

# Bounty Oil and Gas NL

Annual General Meeting

November 27, 2015

CEO Presentation

ASX Code: BUY



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**Philip F Kelso - CEO**

Gas Plant Songo Songo Island

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: product price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, oil and gas commercialisation, development progress, operating results, engineering estimates, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

All references to dollars, cents or \$ in this document are Australian currency, unless otherwise stated

## QUALIFIED PERSON'S STATEMENT

- The petroleum Reserve and Resources estimates used in this report and ;the information in this report that relates to or refers to petroleum or hydrocarbon production, development and exploration; 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 25 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy.
- 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.

# ASX Listing Rules – Chapter 5 Reserves and Resources

## ASX LISTING RULES 5.25 – 5.45

- All Bounty Oil & Gas NL (Bounty) petroleum Reserves and Resources assessments follow guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS). Bounty is compliant with recent listing rule changes for reporting of estimates as defined in Chapter 5 of the ASX Listing Rules.

## INFORMATION REQUIRED UNDER CHAPTER 5 OF ASX LISTING RULES - THIS ASX RELEASE

For the purposes of Chapter 5 estimates of petroleum oil volumes presented in this release 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 otherwise stated estimated using probabilistic methods
- Reported at 100% net to Bounty
- If specified as " boe" then they are converted from gas to oil equivalent at the rate of 182 bbls  $\equiv$  1 million standard cubic feet of gas
- 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.

**Bounty revenue expected to re-bounce strongly in 2016 with Tanzanian gas sales after group oil revenue for the year down 39% to \$1.91 million (2014: \$3.14 million) impacted by lower oil**

**Major gas pipeline and plant construction at Kiliwani North (KN) completed and main lines being packed with gas.**

**Signing of Gas Sales Agreement very close. KN field anticipated to commence gas sales in late 2015 and to contribute revenue additions of \$3 million in 2016.**

**Production should increase to 500 BOED with revenue lifting to over \$4.5 million pa.**

**Bounty expecting to increase its exposure to operated low risk oil Australian appraisal and development projects in 2016. Moving to acquire controlling interest in development/appraisal targets:-**

**Bounty has now gained 82% control of the Kooroon Blocks in PL 2 Alton – Surat Basin, will drill Eluanbrook 2 an updip appraisal of the Eluanbrook 1 oil and gas well.**

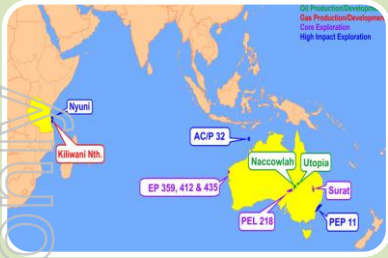
**Bounty reviewing possible increase to interests in Rough Range (proven oil and new prospects with ~500,000+ bbl potential).**

## **Major Growth Projects:-**

**Australia – Oil: AC/ P 32 Azalea: 500 MMBBL target Permit in good standing until 2017 with farmout efforts continuing as E&P projects under pressure.**

**Tanzania Gas: As production commences in Tanzania Bounty will participate in Significant 3D Seismic Surveys to image 1 – 2.3 TCF gas plays in the east Nyuni PSA.**

# What we are Going to Discuss



## Corporate

- Financials
- Projects



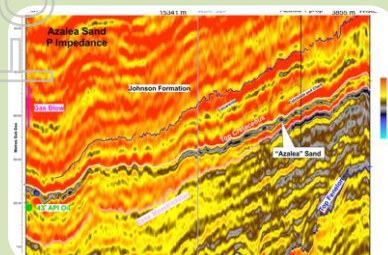
## Production, Development and Appraisal

