



ASX/MEDIA RELEASE

26 April 2019

Quarterly Activities Report – End March 2019

Australia

▪ *Oil production and development*

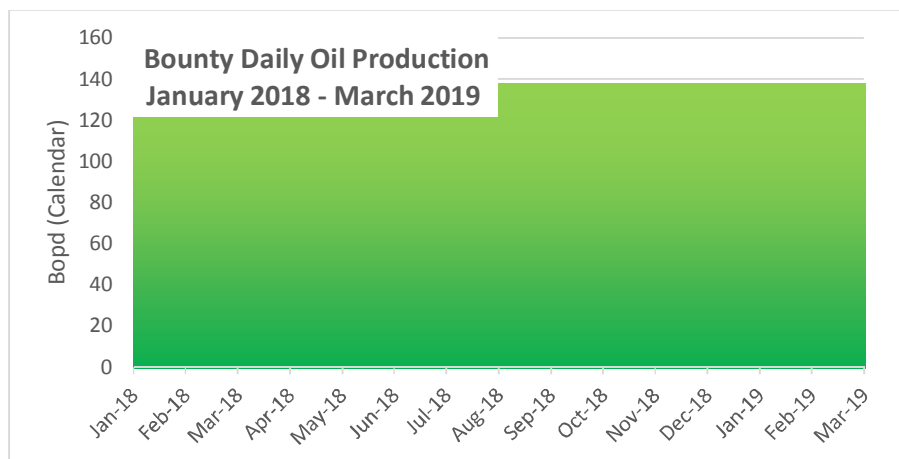
- Oil production passes 10,000 bbls for quarter.
- Oil revenue and related receipts were \$0.93 million for the quarter and \$2.37 million for the financial year to date.
- With Jarrar 4 and 5 in full production this quarter Bounty's production increased to 121 bopd averaged over the quarter.
- Appraisal and development drilling program continued in Naccowlah Block with three wells drilled in quarter.
- Two successful wells in the Watkins field are anticipated to increase Bounty's oil production when brought on line.
- Additional development and appraisal drills are planned.

▪ *Oil/Gas exploration*

- Planning for 2019 commencement of Surat Basin oil and gas production continuing at pace with environmental and regulatory approvals advanced.
- Gas exploration in PEP 11, Offshore Sydney Basin set to continue with Bounty applications for expanded 3D seismic surveys.

Oil Business - Production:

Bounty produces oil from the Naccowlah Block in SW Queensland.



Production increased to 123 bopd at quarter end as Jarrar 4 and 5 were in full production. Two new 2019 wells – Watkins 4 and 5 – are anticipated to materially increase production when they come online shortly.

Bounty expects to commence oil production from the Alton area, Surat Basin, SE Queensland in 2019.

Bounty’s unaudited petroleum revenue, production and sales for the quarter ended 30 March 2109 are summarised below.

Revenue:

Q3	1 January to 31 March 2019	\$
ATP 1189P(2)	Bounty Share (2% Interest) - Oil	927,500
	Total Revenue (1)	927,500

- (1) GST exclusive
- (2) Naccowlah Block

Production:

Q3	1 January to 31 March 2019	Unit
ATP 1189P	Bounty Share (2% Interest) bbls	10,839
	Total Production boe	10,839

Sales:

Q3	1 January to 31 March 2019	Unit
ATP 1189P	Bounty Share (2% Interest) bbls	9,567
	Total Sales boe	9,567

Oil Business – Production and Development:

