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# Bounty Oil & Gas NL

Annual General  
Meeting  
Sydney November 26,  
2009



Presentation by: Philip F Kelso - CEO

# DISCLAIMER



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.

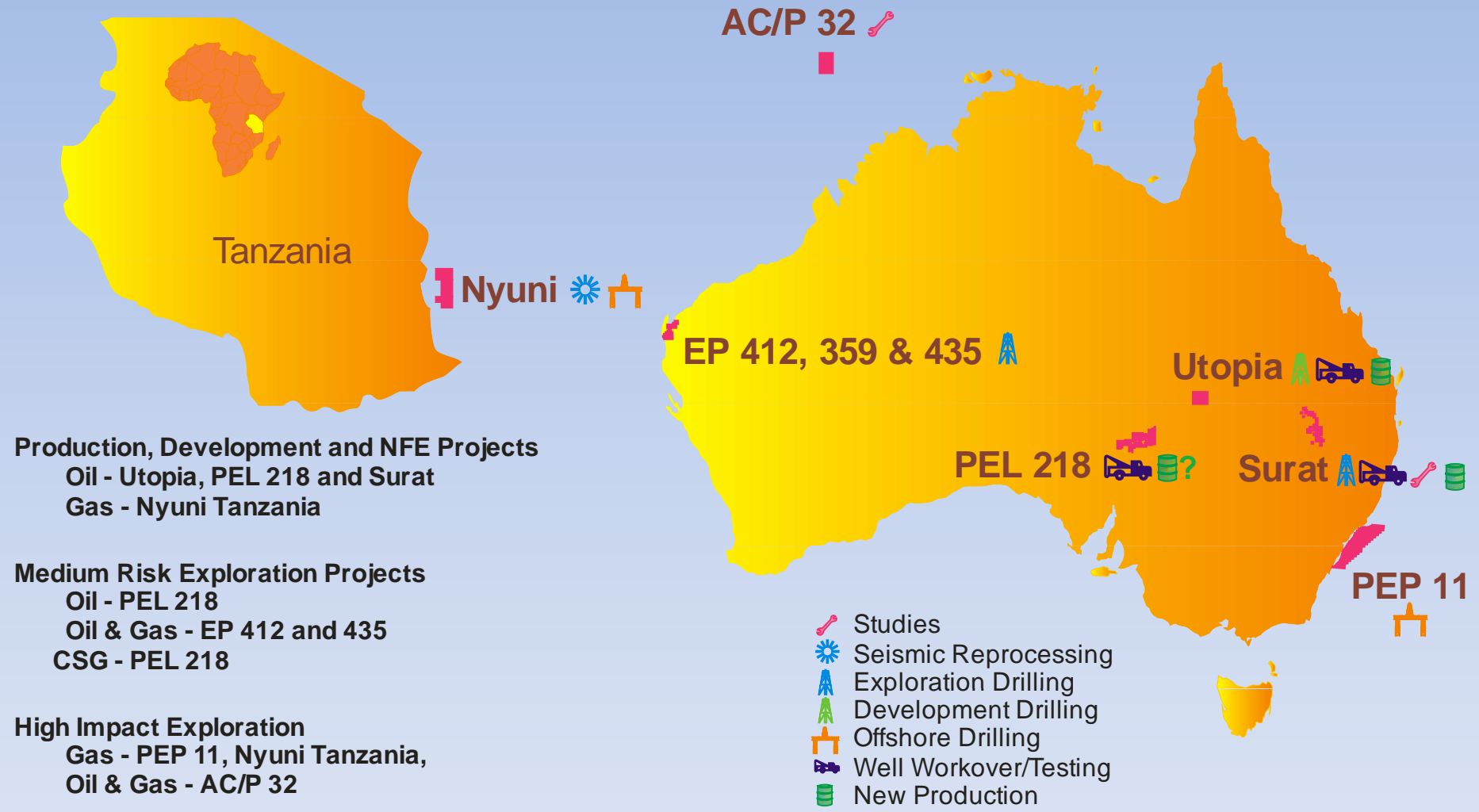
All references to dollars, cents or \$ in this document are Australian currency, unless otherwise stated

## Indicative Enterprise Value

- The Indicative Increase in Enterprise Value (EV) provided by Bounty is given to help shareholders evaluate the relative merits of the projects being undertaken
- In presenting the EV Bounty uses the average EV per barrel figure derived by Richmond Energy Partners Limited (UK) from monitoring equity valuations and recent sales of small to medium sized oil companies largely operating in countries outside North America (download latest report from <http://www.richmondep.com> )
- The June 2009 figure is US\$15/bbl of recoverable reserves, this has been converted to Australian Dollars at a rate A\$1 = US\$0.80; the recoverable oil which could potentially be derived from a successful venture has then been multiplied by the resulting A\$ EV/bbl to provide the Indicated EV stated in this presentation. The resulting figure has then been divided by the number of shares as at 21 November, 2009 (605,370,569)
- Bounty considers that this figure could possibly more closely reflect the value that a third party or the market might put on a successful result, rather than, for example, an estimated NPV based on numerous assumptions. However, it is only an indication and shareholders and potential investors must make their own independent technical and financial evaluations and not rely on any statements made in this presentation

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# Project Locations and 2010 Operations



## 2009 HIGHLIGHTS



- Bounty makes a record profit of \$ 3.44 million on consolidation of Ausam.
- Bounty increases net assets to \$ 14.26 million in 2009.
- Bounty's market capitalisation increased during the year by almost \$ 48 million to around \$60 million this month.
- Wakefield 1 well encounters 6 oil zones and coal seam gas as Bounty earns into the large PEL 218 in northeast South Australia.
- Bounty remains free carried in 8,200 sq. Km. PEP 11, offshore Sydney Basin where Bounty's farm in partner is preparing to drill a +\$20 million well with a semi-sub rig in 2010.

## TAKE HOME MESSAGE

Bounty shareholders will see growth in 2010 from:

- Anticipation of drilling in PEP 11 offshore Sydney Basin to test the 5 TCF plus gas prospects at Fish - Baleen area
- Utopia, SW Queensland oil development drilling anticipated to increase oil revenue to \$ 2.5 million pa in late 2010 moving to \$4 million
- Testing of Wakefield 1 well which found 6 oil zones and 8 zones of gas saturated coals in PEL 218 Cooper Basin
- Bounty's rights issue at \$ 0.08 provides entry point for exposure to potentially major action with PEP 11 and potential large coal seam gas play in PEL 218

# PEP 11 Sydney Basin - Update



- Negotiations for semi-sub rig at an advanced stage
- MEC fundraising
- MEC co-ordinating environmental and compliance
- Ongoing seismic re-processing



