



Chairman's Address
Bounty Oil & Gas NL - AGM

25 November 2016

Great News! Bounty has achieved gas production in Tanzania to add to its Australian oil production base. We have also traded a non-profitable oil field in Southern Queensland for PL2 Alton, which we can operate, and make a profit on the sale of crude.

I welcome you to the 17th Annual General Meeting of Bounty Oil & Gas NL. This is the eleventh time I have the pleasure of chairing the Company's AGM, as Bounty has continued to position itself as a producer and explorer with a strong balance sheet and valuable petroleum acreage.

The gas sale agreement between the Kiliwani North partners and the Tanzanian Petroleum Development Corp (TDPC) was signed at the beginning of the calendar year, and gas production for testing and pipe line fill was commenced on 4 April, 2016. Full production commenced on the 1st July 2016, and revenue is currently being received by the partners. Revenue to Bounty is expected to be \$2 to 2.5 million per annum.

The slump in the world oil prices, which commenced last year, continued to have a numbing effect on the world oil business, and the income of our company during the year. Crude oil prices are beginning to rise again just lately, following the spectacular rise in the price of coal, caused by the closure of underground coal mines in China, and the recovery of the iron ore price recently. The immediate effect of the result of the US election appears to be buoying the world markets.

The continued underperformance of the oil price has discouraged major producers from acquiring new joint ventures and our attempts to farm-out AC/P 32 in the Vulcan sub Basin in the Timor Sea have not yet borne fruit. Our efforts will continue next year to find a Joint Venture partner for the 500 million barrel Azalea target.

In the Surat Basin, we acquired 100% ownership, and operator status, for the Alton oilfield, in exchange for our non-operating interest in the Utopia oilfield. This resulted in an impairment of AU\$2.59 million. We were unhappy with the operation of the Utopia field, and replacing it with Alton gives us an asset of higher value, and operator status.

I wish to thank all shareholders for their continued support during another challenging but rewarding year, with Tanzania coming on line.

Graham Reveleigh
Chairman