SW Queensland

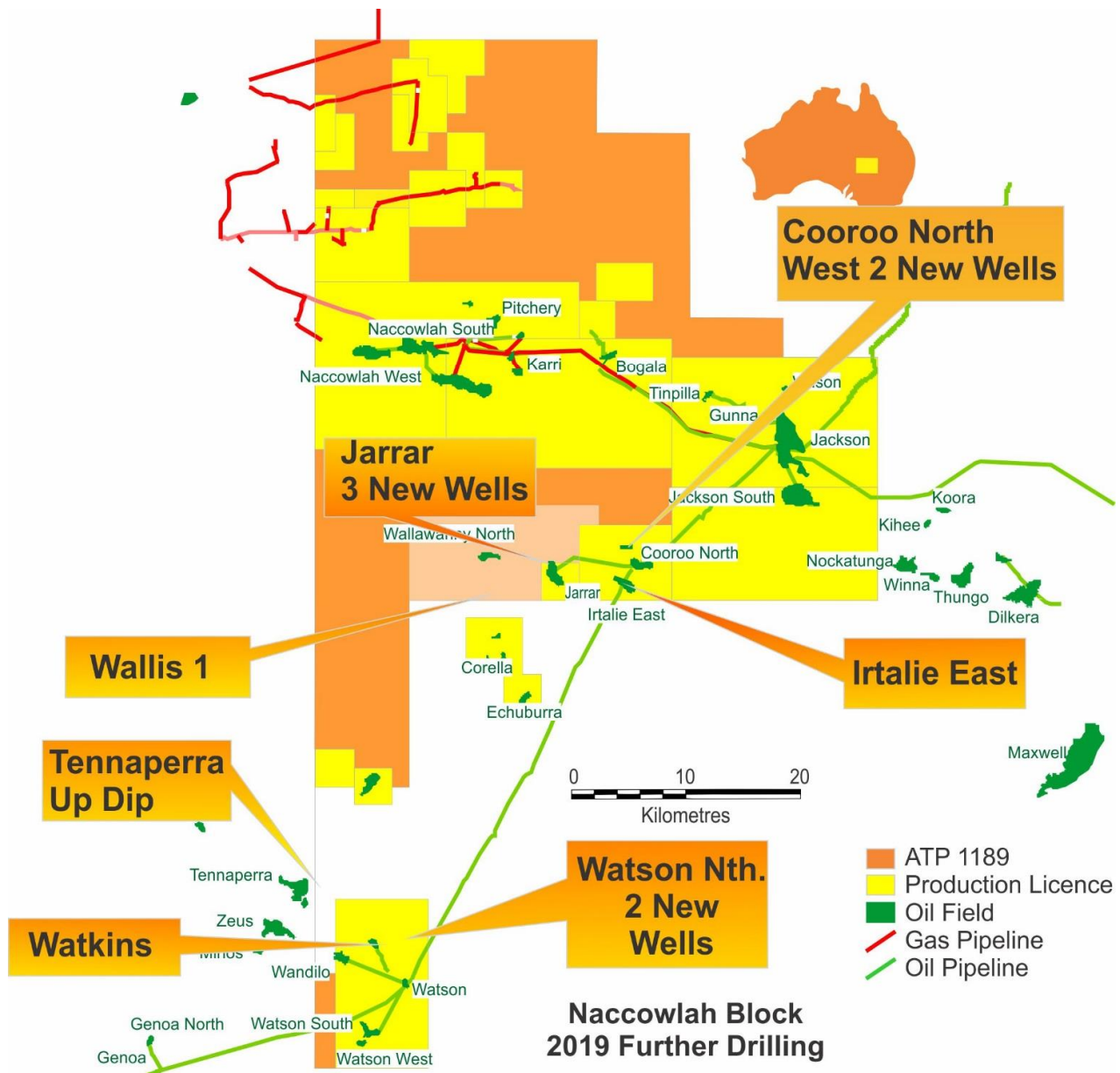
ATP 1189P Naccowlah Block and Associated PL's - Bounty 2%

Location: Surrounding Jackson, Naccowlah and Watson Oilfields

Oil production continued during the quarter averaged 1xx bopd, up against the previous quarter as Jarrar 4 and 5 came onstream during the quarter. Production is anticipated to increase over the next period at Watkins 4 a 5 are bought online.

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 a Potential Commercial Area application around Wallis 1.



Activities during the Quarter

Bounty participated in three new wells: –

- Watkins 4 and 5 both hit the Birkhead Formation reservoir with substantial pay intervals.
- Watkins 6 encountered a swept zone and was plugged and abandoned.

The Watkins and related discoveries also required the joint venture to invest in additional pipeline and related infrastructure to transport new oil to Moomba and Port Bonython, South Australia.