## CORPORATE PROFILE



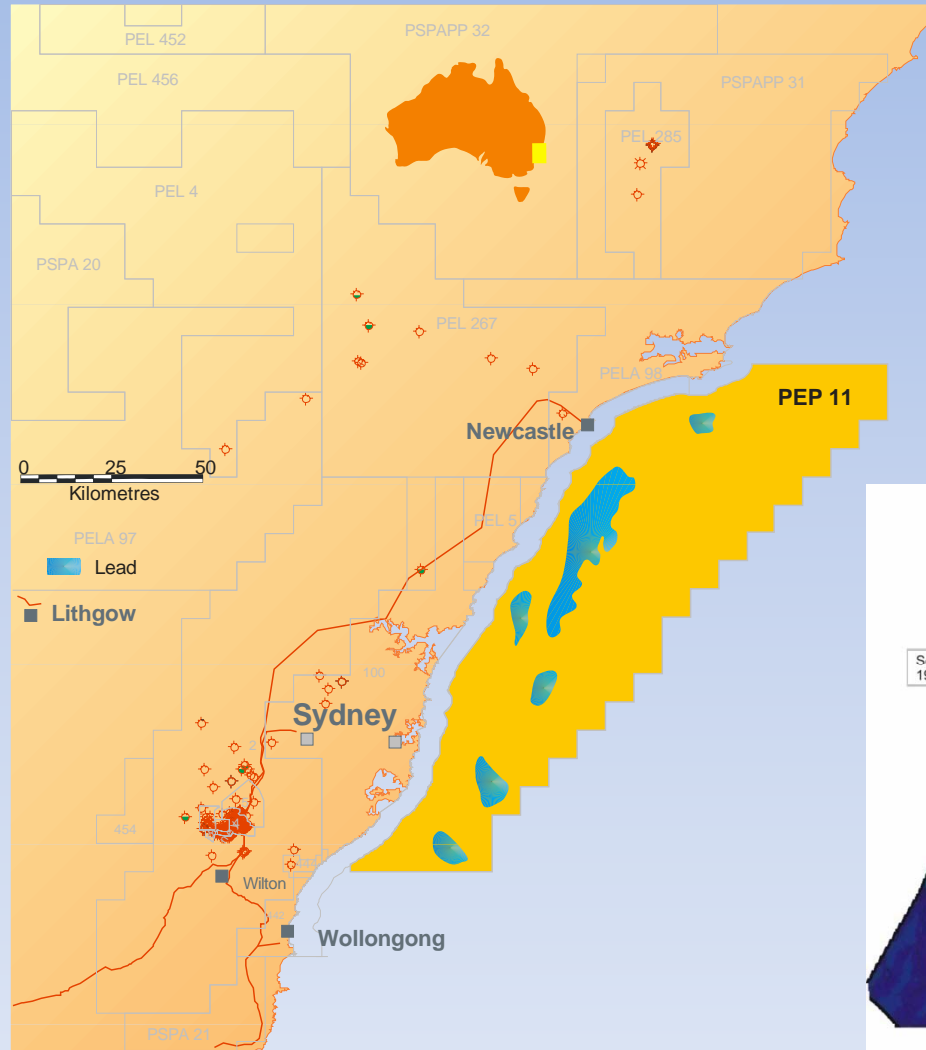
52 Week Price Range	\$0.015 to \$0.15
Shares Quoted	605,370,569
Options	nil
Fully Diluted	605,370,569
ASX Price*	\$0.09
Market Capitalisation	\$54.5 million
Rights Issue - 60.53 million shares @ \$0.08	\$ 4.84 million



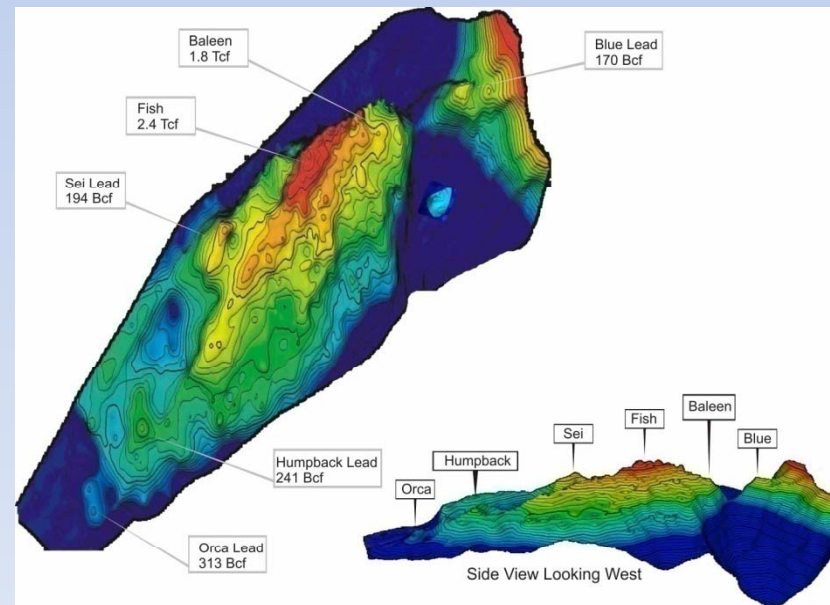
# Milestones 2009



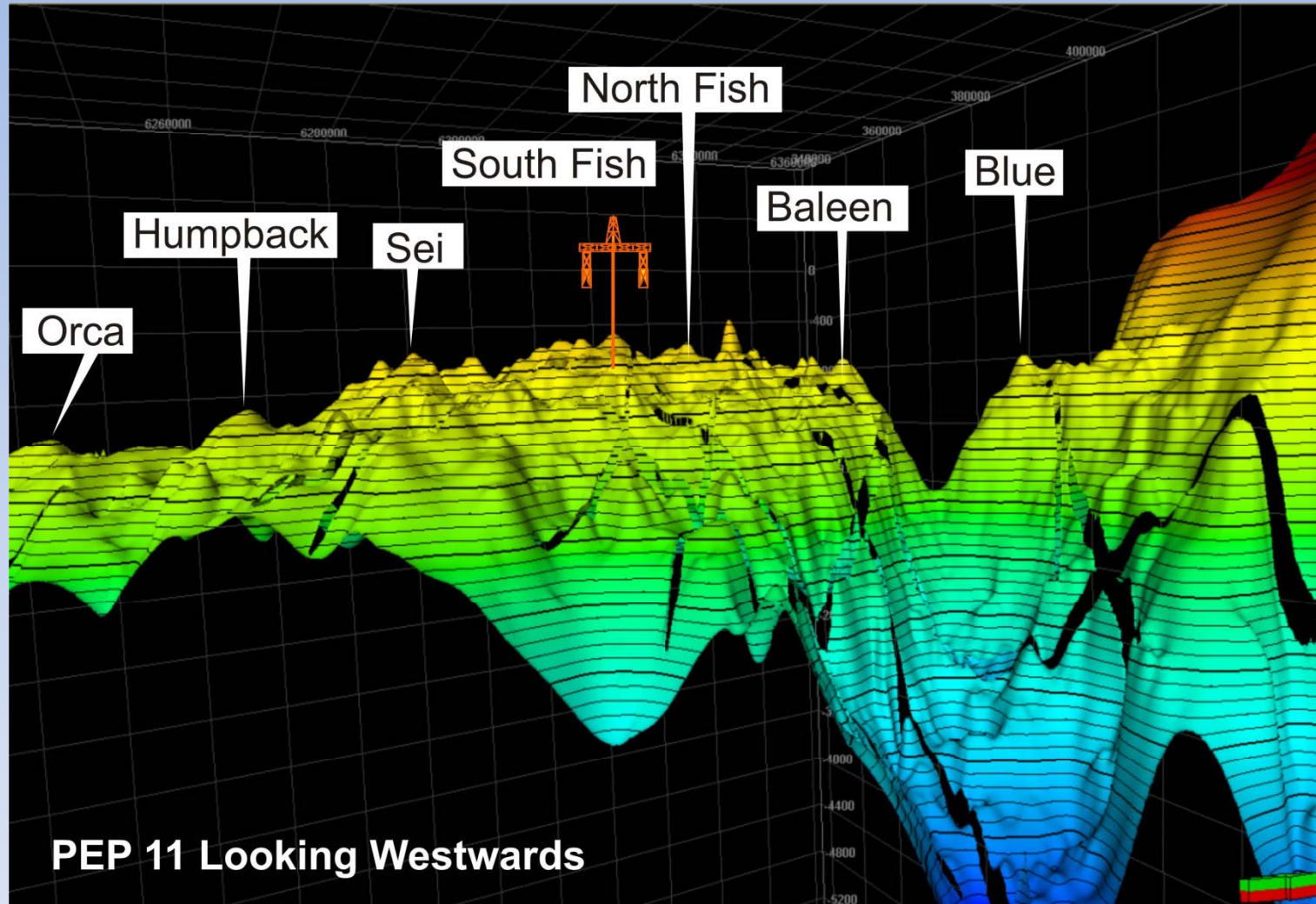
# PEP 11 - Sydney Basin NSW Company Maker



