



BOUNTY OIL & GAS NL

(ABN 82 090 625 353)

INTERIM FINANCIAL REPORT

**Interim Financial Report for the half-year ended 31 December 2019
(Including Directors' Report and Financial Report)**

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DIRECTOR'S REPORT

For the Half Year Ended 31 December 2019

The directors of Bounty Oil & Gas NL ("Bounty" or "the company") submit the interim financial report of Bounty and its subsidiaries ("the Group") for the half year ended 31 December 2019. The attached Bounty Interim Financial Report forms part of this report. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follow:

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

Graham Charles Reveleigh	<i>(Non-Executive Chairman)</i>
Roy Payne	<i>(Non-Executive Director)</i>
Charles Ross	<i>(Non-Executive Director)</i>

Mr Charles Ross was re-elected as a director of the company at the Annual General Meeting on 28 November 2019.

Review of Operations

For Bounty's schedule of permits, interests and acreages (see Bounty's 2019 Annual Report and Bounty's website: www.bountyoil.com).

1. Highlights

Group Petroleum Sales

- Petroleum revenue (mainly crude oil) for the half year to 31 December 2019 was \$1.97 million on sales of 19,318 barrels of crude oil.
- Petroleum revenue for 12 month calendar year to 31 December 2019 was: \$4.18 million.

Oil development

- Bounty expects steady to declining production volumes and weaker sales in A\$ oil prices resulting in \$3.0 million sales for the full year ended 30 June 2020.
- One (1) successful Birkhead zone oil appraisal well was drilled during the period at Tennaperra 9; Naccowlah Block, South-west Queensland.
- Bounty will drill a further six (6) appraisal wells in 2020.
- Naccowlah drilling will increase production volumes and oil reserves.

Oil/Gas exploration

- Planning for 2020 commencement of Surat Basin oil and gas production at PL2 Alton and PL441 Downlands.
- After failure to achieve a farm-out in the 2016 to 2020 period offshore permit AC/P 32 Timor Sea was relinquished and the investment was fully impaired as a non cash item expensed at \$2.904 million.

2. Overview

The principal activity of the group during the 6 months to 31 December 2019 was oil production and oil and gas exploration and development. Bounty's secondary activity is investment in listed securities. No significant change in the nature of these activities occurred during the financial half year.

During the period the economic entity made a net loss after tax of \$2,856,000 (31 December 2018 half year loss: \$3,162,000).

The operating loss was determined after taking into account the following material items:

- Petroleum revenue of \$1,973,000
- Direct petroleum operating expenses of \$985,000
- All other general administration, expenses and employee benefits of \$546,000
- Group net profit before non cash items of \$425,000.
- Non cash amortisation, rehabilitation and depreciation expenses of \$376,000.
- A non-cash impairment expense of \$2,904,000 on relinquishment of Australian offshore permit AC/P 32.

Revenue from continuing operations for the period was \$1,973,000 (2018 December HY: 1,449,000).

In the half year to 31 December 2019 Bounty invested total capital expenditure of \$334,000.

Details of exploration and development operations and cash flows for the half year ended 31 December, 2019 have been reported by the company to the Australian Securities Exchange in the Quarterly Activity Reports and Appendix 5B for each of the quarters ended 30 September and 31 December 2019 and in additional announcements on particular items.

3. Production Operations - ATP 1189P Naccowlah Block and Associated PL's; SW Queensland.

Revenue from production operations for the period was \$ 1.97 million up 36% on the previous half year (HY: December 2018: \$ 1.45 million). Revenue was derived only from crude oil produced from Bounty's production joint venture interest in ATP 1189 Naccowlah Block. At the end of the period Bounty's oil production averaged 90 bopd.

Oil Production

Revenue for the period was accrued from production of 16,050 bbls of oil and sales of 19,318 bbls.

Gas Production

There was no gas production in the period.