Significant Activities Next Quarter

Another seven wells are being considered for the 2019 drilling programme, as well as new completions in additional previously discovered oil zones.

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.

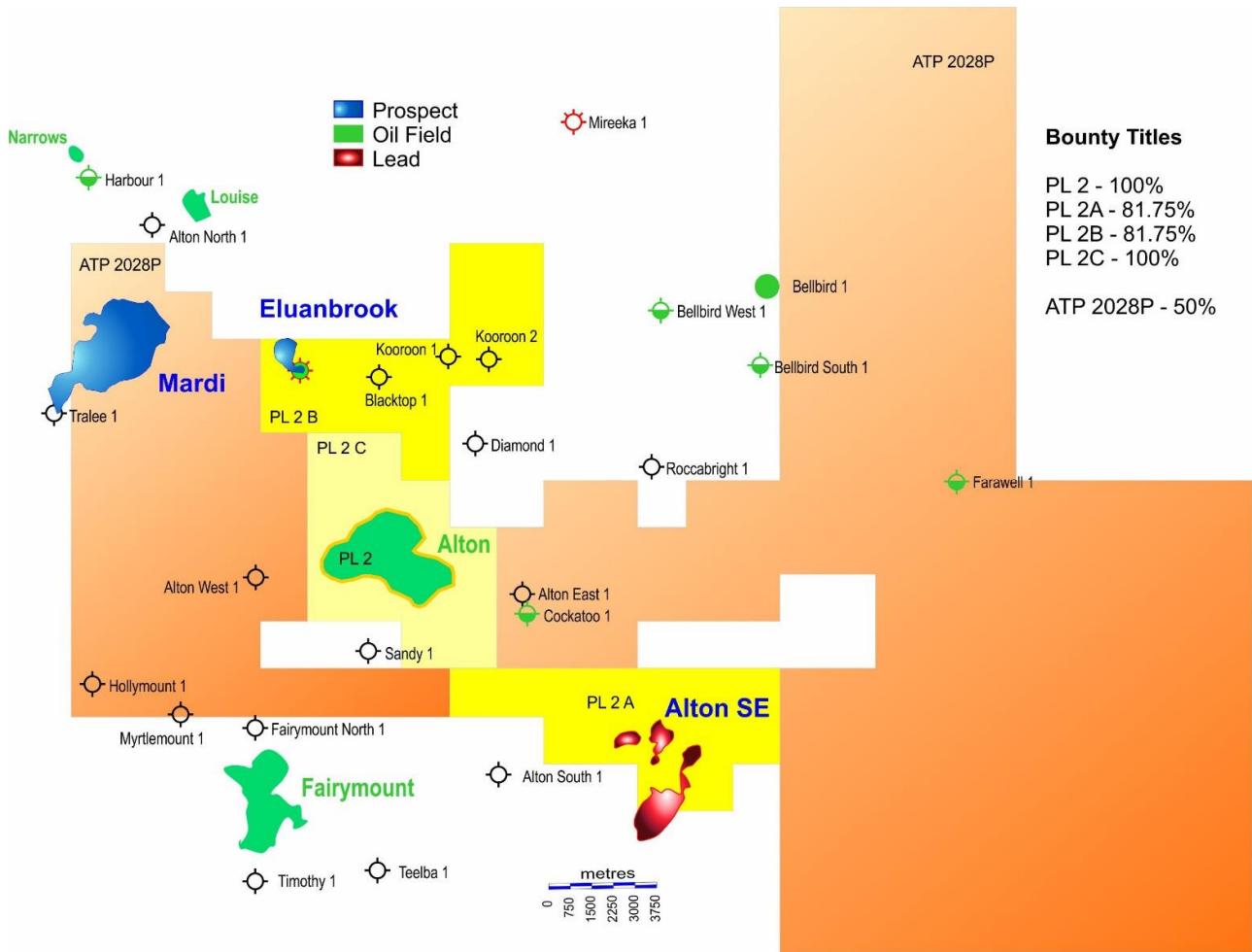
Bounty’s estimates of its oil reserves and resources in the Southern Surat Basin are:-

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

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 2019 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 PL 2 Alton.
- 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 completed important amendments to its environmental permits and advanced its preparation for work over of 2-3 wells and plans to commence production at Alton in 2019 while it generates a full field development plan. This will be followed by an up-dip appraisal well at Eluanbrook in the northwest section of PL2. An independent

environmental audit and dam assessment gave the field a “clean bill of health”. Bounty is progressing other compliance documentation.