- Targeting up to 16 Tcf (P10) recoverable from several strong prospects
- Proven hydrocarbon system, with new prospects identified in the Cenozoic (Quaternary)
- Drilling success will add material value for BUY shareholders



# Fish - Baleen Drill Location



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## Core Assets: Oil to provide growth

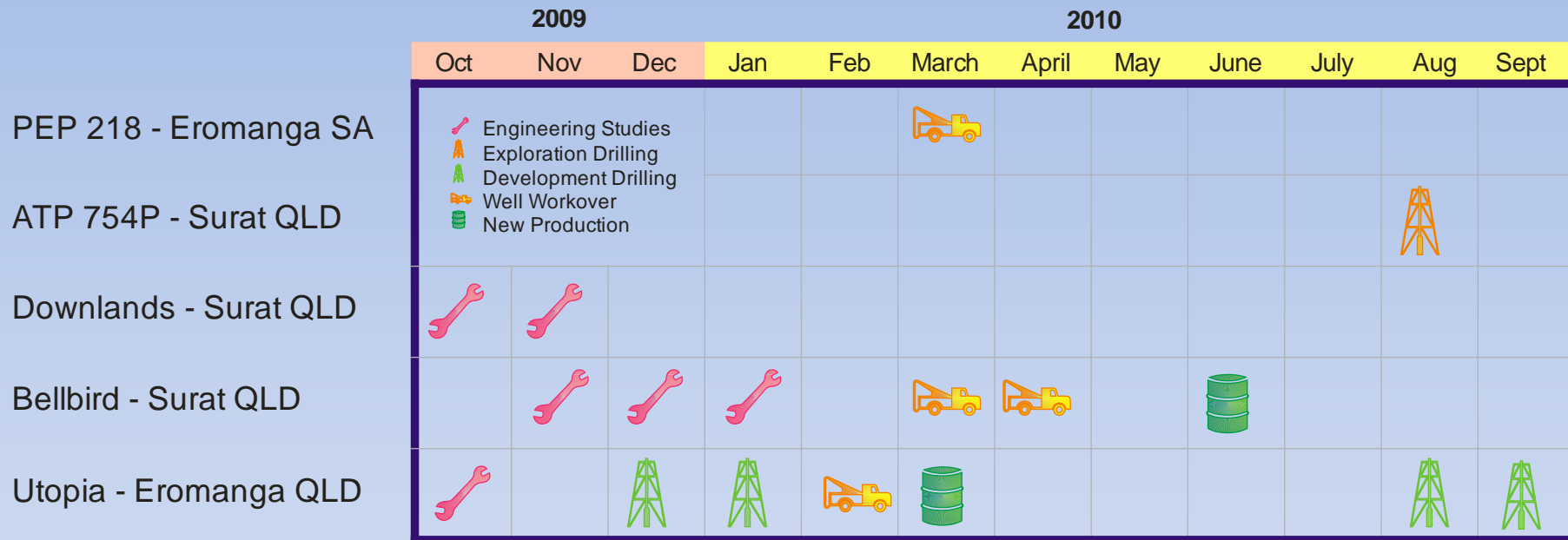
- **Core Asset Program** in the Cooper/Eromanga and Surat Basins has added new 2010 development and exploration drilling projects:
- 12 well development programme at Utopia to develop 1.7 MMbo reserves commencing late 2009 early 2010, producing 160 bopd net to BUY by end 2010. NPV at 10% discount of \$11 million
- Wakefield 1 in PEL 218 Eromanga Basin SA drilled in September and cased and suspended pending testing with probable oil in the Murta, Adori and Birkhead and possible oil in the Namur
- Acquired Surat Basin portfolio of proved undeveloped oil pools with potential recoverable contingent resources of 3.4 MMbo net to BUY
- Planned development programme on success will provide IEV of **\$0.09/share** and ongoing cash flow

## Core Projects Message



- Utopia development to lift Bounty onto a sustainable revenue path
- Wakefield 1 well hit 8.54 metres of probable log interpreted pay in 3 Formations, preliminary estimates of contingent resources discovered by the well are in the order of 4-5 MMbo (0.93 - 1.16 MMbo net to BUY). Testing programme in 2010
- Coal seam potential in PEL 218
- In 2010 BUY will be targeting to convert 0.5 MMbo of Contingent Resources and 2 MMbo of Prospective Resources in the Surat Basin into proved reserves