Production Facilities

During the period Bounty participated in installing pipelines and other production infrastructure in Naccowlah Block to lift oil from prior period discoveries and to transport produced oil to the main transportation system.

Production optimisation is ongoing and contributes significantly to maintaining production. The pace of further development drilling is reviewed in the light of oil price movements.

4. Oil Development Drilling Operations

In the period from July 2019 to the end of the reporting period Bounty participated in drilling one (1)

oil appraisal well Tennaperra 9 in the Naccowlah Block. The well was a successful Birkhead zone discovery and was cased for production.

Wells from the financial year ended 30 June 2019 were progressively placed on production during the period.

Any drilling or production optimisation / well workover expenses have been classified under production operations. During the period, Bounty also expended \$63,000 (2018 December HY: \$101,000) on other development operations.

Subject to oil price movements and recommendations from the Block operator; Santos Limited in 2020 Bounty will participate in 6 development and appraisal wells at Jarrar and Cooroo NW Fields and installing new production infrastructure.

During the period Bounty held 100% of the Alton Block JV (including the Alton Oilfield) Surat Basin, SE Queensland and an 81.75% interest in the surrounding PL2 Alton Kooroon JV Blocks A and B. It held other development and exploration permits in the Surat Basin and is undertaking reservoir studies as a prelude to preparing to commence oil production from PL 2 Alton in the next period – 2020.

5. Exploration and Evaluation Operations

During the period, Bounty expended \$36,000 on exploration and evaluation in connection with its other wholly owned and joint venture interests located in Queensland, New South Wales and Western Australia, both onshore and offshore.

Corporate and Equity Issues

No share issues were undertaken by Bounty during the period and at the end of the interim reporting period at 31 December 2019 it had \$ 1.18 million cash and no debt. At 31 December 2019 the value of Bounty's listed investments on a mark to market basis was \$59,000.

Contingent liabilities and Contingent Assets

As at the date this report, there were no contingent assets or liabilities, other than those exploration commitments set out in Note 12 of the Financial Statements. There was no litigation involving Bounty Oil & Gas NL or its subsidiaries during the half-year or subsequently.

Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year ended 31 December 2019 which have significantly affected or may significantly affect the operations of the company or its subsidiaries, the results of those operations, or the state of affairs of the company or its subsidiaries in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the review for the half year ended 31 December 2019 is attached.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Graham Reveleigh', is centered within a light gray rectangular box.

Graham Reveleigh
Chairman

Dated: 13 March 2020

For further details of the activities of the Group, see the Bounty Oil & Gas N.L. website www.bountyoil.com.

For abbreviations of technical terms see the last page of the Interim Financial Report.

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Moyes Yong + Co Partnership
ABN 36 528 219 967

Suite 1301, Level 13
115 Pitt Street
Sydney NSW 2000

GPO Box 4393,
Sydney NSW 2001

T: (02) 8256 1100
F: (02) 8256 1111

info@moyesyong.com.au

AUDITOR'S INDEPENDENCE DECLARATION

To the directors of Bounty Oil & Gas NL

In accordance with section 307C of the Corporations Act 2001, as lead audit partner for the review of the financial statements of Bounty Oil & Gas NL and its controlled entities for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.


William M Moyes - Partner

Moyes Yong & Co Partnership

Dated this 13th day of March 2020



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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Tax agent
72890009