- Production
- Development/Appraisal



## Rough Range

- Existing Pools
- Near Field Exploration



## Growth

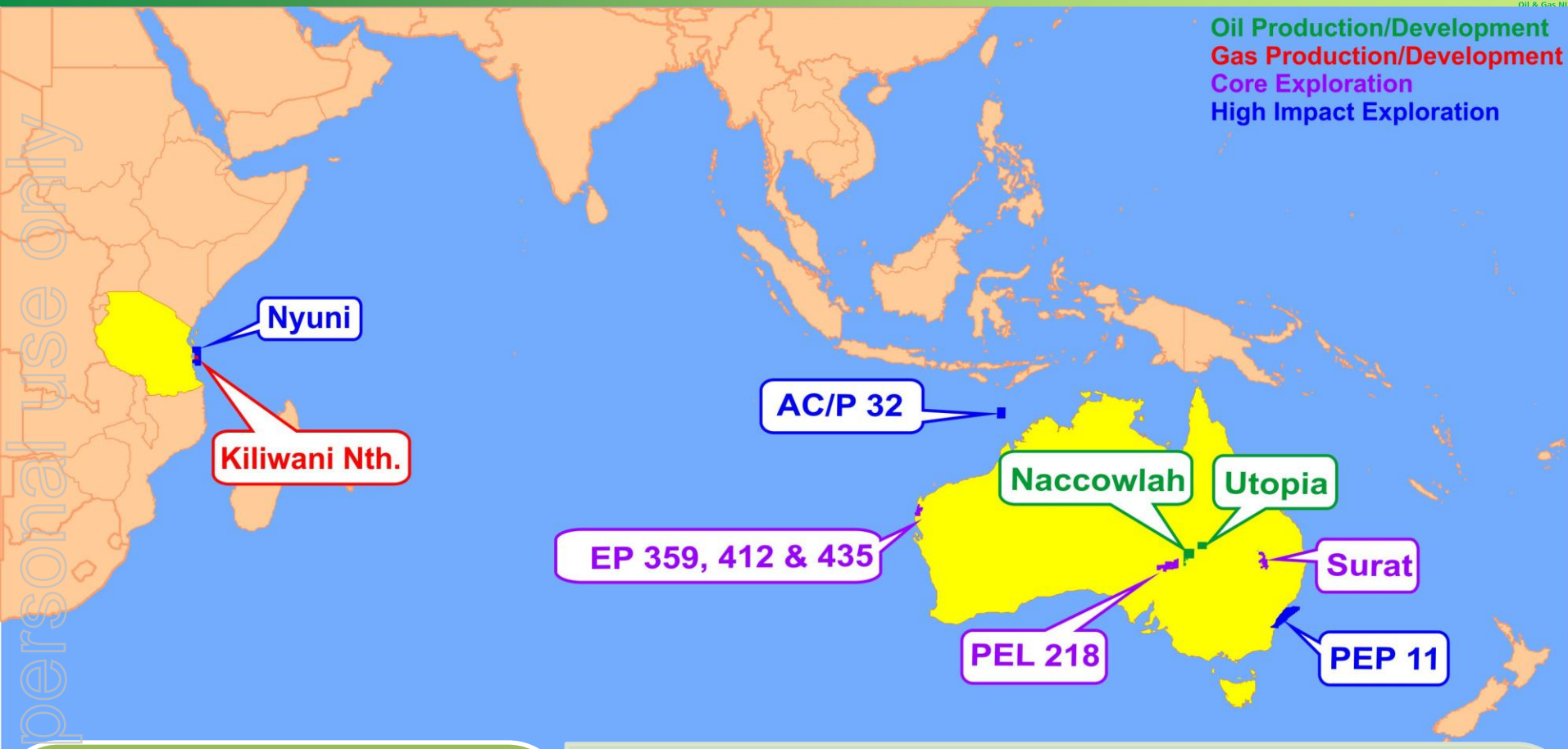
- AC/P 32
- Nyuni (Tanzania) Deepwater Exploration

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- Revenue for 2015 totalled \$1.83 million
- Current assets: \$2.25 million
- Balance sheet underpinned by conservatively valued reserves/resources
- Many projects in the pipeline

ASX Code	BUY
As at	26 November-15
52 Week Price Range	\$0.009 to \$0.017
Shares Quoted	953,400,982
Options all series	Nil
ASX Closing Price	\$0.010
Market Capitalisation	\$10.00 million
Net Assets as at 30 June 2015	\$22.72 million