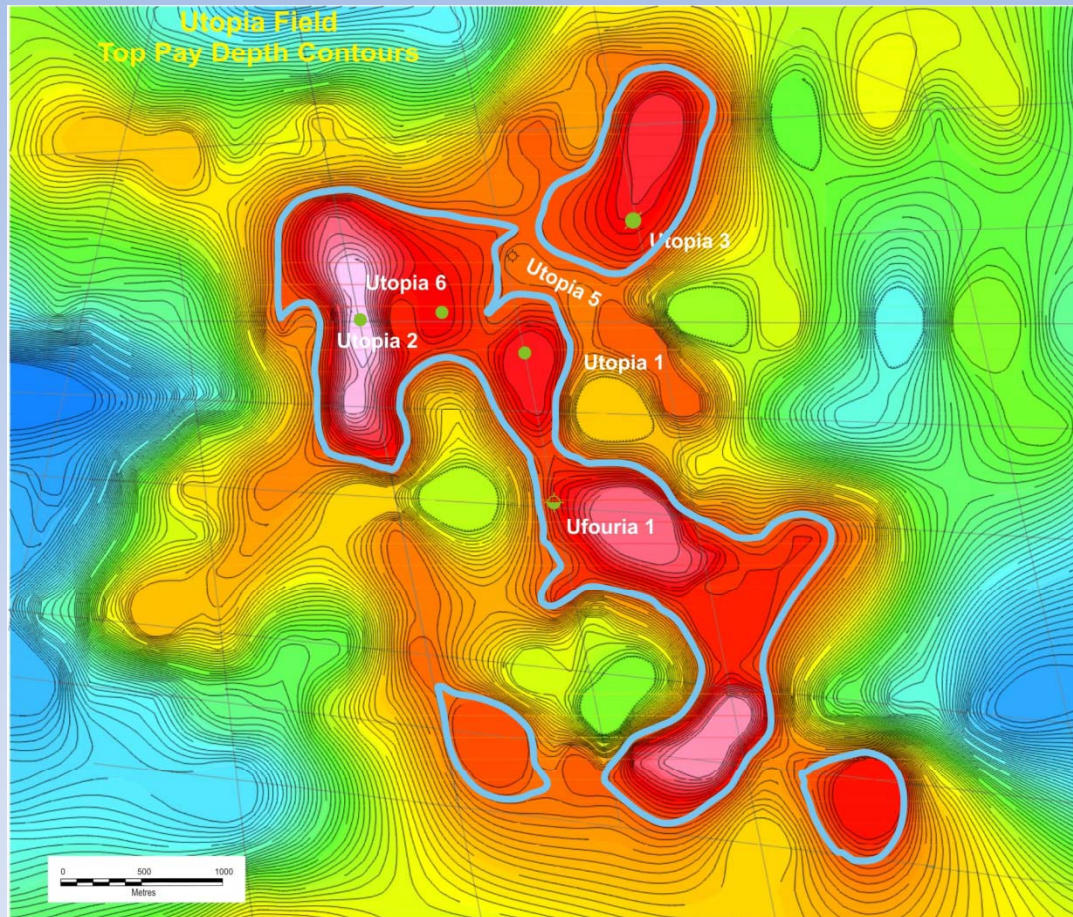
# Programme - Oil Development and NFE



Production milestones subject to successful development wells



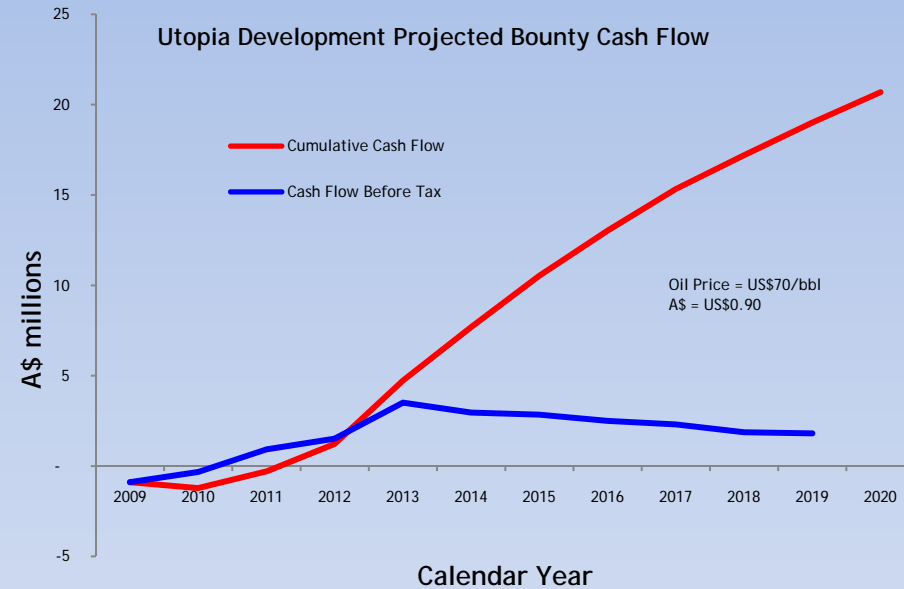
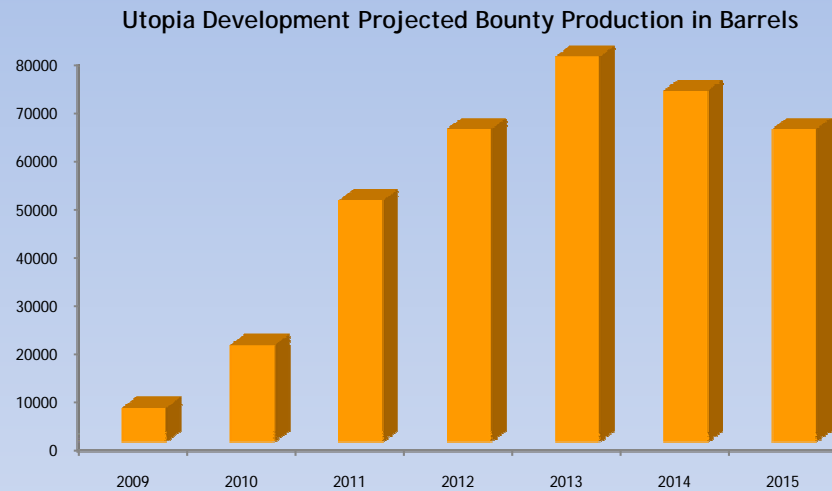
## Utopia Field - BUY 40%



- Utopia field is in a shallow anticline at the Murta level with limited relief
- Reserves are between 0.3 (Proved Producing) and 1.8 Mmbo (2P)
- Reservoir has low productivity but there are significant undeveloped reserves
- New management of JV partner is moving ahead with development programme
- 12 wells to be drilled in the next 3 years to fully develop 1.7 MMbo of reserves
- Bounty's production estimated to be 160 bopd by end 2010 and peak at 240 bopd in 2012
- Revenue to peak at \$ 4 million pa. in 2013



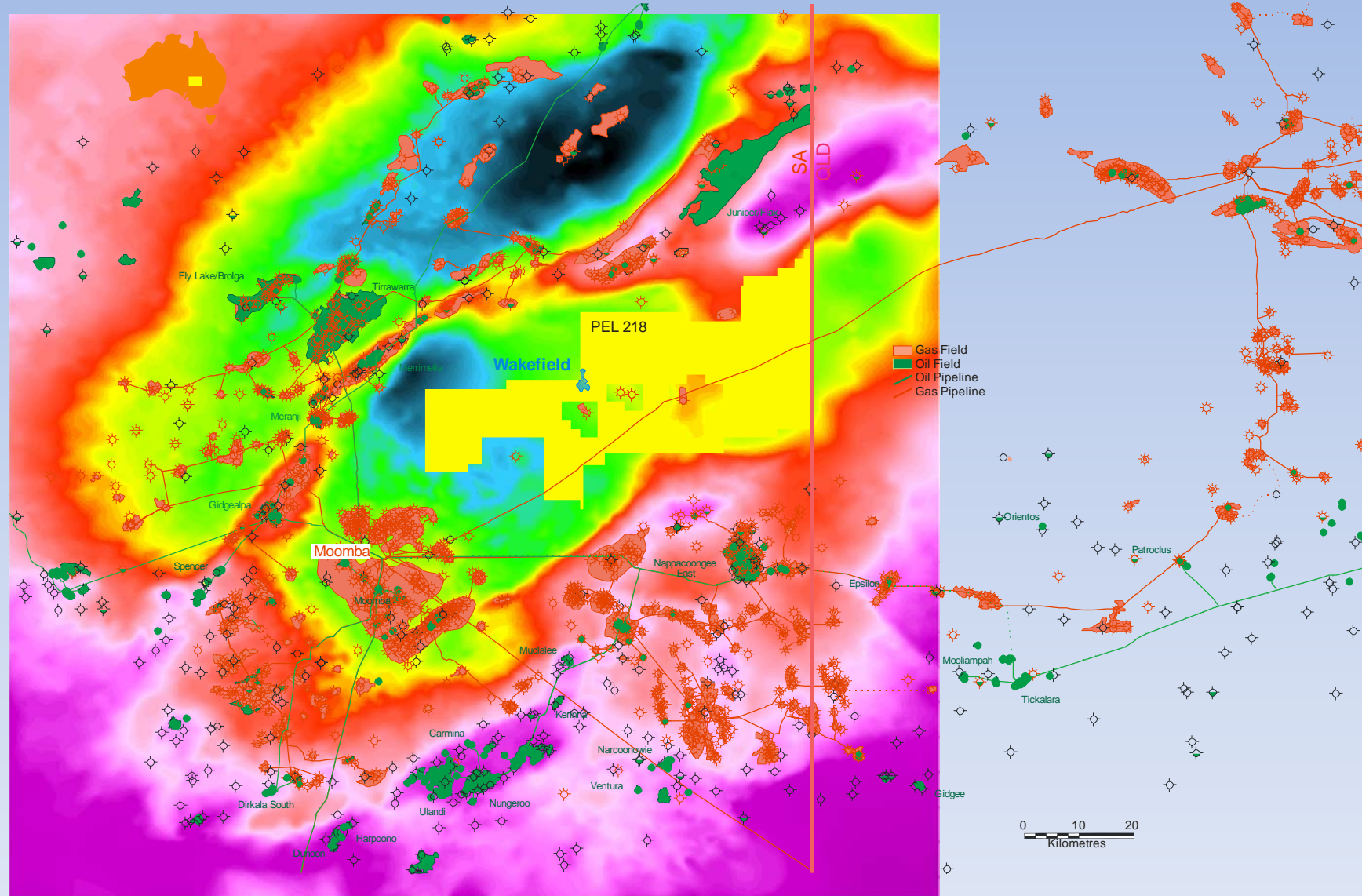
# Utopia Development Forward Projections