**Consolidated statement of profit and loss and other comprehensive income
for the half-year ended 31 December 2019**

	Notes	Half-year ended	
		31-Dec-19 \$	31-Dec-18 \$
Revenue	4	1,973,184	1,448,919
Net Investment income	4	(4,958)	(7,891)
Other income	4	2,762	2,820
Direct petroleum operating expenses		(985,260)	(636,298)
Changes in inventories		(11,298)	55,460
Employee benefits and contractor expense		(401,606)	(371,448)
Depreciation expense		(40,666)	(34,005)
Amortisation of oil producing assets		(321,629)	(366,213)
Occupancy expense		(48,447)	(37,865)
Corporate activity costs		(37,651)	(45,207)
Rehabilitation expense		(13,861)	(14,404)
Foreign exchange gain/(loss)		(14,468)	93,077
Impairment of oil and gas assets	11	(2,904,523)	(3,174,018)
Exploration expenses write off		-	-
General legal and professional costs		(35,240)	(29,615)
Other expenses		(12,029)	(45,253)
Loss before Tax		(2,855,690)	(3,161,941)
Income tax expense		-	-
Loss for the period from continuing operations		(2,855,690)	(3,161,941)
Loss for the period		(2,855,690)	(3,161,941)
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive loss for the period		(2,855,690)	(3,161,941)
Total comprehensive loss attributable to owners of the parent		(2,855,690)	(3,161,941)
Earnings per share			
Basic (cents per share)		(0.30)	(0.33)
Diluted (cents per share)		(0.30)	(0.33)

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

**Consolidated statement of financial position
for the half-year ended 31 December 2019**

	Notes	31-Dec-19 \$	30-Jun-19 \$
Assets			
Current assets			
Cash and cash equivalents		1,184,596	813,870
Trade and other receivables		371,195	561,723
Inventories		63,795	54,289
Other current financial assets	5	59,404	43,580
Total current assets		1,678,990	1,473,462
Non-current assets			
Other receivables		40,850	60,850
Exploration and evaluation assets	6	5,002,227	7,871,281
Production and development assets	6	4,990,097	5,041,992
Property, plant and equipment	7	858,098	848,607
Total non-current assets		10,891,272	13,822,730
Total assets		12,570,262	15,296,192
Liabilities			
Current liabilities			
Trade and other payables		970,255	872,847
Provisions		61,526	45,535
Total current liabilities		1,031,781	918,382
Non-current liabilities			
Unearned revenue		-	-
Provisions		1,348,666	1,332,305
Total non-current liabilities		1,348,666	1,332,305
Total liabilities		2,380,447	2,250,687
Net assets		10,189,815	13,045,505
Equity			
Issued capital	8	43,440,163	43,440,163
Reserves		201,600	201,600
Retained losses		(33,451,948)	(30,596,258)
Equity attributable to owners of the parent		10,189,815	13,045,505
Total equity		10,189,815	13,045,505

The statement of financial position is to be read in conjunction with the accompanying notes.

**Consolidated statement of changes in equity
for the half-year ended 31 December 2019**

		Ordinary share capital	Option reserve	Accumulated losses	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2018		43,440,163	201,600	(27,813,690)	15,828,073
Loss for the period		-	-	(3,161,941)	(3,161,941)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(3,161,941)	(3,161,941)
Shares issued during the period	8	-	-	-	-
Share issue transaction costs		-	-	-	-
Balance at 31 December 2018		43,440,163	201,600	(30,975,631)	12,666,132
Balance at 1 July 2019		43,440,163	201,600	(30,596,258)	13,045,505
Loss for the period		-	-	(2,855,690)	(2,855,690)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(2,855,690)	(2,855,690)
Shares issued during the period	8	-	-	-	-
Share issue transaction costs		-	-	-	-
Balance at 31 December 2019		43,440,163	201,600	(33,451,948)	10,189,815

The statement of changes in equity is to be read in conjunction with the accompanying notes.