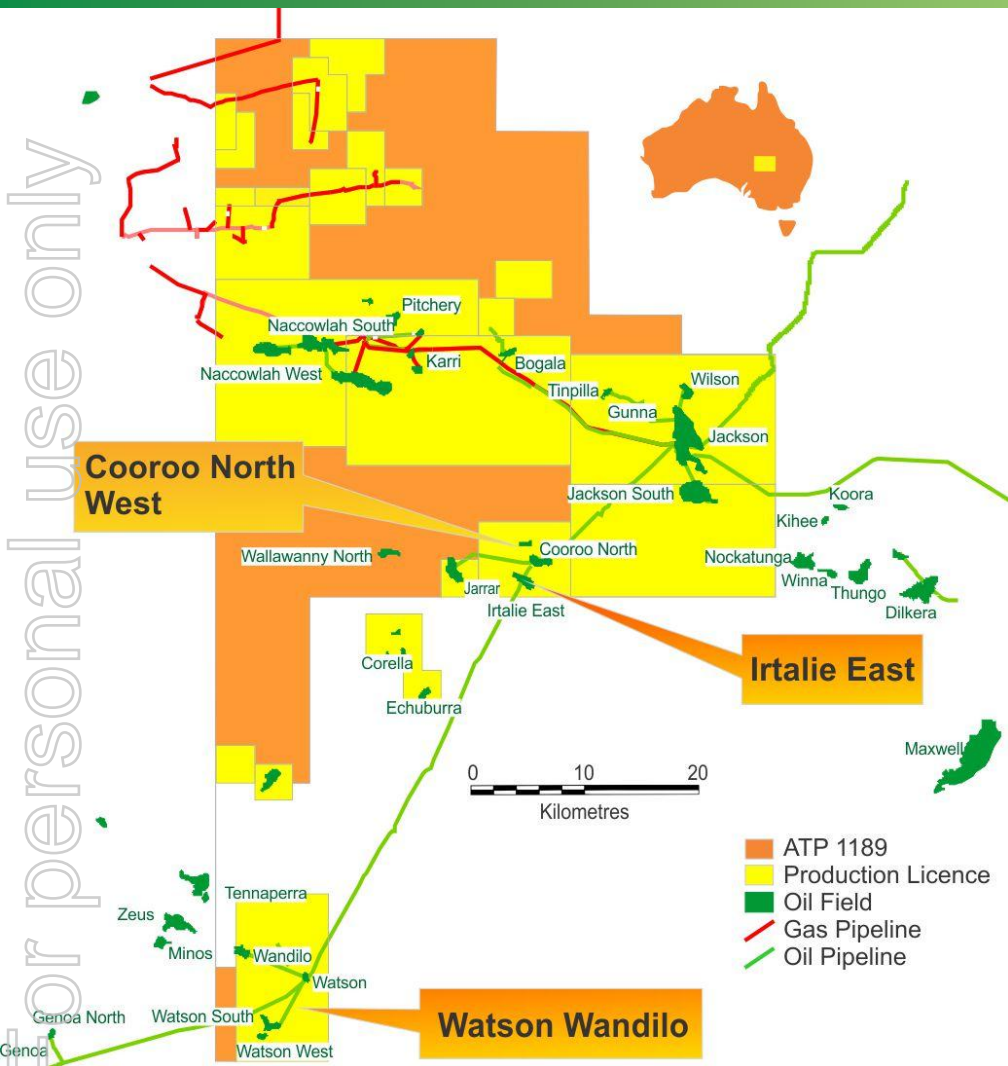


## Bounty's Threefold Strategy

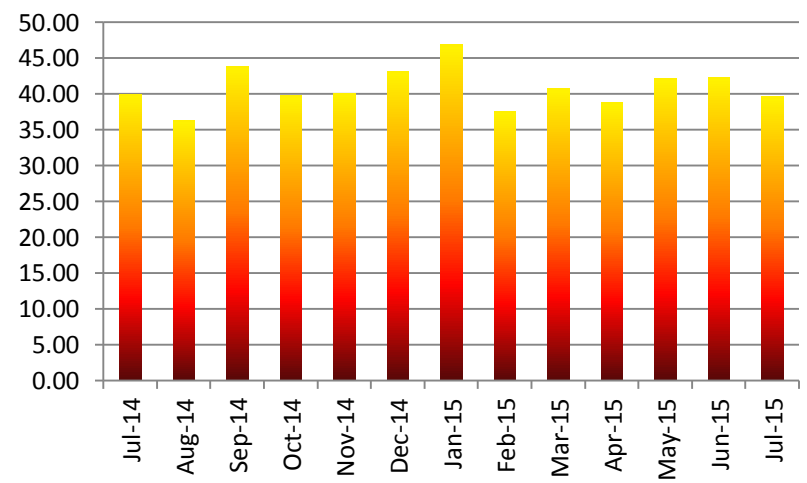
- Production: Oil and Gas sales now \$1.5 million pa and will lift to +\$4.5 million pa in 2016.
- Core Development/Appraisal and Exploration: PL2A (Surat Basin QLD) Eluanbrook appraisal Target, Rough Range (WA) newly identified upside to known pools, Cooper (QLD) near field and oil behind pipe opportunities
- High Impact Exploration: targeting company-maker projects in Australia and Africa

# Production – Naccowlah (BUY 2%)

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**Naccowlah Production BUY Share bopdc**



**Production – in well optimisation and cost effective maintenance have maintained production at ~40bopdc for all of 2014/15**

**Optimisation ongoing, declining oil prices have forced capital investment only in rapid pay back operations**

**BUY sees production remaining relatively steady in 2015/16**

- In recent years additional production has been from new fields - Irtalie East, Cooroo North West and Watson West
- Additional near field exploration targets available in Watson/Wandilo Area



**Kiliwani North  
Tanzania – BUY  
10%**

- Kiliwani North Tanzania gas production commencing shortly at a rate of ~25 million cu feet /day (455 barrels of oil equivalent per day) net to Bounty
- All facilities completed and gas sales agreement very close to finalisation



## Connecting Gas Pipeline to Project

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**Field ready to go, pipeline connected and tested.**

**Metering equipment in place for initial production.**

**The field contains ~44 bcf in place of which it is estimated 28 BCF (2.8 BCF net to BUY) is recoverable**

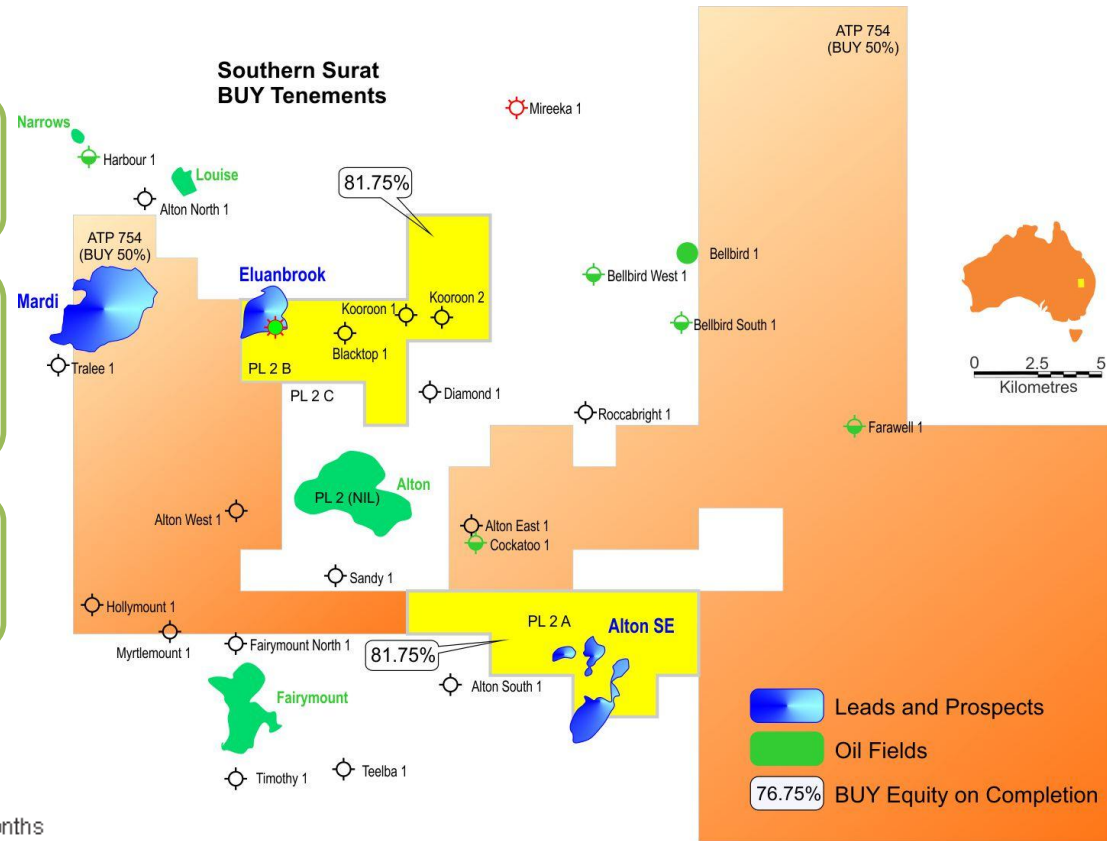
**Initial production slated at 25 MMcf/day. Government wants start up in December 2015.**