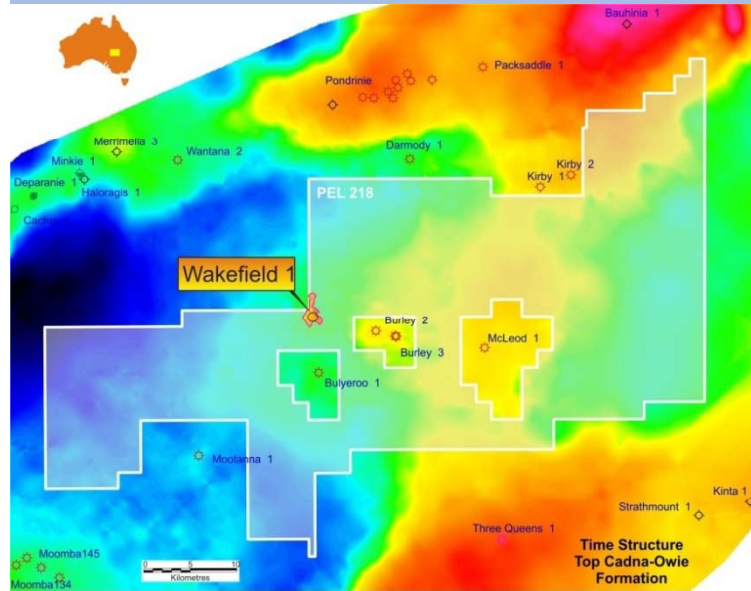
- Bounty's initial capital investment is A\$2.5 million, the remaining \$17.5 million will be funded out of cash flow
- 2 wells commencing late 2009, production optimisation and work over of Utopia 3 in parallel with completing and tying in the wells, followed by 3 wells in mid 2010
- Thence 3 wells in 2011 and 3 more in 2012

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# PEL 218 Location northeast of Moomba SA -Buy 23.28%

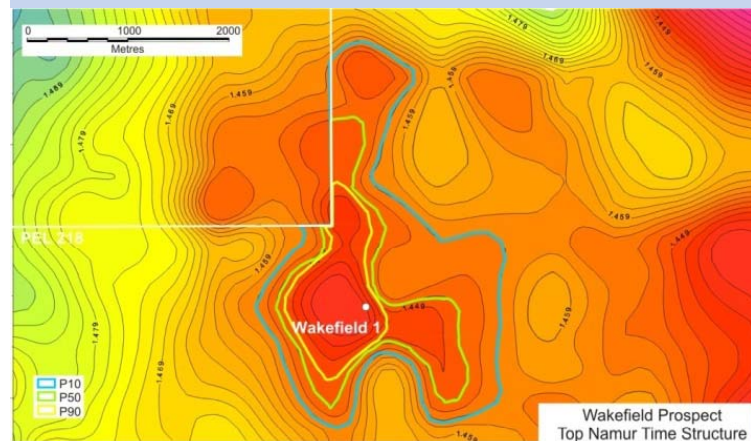


# PEL 218 - Wakefield 1 Results



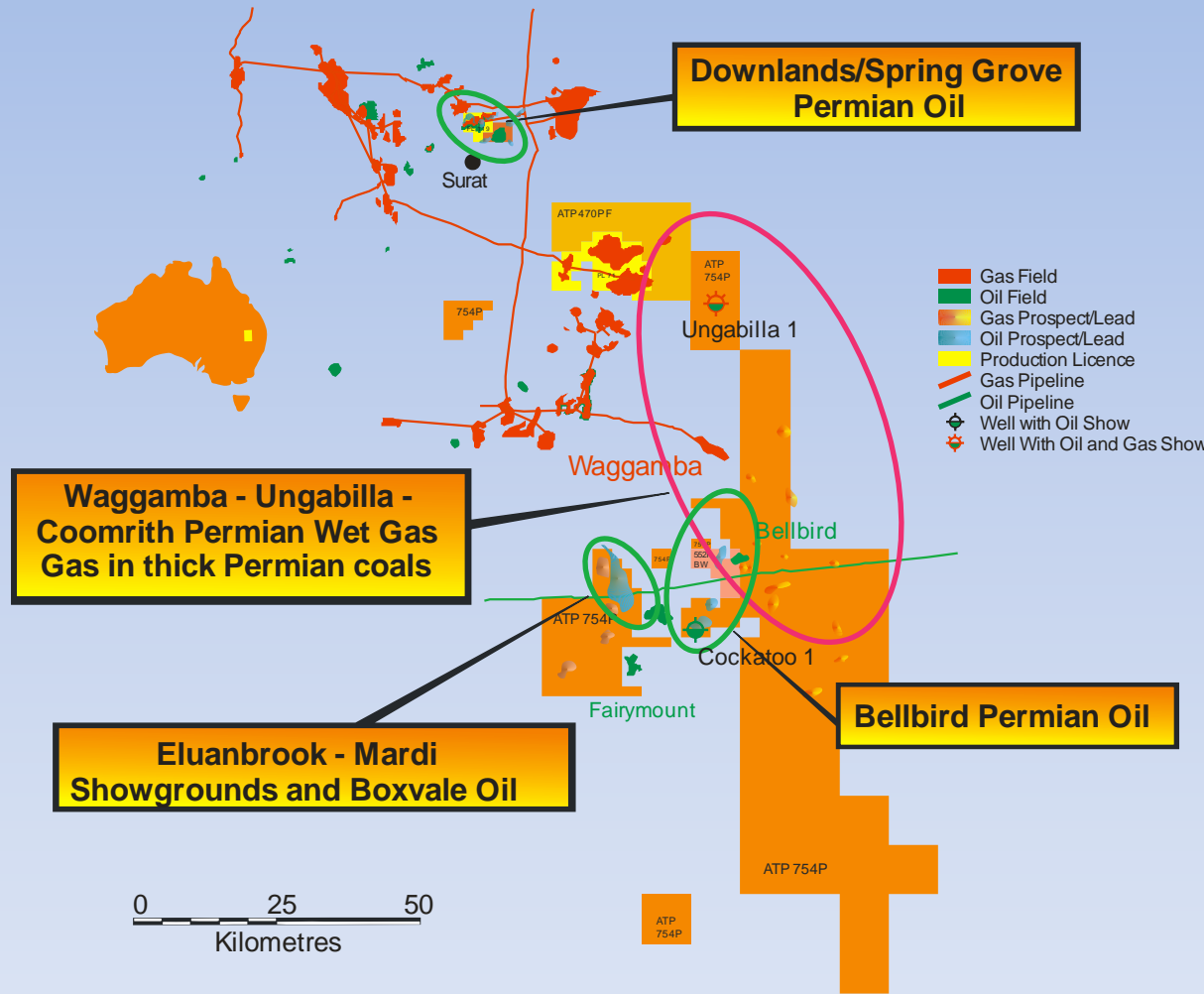
- Wakefield 1 was the first well to be drilled specifically for oil in the middle of the Nappamerri Trough
- The well encountered log derived oil pay at several horizons in the Mesozoic sequence as follows:

Formation	Possible Pay m	Probable Pay m
Murta	3.19	1.83
Adori Sandstone	3.81	1.98
Birkhead	5.03	4.73
Total	12.03	8.54