**Consolidated statement of cash flows
for the half-year ended 31 December 2019**

	Half-year ended	
	31-Dec-19	31-Dec-18
	\$	\$
Cash flows from operating activities		
Receipts from petroleum operations	2,366,241	2,352,757
Payments to suppliers and employees	(1,525,069)	(1,975,348)
Interest and dividend received	1,679	1,266
Net cash generated by/(used in) operating activities	842,851	378,675
Cash flows from investing activities		
Payments for exploration and evaluation assets	(49,518)	(117,900)
Payments for oil production & development assets	(415,189)	(237,959)
Payments for property plant and equipment	4,982	(6,697)
Proceeds from sale of available-for-sale financial assets	-	40,213
Payment for available for sale financial assets	(20,782)	(40,105)
Other deposits	20,000	-
Net cash used in investing activities	(460,507)	(362,448)
Net increase in cash and cash equivalents	382,344	16,227
Cash and cash equivalents at the beginning of the period	813,870	541,124
Effects of exchange rate changes on the balance of cash held in foreign currencies	(11,618)	14,773
Cash and cash equivalents at the end of the period	1,184,596	572,124

The statement of cash flow is to be read in conjunction with the accompanying notes.

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Notes to the consolidated financial statements for the half-year ended 31 December 2019

1. Corporate Information

The financial report of Bounty Oil and Gas NL and its controlled entities ("the Group") for the Half-Year ended 31 December 2019 was authorised for the issue in accordance with a resolution of the Directors.

Bounty Oil and Gas N.L. is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

2. Summary of significant accounting policies

The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The interim financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report. It is also recommended that this report be considered together with any public announcements made by the Group during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

a. Basis of preparation and accounting policies

The interim financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2019 and any public announcements made by the Group during the interim reporting period, in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies adopted in this interim financial report are the same as those policies applied in the 2019 Annual Report, except for the adoption of new standards and interpretations as of 1 July 2019, noted below:

New accounting standards and interpretations:

The Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019.

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 2019 Annual Report as a consequence of these amendments.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2019. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 16 Leases - The leases recognised by the Group predominantly relate to office premises and car parking. AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. The depreciation of the lease assets and interest on the lease liabilities are recognised in the consolidated income statement. Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at inception as either a finance lease or operating lease. For operating leases, the leased item was not capitalised and the lease payments were recognised in the consolidated income statement on a straight-line basis.

New accounting standards for application in subsequent period:

New, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

b. Basis of consolidation

The interim financial statements comprise the financial statements of Bounty Oil and Gas N.L. and its controlled subsidiaries ("the Group").

c. Interests in joint operations

The Group is involved in joint operations. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;

Notes to the consolidated financial statements for the half-year ended 31 December 2019

c. Interests in joint operations (continued)

- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

d. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the full year financial report as at and for the year ended 30 June 2019.

e. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation of uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2019.

f. Going concern basis

The directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the period ended 31 December 2019, the Group realised a net loss after tax of \$2,855,690 (2018: loss \$3,161,941). This was largely driven by a full impairment of its ACP-32 exploration licence. The net cash generated from operating activities for the period ended 31 December 2019 was \$842,851 (2018: net cash generated \$378,675). The Group's net asset position at 31 December 2019 was \$10,189,185 (30 June 2019: \$13,045,505) and its cash balance amounted to \$1,184,596 (30 June 2019: \$813,870).

The directors' cash flow forecasts project that the group will continue to be able to meet its liabilities and obligations (including those exploration commitments as disclosed in Note 12) as and when they fall due for a period of at least 12 months from the date of signing of this financial report. The cash flow forecasts are dependent upon the generation of sufficient cash flows from operating activities to meet working capital requirements, the ability of the group to manage discretionary exploration and evaluation expenditure on non-core assets via farmout or disposal of certain interests and or a reduction in its future work programmes. The directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are satisfied with the ability of the group to implement the above.

g. Fair value measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets and liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards.

AASB 13 requires the disclosure of fair value information by the level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that a significant input to the measurement can be categorised into as follows:

- level 1: Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- level 2: Measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- level 3: Measurements based on unobservable inputs for the asset or liability.

The carrying values of financial assets and liabilities recorded in the financial statements approximates their respective fair values, determined in accordance with the accounting policies described above and adjusted for capitalised transaction costs, if any.