# Appraisal - PL 2B Eluanbrook

Bounty has exercised its right of first refusal to acquire Santos' interest in PL 2A and (but not the Alton Oilfield)

BUY has been seeking to gain a controlling interest in this area for 4 years in order to drill an appraisal well up dip from Eluanbrook 1 as operator

Other significant targets at Alton South East



GR

Well on production for three months  
Qi 15 bopd with 64% water cut. In the  
end 1.5 bopd with 85% water cut.

53° API oil and gas

- Carbonate Cemented

Poor reservoir  $\Phi < 11\%$  Kh ~5 mD or less

Both sands ~ 20% clay

Cored better reservoir average  $\Phi$  15% and Kh 28 mD

In Eluanbrook 1 (drilled 1985) the perforations straddled OWC.

BUY targeting the better reservoir up dip above OWC.

P50 (probabilistic) estimate of recoverable oil is 203,000 bbls with an upside of ~600,000 bbls. Well depth to target 2000 m.



**BUY currently  
10% - Considering  
additional equity**

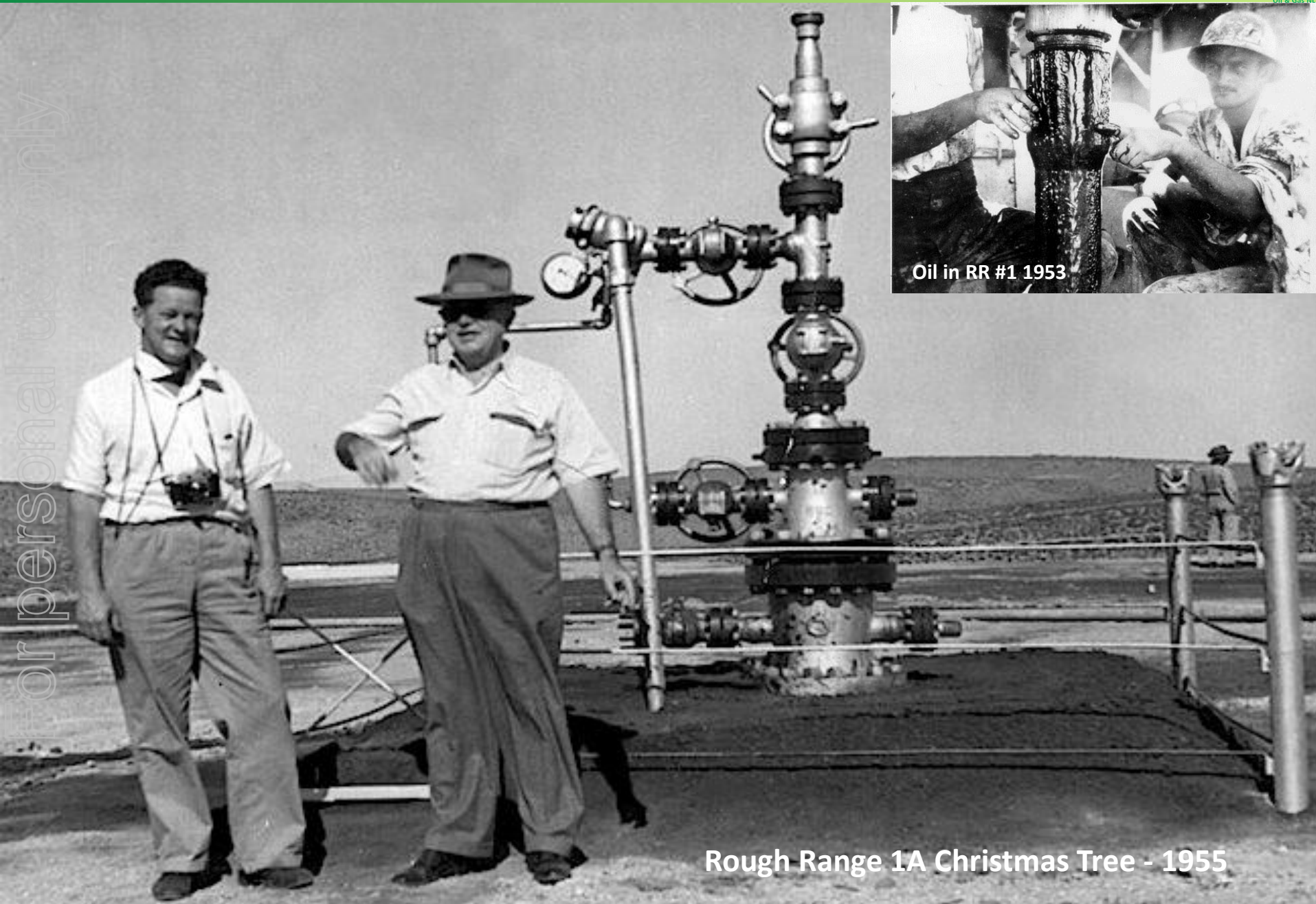
- Recent work by BUY has indicated the possibility of significant upside to a proven oil pool in PL L16 in which BUY already has a 10% Interest
- The same study has also identified an untested prospect in which BUY has a 10% interest with potential for a substantial oil pool
- Pools near Rough Range Field have remaining recoverable oil and production facilities.