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

2019 Activities and Further Programmes

PL 2 and ATP 2028P

To date Bounty has identified two oil prospects – Mardi (in ATP 2028P formerly 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.

After commencement of oil production at Alton Field Bounty will pursue the:-

- Eluanbrook Updip prospect which Bounty considers could have 186,000 - 200,000 barrels of recoverable oil, up dip from a proven Showgrounds Formation reservoir containing oil and gas; and
- In ATP 2028P the Mardi Prospect in the Evergreen Formation which 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. Armour Energy (Surat Basin) Pty Limited, Bounty’s partner in ATP 754P, 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 half of ATP 2028P 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.

Exploration:

Nappamerri Trough Eromanga Basin, NE South Australia – Bounty 23.28% in section above the Permian

Location: 50 Km northeast of Moomba, South Australia.

There was no material joint venture activity in the quarter.



Rough Range Project Onshore Carnarvon Basin – WA

L 16 – Bounty 100%

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

Seismic re-processing for L 16 is planned for 2019.

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.

Activities during the Quarter

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 is negotiating to acquire the long offset modern 3D seismic data acquired in 2016 by Polarcus.

Activities next Quarter

Ongoing discussions with potential farm in partners and acquire 3D data licence.

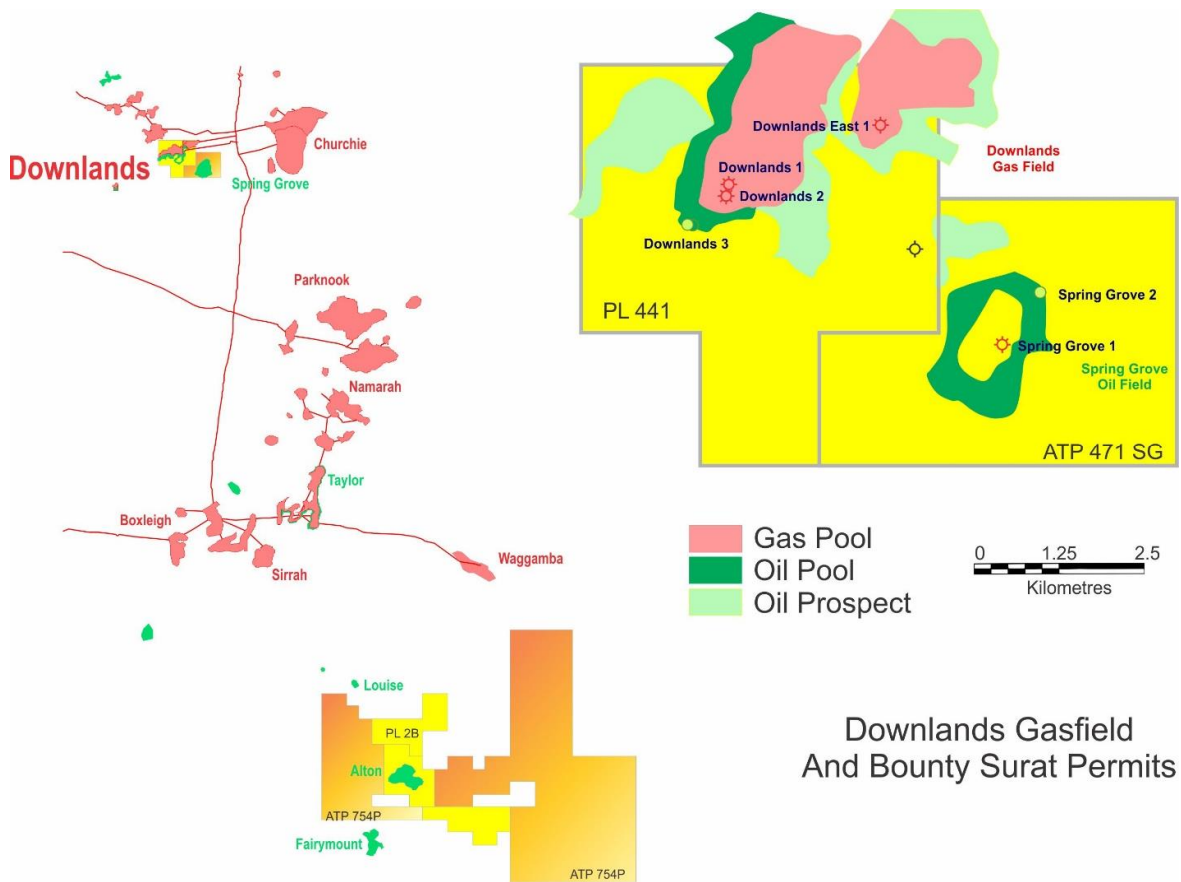
Gas/Condensate Business (incl. associated Oil development)