- Possible oil pay was also intersected in the Namur Sandstone
- Wakefield 1 also intersected 8.9 metres of gassy coal in the Winton Formation, confirming the continuation of the coals intersected in the offsetting wells 15 km. away, and the CSG potential of the whole permit
- Well was cased and suspended to enable testing of the oil bearing sands, with fracture stimulation if necessary
- Wakefield 1 has opened up a this large permit to both oil and CSG development

# Surat Basin Lands - Oil Focus



- Bounty has acquired a portfolio of assets in the oil prone South Western Surat Basin
- Additional projects are under negotiation
- Principal targets are oil, especially proven oil accumulations which may require engineering solutions to produce
- Upside is potential for wet gas accumulations in the Permian Tinowan Formation and non conventional gas reservoired in thick coals in the northern part of ATP 754P



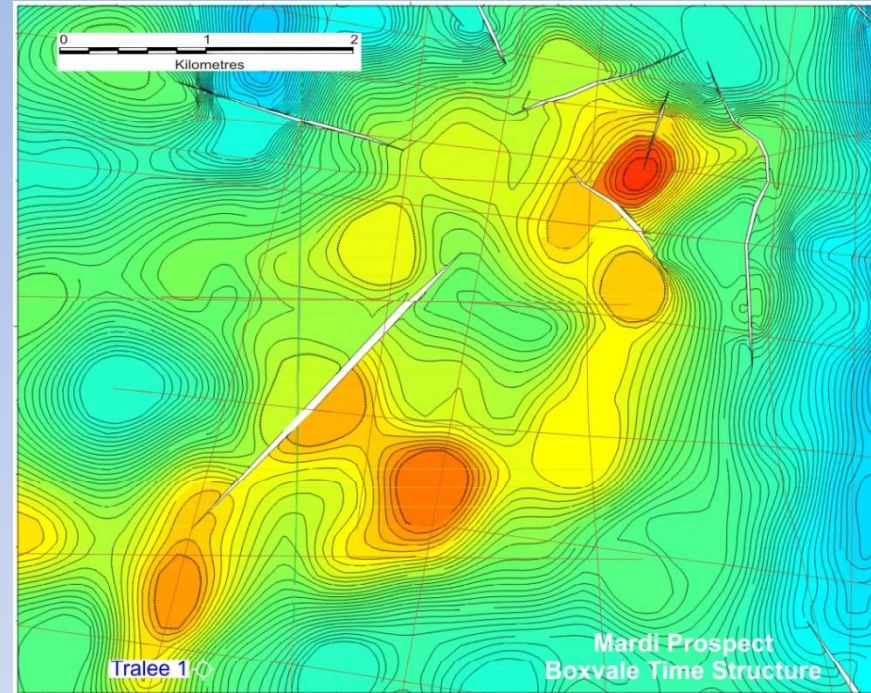
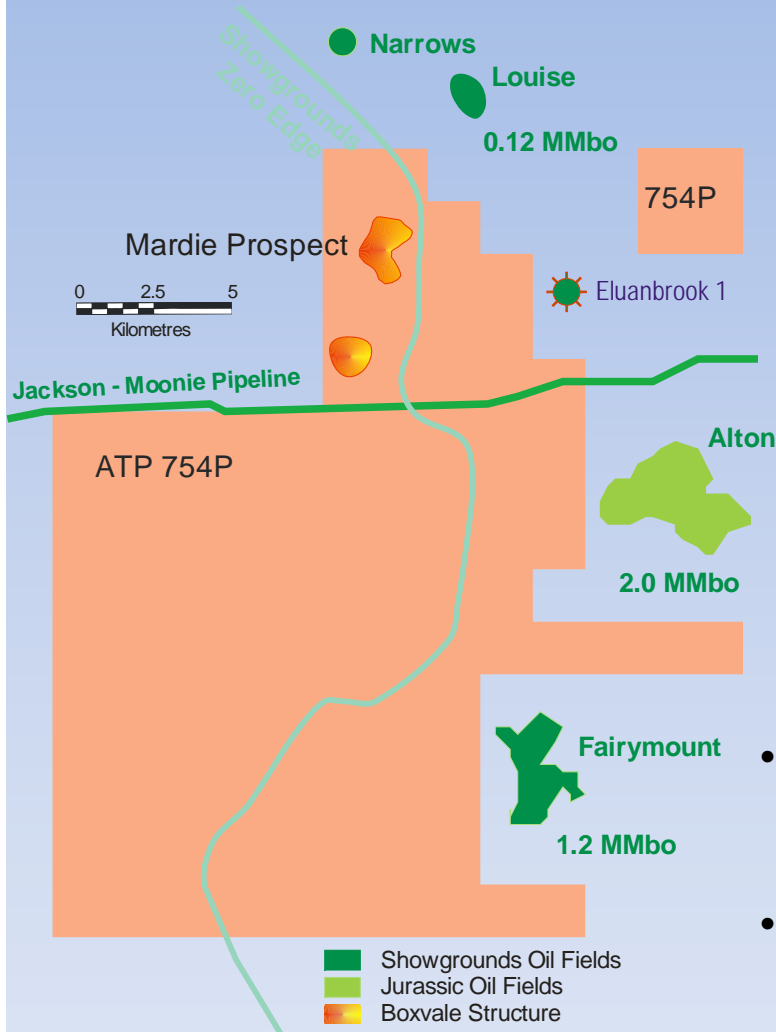
# Bellbird Oil Field – BUY 33.33%



- Bellbird 1 flowed 54 bopd on production
- Bellbird West 1 recovered 6 litres of oil at surface it was never tested
- Bellbird South had shows in poor reservoir
- Cockatoo 1 recovered 1 litre of oil in DST
- Bounty renewing permit, planning engineering and reservoir studies followed work over/fracture stimulation to see if reservoir will produce
- Potentially P50 1.5 MMbo recoverable reserves in Bellbird area
- If successful another 0.8 MMbo possibly recoverable from nearby leads