**Rough Range from the East**



# Rough Range 1 and 1A Australia's first Oil Discovery

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Oil in RR #1 1953

Rough Range 1A Christmas Tree - 1955





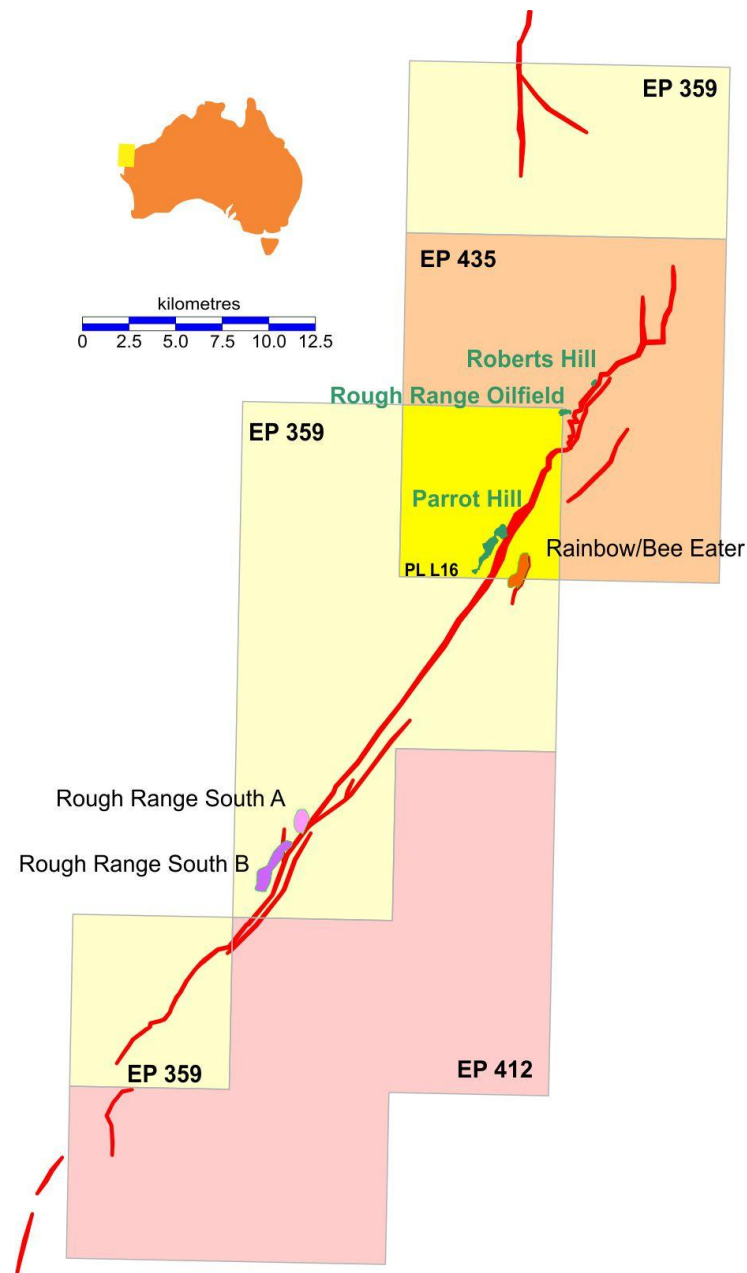
## Established Infrastructure

- On site is the bulk of the production facilities to produce some of the other pools in the project area.
- The Rough Range Field suspended production at the end of 2007 , having produced 78,753 bbls of 38° API waxy crude



# Rough Range Opportunities

- Roberts Hill 1 well is cased to the bottom, and the pool has recoverable oil in the region of 16-24,000 bbls
- Parrot Hill pool appears on re-examination to be much larger than previously thought, the uncertainty is due to poor seismic imaging over the crest of the structure
- The Rough Range Oilfield requires additional study
- Further south is the Rough Range South B structure which has very similar size and structural characteristics to the Parrot Hill oil pool and is undrilled
- Bounty is looking at alternative ways to resolve the seismic mapping challenges at Rough Range aimed at gathering low cost production
- Bounty considering acquisition of additional interests and operatorship in this area.