Production:

Downlands PL 441; PPL 58 (Bounty 100%) and ATP 1190 (Spring Grove) Bounty 24.748%

Surat Basin, Queensland –

Location: 2km north of the town of Surat



Downlands Gasfield
And Bounty Surat Permits

Activities during the Quarter

Downlands

In late 2018 the longstanding Mandandanji Land Claim was determined by the Federal Court and Native Title was deemed to have been extinguished. Bounty filed an updated Later Development Plan and additional security deposits in late 2018. Lease renewal is now expected shortly. Bounty will return the field to gas production and oil appraisal.

ATP 1190 (Spring Grove)

This oil discovery adjoins PL 441 to the southeast and the Potential Commercial Area application over the Spring Grove oil discovery awaits approval.

Gas Growth Projects:

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

2018 Exploration

The operator completed a 200-line kilometre 2D seismic Survey in compliance with the work commitment for the PEP 11 petroleum title in April 2018.

Gas exploration in PEP 11 is set to continue and Bounty has signed off on an application to NOPSEMA to approve a work commitment variation for a 500 km² 3D Seismic Survey.

The title in good standing. Bounty remains the registered holder of a 15% interest in the Permit.

Corporate

Current Assets – 31 March 2019

At the end of the quarter cash, receivables and held for sale investments were around \$ 1.6 million. This sum includes \$677,000 (USD \$476,000) of receivables from Tanzania gas sales.

Bounty is seeking payment for this gas sales revenue from the operator of the Kiliwani North joint venture.

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
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Email: bountyoilandgas@gmail.com

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.
DNRME	Department of Natural Resources, Mines and Energy (Queensland)
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 \equiv 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 45 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")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	814	2,815
1.2 Payments for		
(a) exploration & evaluation	(86)	(148)
(b) development	(122)	(464)
(c) production	(444)	(1,639)
(d) staff costs	(163)	(473)
(e) administration and corporate costs	(92)	(268)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	(25)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other . GST received/(paid)	13	144
1.9 Net cash from / (used in) operating activities	(80)	(57)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(14)	(54)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	13	53
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(9)	(16)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(10)	(17)

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	(15)	(15)
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	(15)	(15)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	572	541
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(80)	(57)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(17)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(15)	(15)
4.5	Effect of movement in exchange rates on cash held	(3)	12
4.6	Cash and cash equivalents at end of period	464	464

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	400	508
5.2 Call deposits	64	64
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)	464	572

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	(136)
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	(541)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Payments for Joint venture and development drilling operations under items 1.2 (a) to 1.2 (c) inclusive.

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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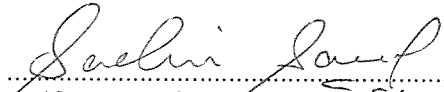
9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(50)
9.2 Development	(15)
9.3 Production	(205)
9.4 Staff costs	(105)
9.5 Administration and corporate costs	(45)
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	(420)

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:


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(Company Secretary)

Date: 26 April 2019

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.