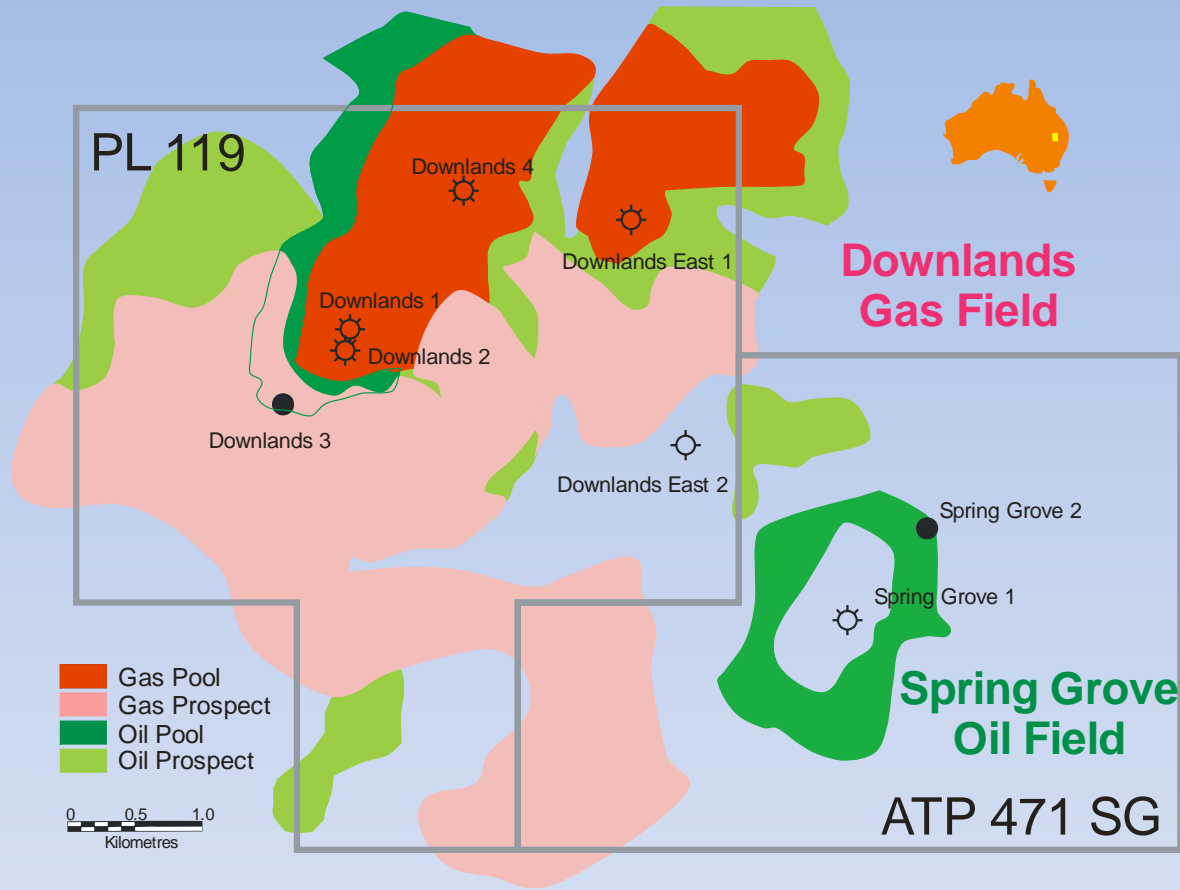
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# Mardi Prospect Surat QLD - BUY 50%



- Mardi Evergreen Formation Prospect is up dip of both the Permian Zero Edge and Showgrounds oil in Eluanbrook 1, Narrows field, Louise field and Boxvale oil in the Alton Field
- Targeting range of resources from 0.05 - 0.78 Mmbo, larger closure covers 7 km<sup>2</sup>
- Drilling subject to completion of interpretation of new seismic

# Downlands PL119 and ATP 471P SG – BUY 24.7485%



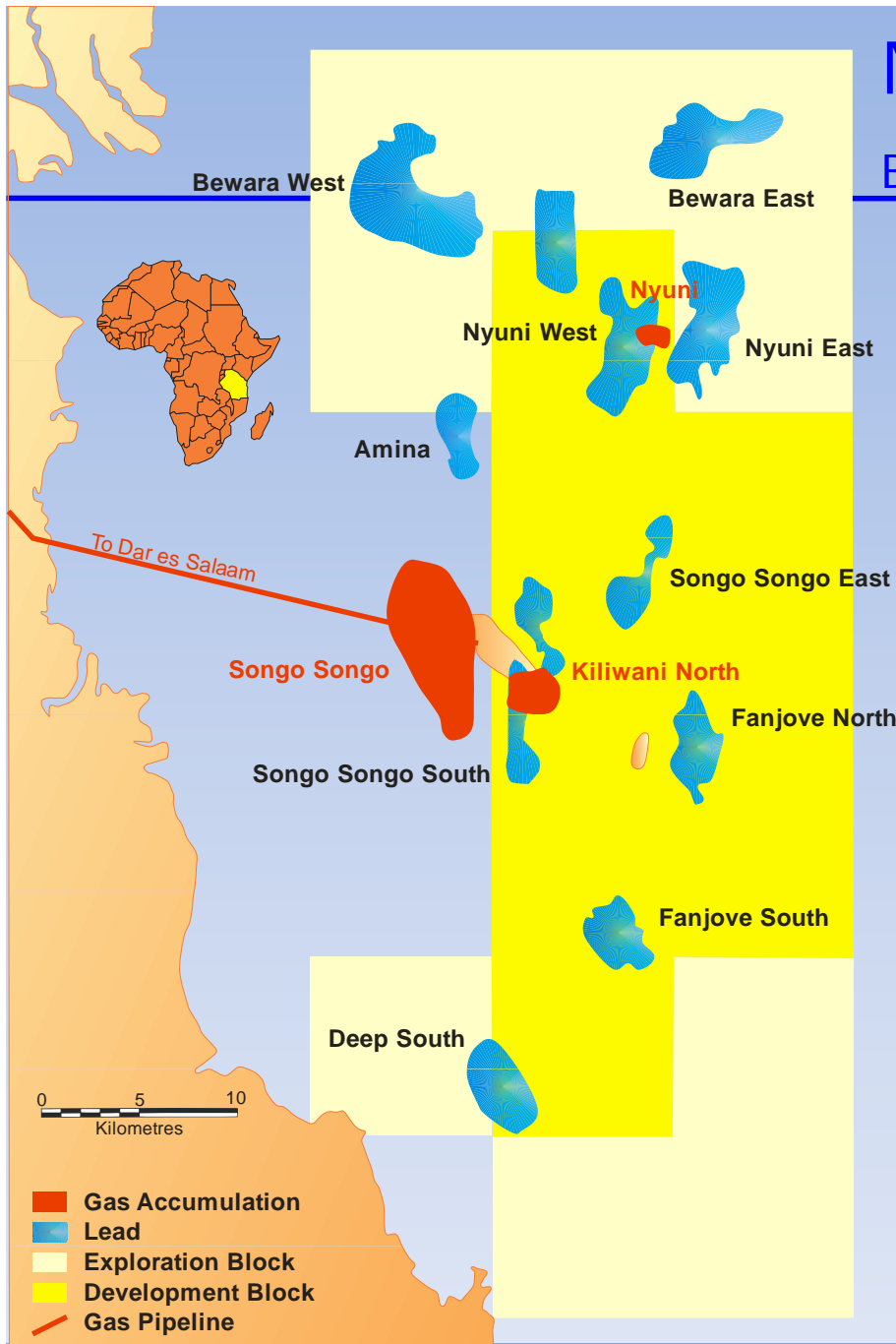
- Targeting undrilled gas sands and oil legs to the gas fields in Tinowan Sandstones
- Downlands additional potential recoverable reserves 12.5 Bcf gas and 1.8 MMbo, Spring Grove tight oil field 1 - 2MMbo
- Engineering studies underway further development will be subject to the studies