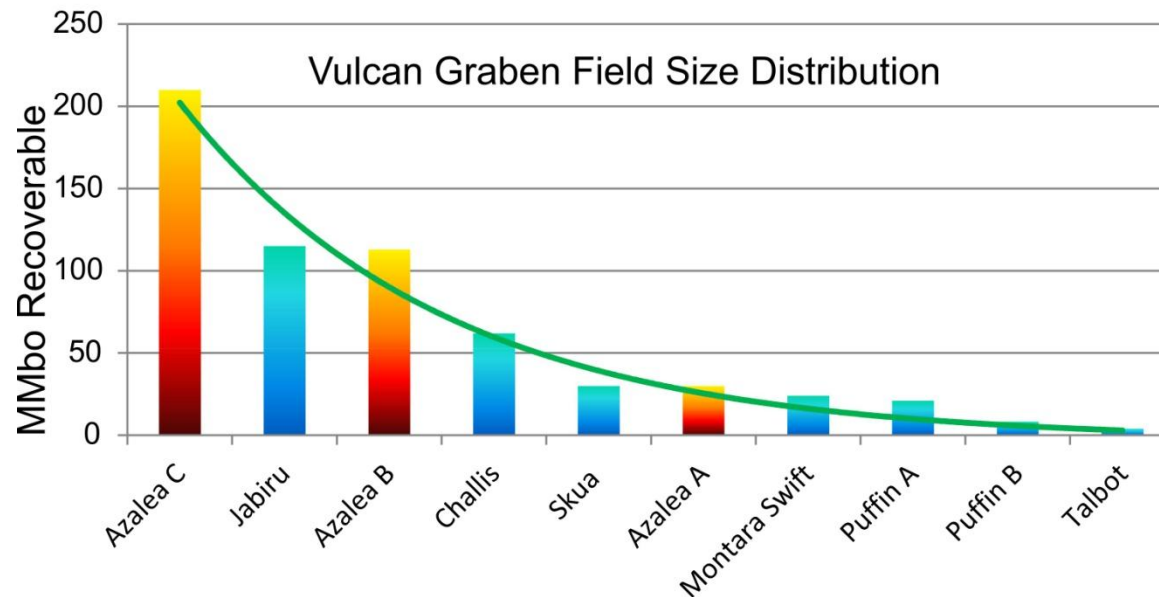
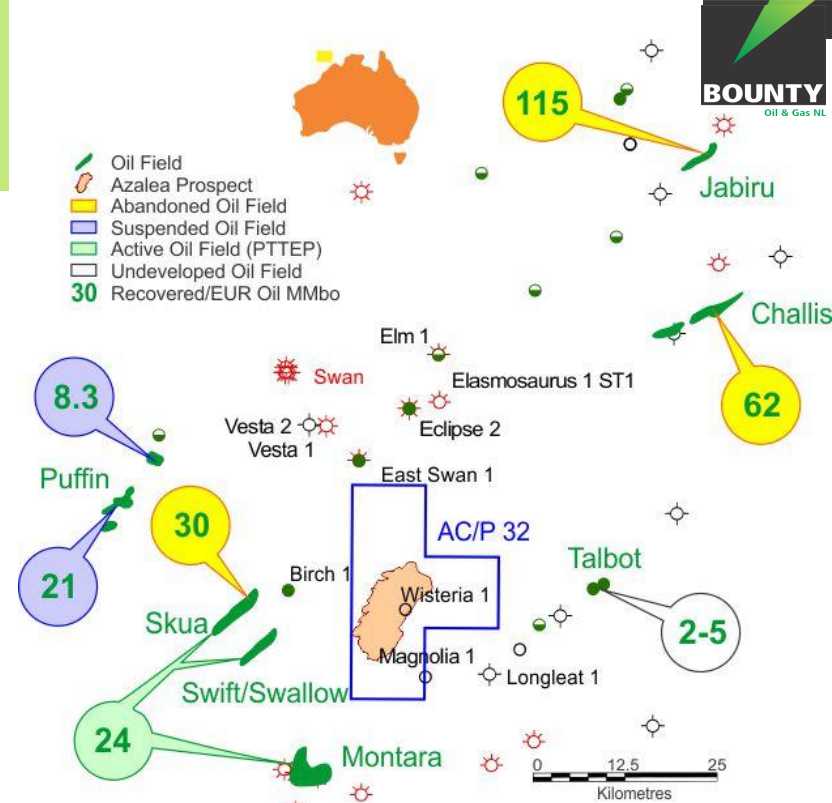
# AC/P 32 (BUY 100%) Azalea Prospect Overview - Timor Sea Regional Setting

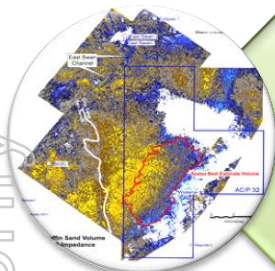
AC/P 32 is located in the Vulcan Graben, Ashmore and Cartier Territory

Surrounded by oil fields and numerous wells with good shows and Azalea volumes match province field size distribution

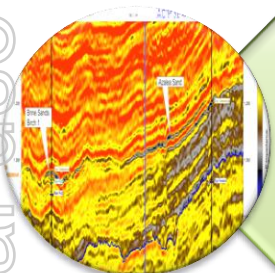
Puffin, Skua, Swallow and Swift all have oil in the Puffin Sand

Azalea lies up dip from proven oil in Birch 1

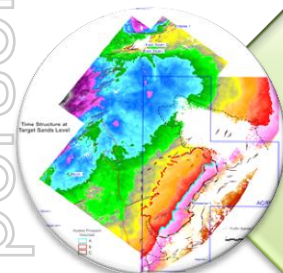




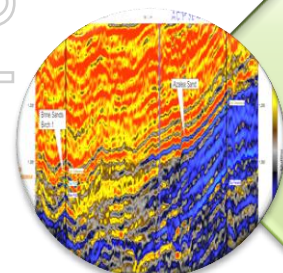
**Bounty has successfully delineated and de-risked the Azalea Prospect , ready for farmout**



**Azalea contains potential 500 million barrels of oil (MMbo) in place in the Puffin Sand reservoir up dip from proven oil in the well Birch 1**



**Bounty conservatively estimates that 100 MMbo are recoverable, making this one of the largest undrilled potential oil pools in the Timor Sea**



**Azalea Prospect is anticipated to be in excellent, high porosity and permeability sands of Puffin Formation and is located at 1800 metres depth in shallow water suitable for a jack up type rig**



**Successful 100 plus million bbl oil discovery and appraisal via a two well farmout strategy of say 49% will provide a major multiplier to Bounty's current share price**