Notes to the consolidated financial statements for the half-year ended 31 December 2019

3. Operating segment Information

Identification of Reportable Segments

Information reported to the Chief Operating Decision Maker, being the CEO, for the purposes of resource allocation and assessment of the performance is more specifically focused on the category of business units. The Group's reportable segments under AASB 8 Operating Segments are therefore as follows:

Core Petroleum Segment - Oil and gas exploration, development and production

Secondary Segment - Investment in listed shares and securities.

Segment revenue and results

	Segment revenue		Segment profit/(loss)	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	\$	\$	\$	\$
Core Oil & Gas Segment				
Production projects	1,973,184	1,448,919	624,985	458,052
Development projects	-	-	-	(1,069,133)
Exploration projects	-	-	(2,918,523)	(2,114,885)
Secondary Segment				
Listed securities	(4,958)	(7,891)	(4,958)	(7,891)
Total from continuing operations	1,968,226	1,441,028	(2,298,496)	(2,733,857)
Other revenue			(11,706)	95,897
Central admin costs and directors remuneration			(545,488)	(523,981)
Loss before tax			(2,855,690)	(3,161,941)

Revenue reported above represents revenue/income generated from external sources. There were no intersegment sales during the period (2018: nil)

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 1. Segment profit/(loss) in this Note represents the profit/(loss) earned by each segment without allocation of central administration costs and directors remuneration, other investment revenue such as interest earned, finance costs and income tax expense.

Information about major customers

Included in the revenue arising from direct sales of petroleum of \$1,973,000 (2018: \$1,449,000) is revenue of approximately \$1,314,141 (2018: \$964,980) which arose from sales to the Group's largest customer. Revenue from the Group's second largest customer was approximately \$399,000 (2018: \$293,000). Revenue from the Group's third largest customer was approximately \$260,000 (2018: \$191,000). No other single customer contributed 10% or more to the Groups revenue for both 2019 and 2018.

Other segment information

	Amortisation, depreciation & depletion		Additions to non-current assets	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	\$	\$	\$	\$
Core Oil & Gas Segment				
Production projects	346,326	389,046	235,493	258,935
Development projects	-	-	62,769	100,788
Exploration projects	14,000	10,000	35,469	222,994
Secondary Segment				
Other	1,969	1,172	-	-
Total	362,295	400,218	333,731	582,717

**Notes to the consolidated financial statements
for the half-year ended 31 December 2019**
3. Segment Information (continued)

	Impairment losses(expenses)		Exploration write off	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	\$	\$	\$	\$
Core Oil & Gas Segment				
Production projects		1,069,133	-	-
Development projects	-	-	-	-
Exploration projects	2,904,523	2,104,885	-	-
Secondary Segment				
Total	2,904,523	3,174,018	-	-

	Segment assets		Segment liabilities	
	31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19
	\$	\$	\$	\$
Core Oil & Gas Segment				
Production projects	4,353,762	4,914,253	1,839,401	1,411,083
Development projects	1,607,595	1,544,826	226,470	172,649
Exploration projects	5,268,227	7,871,281	97,507	75,961
Secondary Segment				
Listed securities	59,404	43,580	-	-
Unallocated	1,281,274	922,252	217,068	590,994
Total	12,570,262	15,296,192	2,380,447	2,250,687

Geographical Segment information

The following table details the group's geographical segment reporting of revenue and carrying amount of assets in each geographical region where operations are conducted.

	Revenue		Carrying amounts of non-current assets	
	31-Dec-19	31-Dec-18	31-Dec-19	30-Jun-19
	\$	\$	\$	\$
Australia	1,970,988	1,443,848	10,891,272	13,822,730
Total	1,970,988	1,443,848	10,891,272	13,822,730