# Nyuni - Tanzania



BUY 5%



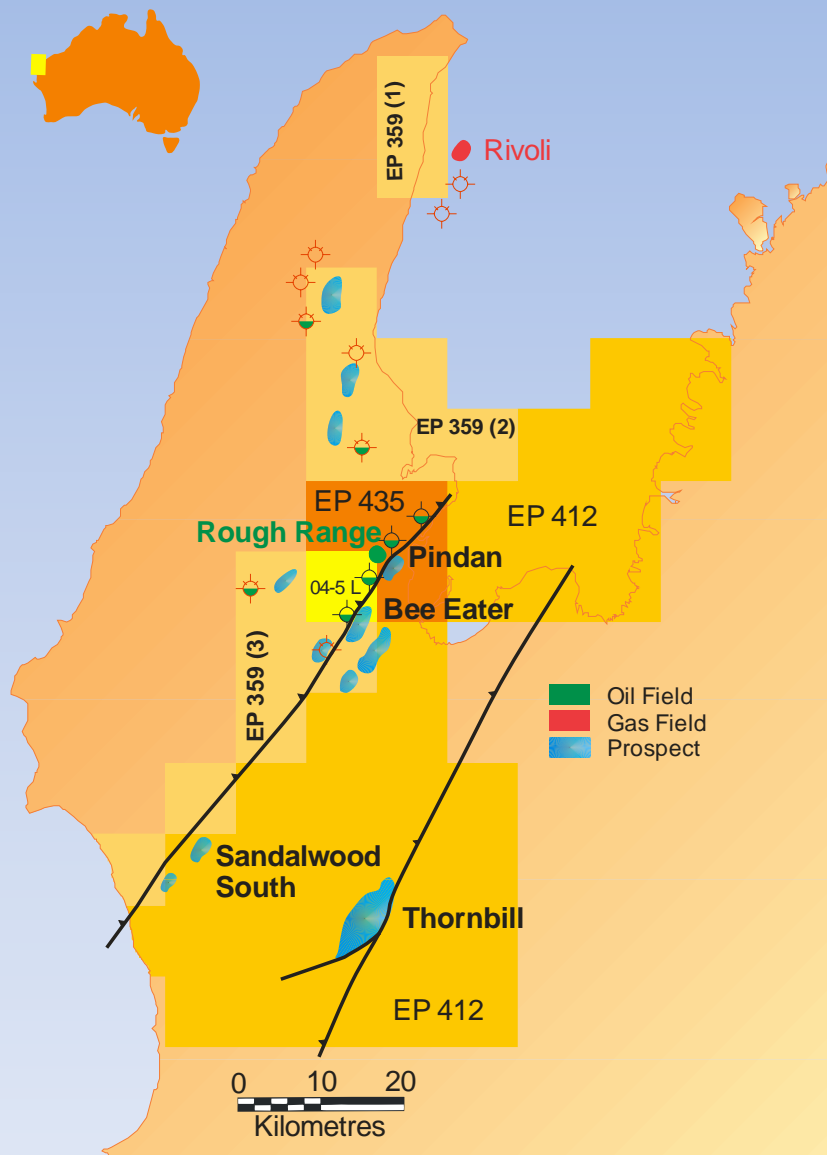
- JV has made two gas discoveries from 3 wells at Kiliwani North and Nyuni
- Kiliwani North 1 well drains 17 Bcf gas
- Only 3.5 km. from gas plant and pipeline to market, commercialisation negotiations underway
- New Seismic acquired to define northward extent of Kiliwani North pool
- Extensive seismic reprocessing planned to prove up gas leads and follow up oil potential confirmed by active seeps within the Permits and onshore up dip from the Permits
- Appraisal and/or exploration drilling planned for 2010 targeting several leads totalling in excess of 1 Tcf gas in potential

# Nyuni 2010 Planning



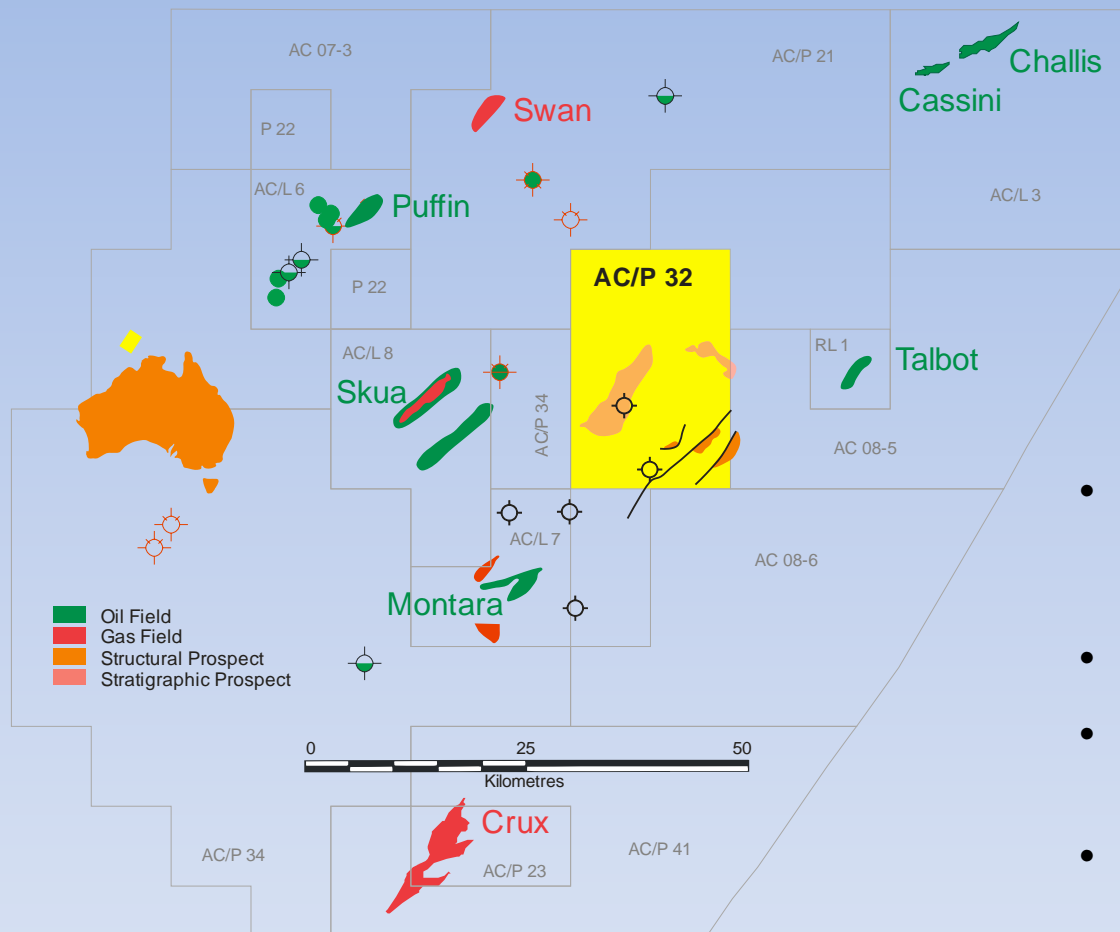
- Seismic re-processing
- New seismic surveys
- Planning for jack-up drilling late 2010
- Oil is focus of new drilling

# EP 412 (BUY 65%), EP 359 & 435 (10%) - Carnarvon Basin WA



- These permits surround the Rough Range oil field and are targeting oil that has migrated out from the prolific Carnarvon Basin and gas in the Permian Section underlying the Carnarvon Basin
- Bee Eater and Sandalwood prospects are at a shallow depth and could contain 5MMbo recoverable
- Bounty currently negotiating to re-assume operatorship and acquire 10% interest in EP 359 and advance exploration on these targets
- Bounty has a dominant land position in this the onshore part of Australia's most productive basin

# AC/P 32 - BUY 15%



- Some large stratigraphic targets with potential recoverable oil exceeding 100 Mmbo
- Permit surrounded by oil and gas fields
- Permit renewed for another three years
- Joint Venture is reprocessing and reworking the 3D seismic data sets to define the extent to the untested leads and targets

## BUY IN 2009/2010



- Growth Assets:
  - Drilling of Fish-Baleen in PEP 11 will see BUY participate in an offshore well in the Sydney Basin targeting world class gas potential associated with the Permian coals of the Sydney Basin which if successful will deliver major value gains for BUY shareholders in 2009/10
  - With commercial success from a drill test **then** BUY anticipates material increase in its Enterprise Value (IEV)
  - Size of the prize: Possible 900 million bbl of oil equivalent
  - Don't ignore PEP 11 oil potential
  - PEL 218 will be tested for oil and CSG in 1600 sq km permit
- Core Assets: 2009-2010 programs in the Cooper and Surat Basins with oil and coal seam focus will add reserves and continuing cash flow. Success would provide an IEV for BUY of **\$0.09 - \$0.40/share**