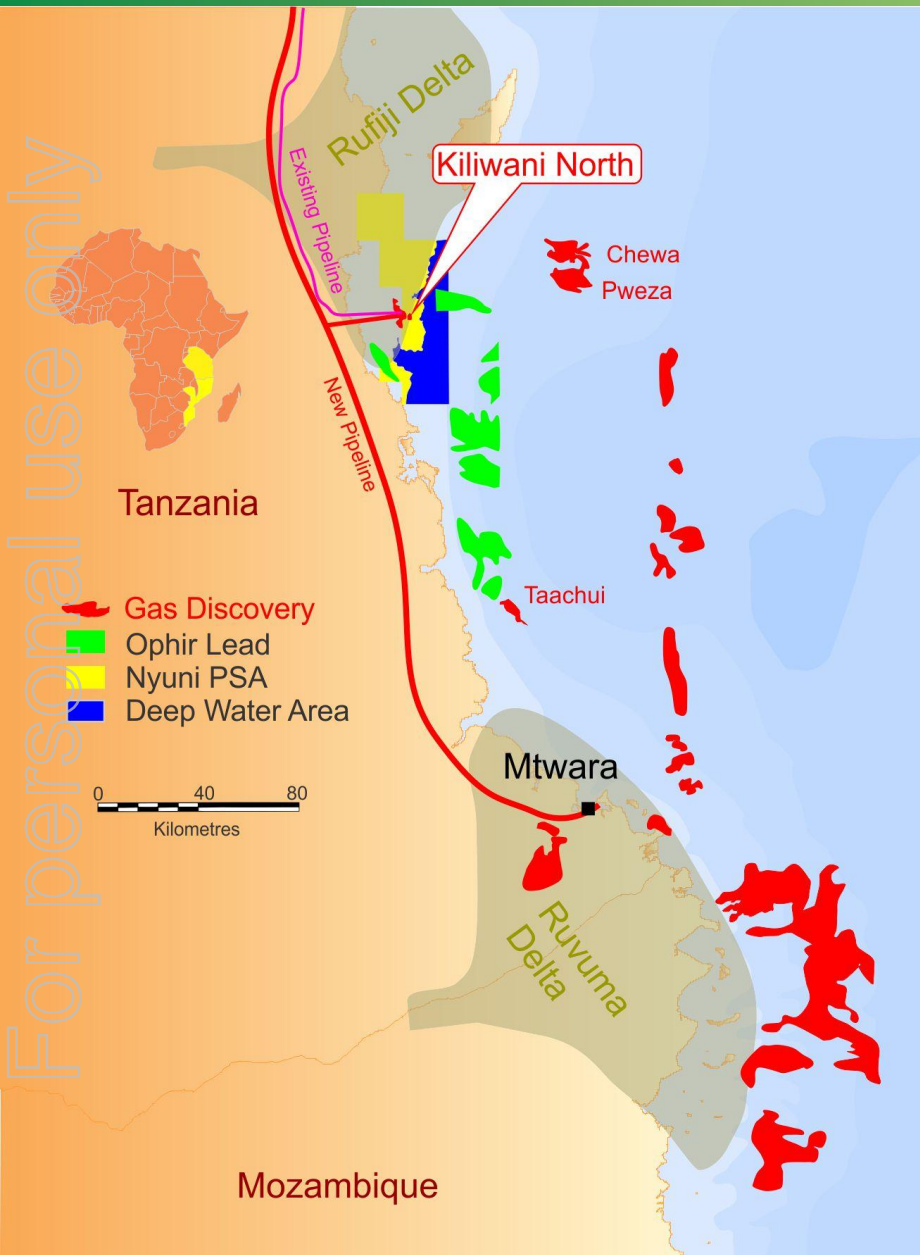


**Excellent development infrastructure in Timor Sea region**



**Standard FPSO development scenario and access to Singapore refineries**

# Tanzania - Regional Setting



Deep water offshore Tanzania and Mozambique has seen over 170 TCF of gas discoveries in deep water channel/fan systems related to the Rufiji and Ruvuma Deltas

Major players such as Exxon Mobil, Statoil, BG, Anadarko and ENI all have major discoveries

Drilling strike rate very high, only one or two dry holes, due to relative ease of identifying gas with modern 3D seismic

