released by AEMO today is a sobering reminder that the east coast needs rapid development of new gas reserves to guarantee supply," APPEA Chief Executive Dr Malcolm Roberts said.

"We have long argued that if we wish to achieve a more competitive market, put downward pressure on prices and ensure stable, adequate supply, we must bring more gas to market.

"Unfortunately a mix of policy indecision, restrictive regulations and politically motivated moratoriums, particularly in Victoria, has stymied exploration and development of our abundant natural gas resources.

"Almost 80 per cent of households in Victoria and thousands of local businesses rely on natural gas, yet the State refuses to develop its onshore resources."

Dr Roberts said the commercial climate for exploration and development in Australia was already extremely difficult. Fewer onshore exploration wells were drilled in 2015 than at any other time in the last 20 years.

"In eastern Australia, the number of exploration wells drilled almost halved from 2014 to 2015 – from 70 wells to just 40," he said.

"Sound policies are needed to provide greater certainty and investor confidence to support exploration and reduce the high cost of development and production."

The GSOO comes a day after the Australian Competition and Consumer Commission called for urgent policy and regulatory changes to enhance gas supply to the eastern Australian market.

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