4. Revenue and other income

	31-Dec-19	31-Dec-18
	\$	\$
Sales revenue:		
Oil and gas sales	1,959,942	1,433,423
Revenue from tariffs	13,242	15,496
Total sales revenue	1,973,184	1,448,919
Investment income:		
Investment income from financial assets at fair value through Profit and loss (held for trading listed shares)		
Net realised gain/(loss)	-	975
Net unrealised (loss)/gain	(4,958)	(8,866)
Total investment income	(4,958)	(7,891)
Other income:		
Interest and dividend received	2,762	2,820
Total other income	2,762	2,820
Total revenue	1,970,988	1,443,848

Notes to the consolidated financial statements for the half-year ended 31 December 2019

5. Other non current financial assets	Note	31-Dec-19	30-Jun-19	
		\$	\$	
Financial assets at fair value through profit and loss - shares in listed corporations		59,404	43,580	
Total non current financial assets		59,404	43,580	
6. Non current assets				
(a) Production and development assets				
SW Queensland				
Joint operation interest in ATP1189 Naccowlah Block – at cost	13	3,186,575	3,003,427	
Less: Amortisation		(1,805,000)	(1,505,000)	
East Queensland				
PL119 Downlands – at cost		3,869,843	3,850,998	
Less: Depletion and amortisation		(2,518,608)	(2,518,609)	
Rehabilitation costs – all petroleum properties		649,692	666,350	
Nyuni Block Tanzania - Kiliwani North				
Joint operation interest in Nyuni Block - Kiliwani North at cost	13	-	1,356,825	
Less: Amortisation		-	(300,000)	
Less: Impairment		-	(1,056,825)	
All other development assets		1,607,595	1,544,826	
Total production and development assets		4,990,097	5,041,992	
(b) Exploration and evaluation assets				
Exploration assets	13	5,002,227	7,871,281	
Total exploration assets		5,002,227	7,871,281	
7. Plant property and equipment				
Opening balance		848,607	854,573	
Expenditure incurred during the period		-	62,297	
Less: Depreciation expense		(26,666)	(68,263)	
Balance carried forward		858,098	848,607	
8. Issued capital				
(a) Share Capital				
		43,440,163	43,440,163	
(b) Movement in fully paid ordinary shares				
Balance at beginning of period		953,400,982	953,400,982	
Shares issued during the period		-	-	
Balance at end of period		953,400,982	953,400,982	
9. Controlled entities				
Set out below are the Group's subsidiaries at 31 December 2019. The controlled entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each entity's country of incorporation or registration is also its principal place of business.				
Name of entity	Country of Incorporation	Class of shares	Equity holding %	
			31-Dec-19	30-Jun-19
Ausam Resources Pty Ltd.	Australia	Ordinary	100%	100%
Interstate Energy Pty Ltd.	Australia	Ordinary	100%	100%
Rough Range Oil Pty Ltd.	Australia	Ordinary	100%	100%
Lansvale Oil & Gas Pty Ltd.	Australia	Ordinary	100%	100%

**Notes to the consolidated financial statements
for the half-year ended 31 December 2019**

10. Financial instruments

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described in note 2(g) above, and based on the lowest level input that is significant to the fair value measurement as a whole.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The financial assets and liabilities of the Group are recognised in the consolidated statement of financial position in accordance with the accounting policies set out in Note 2 of the 2019 Annual Report.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Trade and other receivables

The carrying value is a reasonable approximation of fair value due to the short-term nature of trade receivables.

Available for sale investments

The fair value of available for sale investments is determined by reference to their quoted market price on a prescribed equity stock exchange at the reporting date, and hence is a Level 1 fair value measurement.

Trade and other payables

The carrying value is a reasonable approximation of fair value due to the short-term nature of trade payables.

11. Impairment of oil and gas properties

During the half year impairments were made as follows:

	31-Dec-19	31-Dec-18
	\$	\$
ACP-32	2,904,523	-

In accordance with the Group's accounting policies and procedures, the Group performs its impairment testing at the end of each reporting period. A number of factors represented indicators of impairment. As at 31 December 2019, ACP-32 Exploration block was fully impaired. The other impairments recognised for this reporting period are noted above. Further commentary on impairment is included in the Directors' Report.