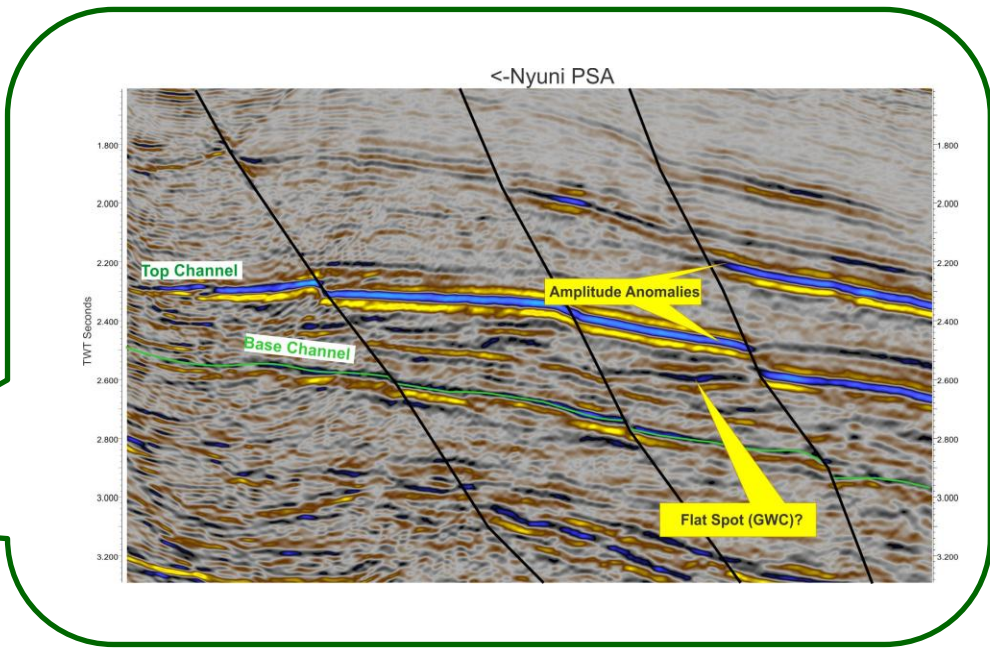
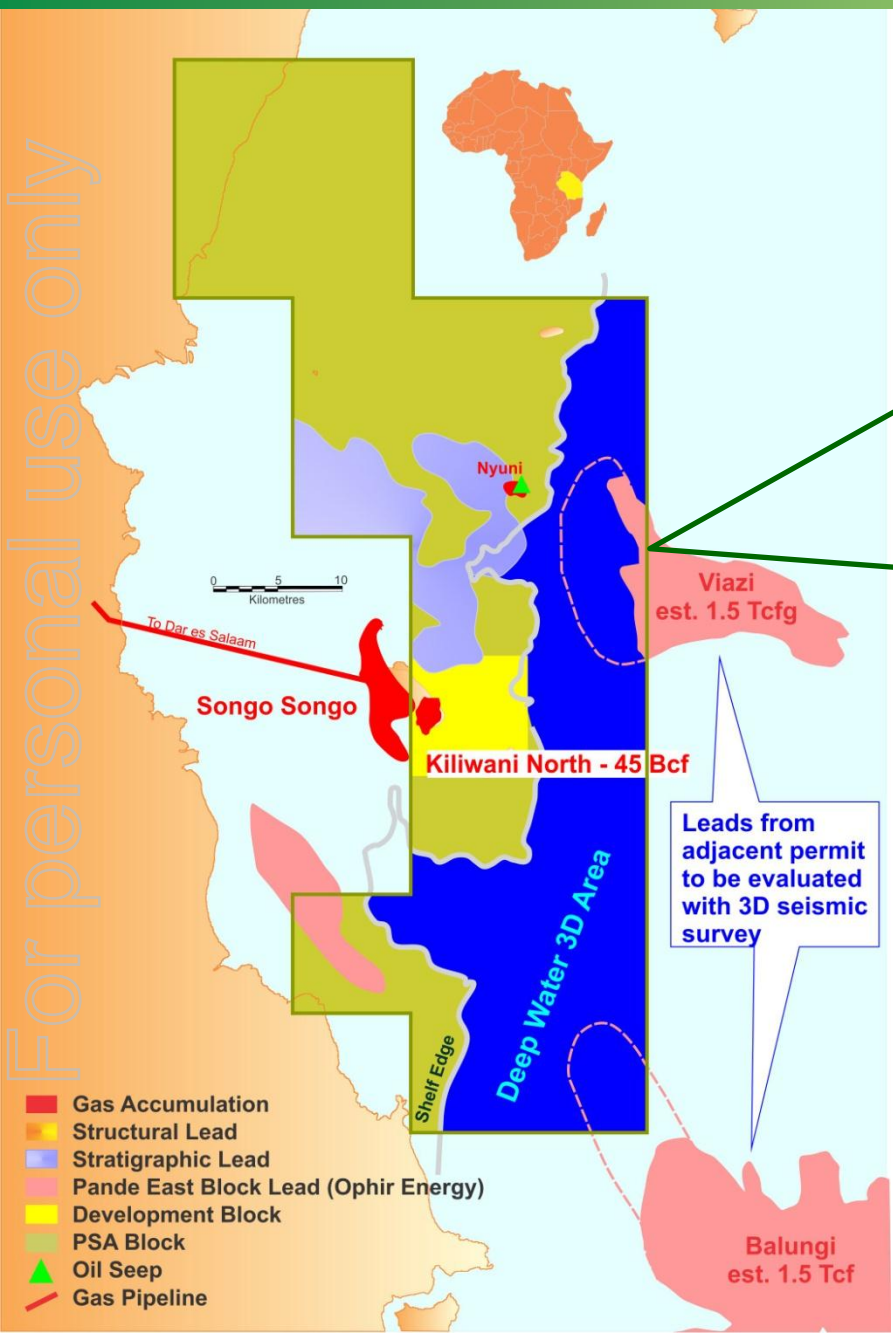
3D seismic in the Ophir/RAKGas permit which adjoins Bounty's Nyuni PSA has identified several leads (green on the adjacent picture) some of which continue into the Nyuni PSA.

Targeting of over 2 TCF gas



# Nyuni Deep Water Exploration (BUY 5%)

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Early Cretaceous channels are clearly visible on legacy seismic with anomalous amplitudes and possible flat spots directly up dip from the Chewa and Preza gas fields.

Anomalous amplitudes are also observed in the overlying Eocene age rocks

The 3D seismic will investigate this anomaly and others identified from the current sparse seismic coverage


Targets in the 1-2.3 TCF range are indicated. Only 20km from the new gas Infrastructure on Songo Songo Island



**Maintaining oil revenue but adding material revenues through new gas production in Tanzania and maintaining them by appraisal/development work in Surat Basin and potentially Rough Range**



**Pursuing 100 – 200 MMbo recoverable oil play at Azalea Prospect (AC/P 32)**



**Commencing deepwater gas exploration for 1-2 TCF targets adjacent to new gas infrastructure in Nyuni (Tanzania) with possible direct hydrocarbon indications (seismic gas anomalies) in legacy seismic**