Key assumptions used for current period:

	2019-2020	2021+
Crude oil price (US\$)	\$63.00	\$70.00
Average AUD:USD exchange rate	\$0.70	\$0.75
CPI (%)	2.0%	2.0%
Pre-tax discount rate (%)	7.0%	7.0%

12. Contingencies and commitments

In order to maintain current rights of tenure to its licences and permits, the company has certain obligations to perform work in accordance with the work programmes, as approved by the relevant statutory body, when the permits are granted. These work programs form the capital commitment which may be renegotiated, varied between permits, or reduced due to farm-out, sale, reduction of permit/licence area and/or relinquishment of non-prospective permits. Work in excess of the work programs may also be undertaken. There is no litigation against or involving Bounty Oil & Gas N.L. or its subsidiaries.

The following capital expenditure requirements have not been provided for in the accounts:

	31-Dec-19	30-Jun-19
	\$	\$
Payable		
Not longer than 1 year	753,004	767,004
Longer than 1 year and not longer than 5 years	1,882,510	1,917,510
	2,635,514	2,684,514

There are no lease commitments at the balance date, except short term office lease.

**Notes to the consolidated financial statements
for the half-year ended 31 December 2019**

13. Interest in joint operations

Set out below are the joint arrangements of the Group as at 31 December 2019, which in the opinion of the directors are material to the Group:

Name of the joint arrangement	Principal activity	Measurement Method	Principal place of business	Ownership interest (%) (* approx.)	
				31-Dec-19	30-Jun-19
ATP 1189P Naccowlah block	Production	Proportionate	Adelaide, Australia	2%	2%
ATP 2028P (ex-ATP 754P)	Exploration	Proportionate	Sydney, Australia	50%	50%
PEP11	Exploration	Proportionate	Perth, Australia	15%	15%

The company holds 2% interest in various Petroleum Leases and part of ATP 1189P, Queensland and associated oil production tangibles and pipelines referred to as the Naccowlah Block.

The accounting policies adopted for the group's joint operations are consistent with those of the previous financial year and corresponding interim reporting period.

14. Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year ended 31 December 2019 that in the opinion of the directors has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the Group's state of affairs in future financial years.

15. Company details

Bounty Oil & Gas NL's registered office and its principal place of business are as follows:

Registered Office	Principal place of business
Suite 302, 93-95 Pacific Highway, North Sydney, NSW, 2060, Australia Tel: (02) 9299 7200	Suite 302, 93-95 Pacific Highway, North Sydney, NSW, 2060, Australia Tel: (02) 9299 7200

Abbreviations

- Bbl(s): barrel(s) of oil
- mmbo: million barrels of oil
- Boe: barrels of oil equivalent
- MMBOE: million barrels of oil equivalent
- BCF: billions of cubic feet of natural gas
- TCF: trillions of cubic feet of natural gas
- MMcf/d: millions of cubic feet of natural gas (/d per day)
- CSG: coal seam gas
- PSA: Production Sharing Agreement
- PSC: Production Sharing Contract
- PL: Petroleum production lease
- ATP: Authority to prospect for petroleum
- TPDC: Tanzania Petroleum Development Corporation
- Pmean: 50% probability of occurrence
- P90: 90% probability of occurrence
- P10: 10% probability of occurrence
- OOIP/GIIP: Oil or Gas initially in place
- Contingent Resources: discovered resources, not yet fully commercial
- Prospective Resources: undiscovered resources
- 2D/3D: 2D seismic data creates a 2 dimensional cross section of data (either in time or depth) & 3D creates a 3 dimensional block of data
- AVO: amplitude versus offset processing of seismic data to reveal possible hydrocarbons.

DIRECTORS' DECLARATION

The directors of Bounty Oil and Gas N.L. declare that:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001 and:
- (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date
- b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Graham Reveleigh
Director

Dated: 13 March 2020

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Moyes Yong + Co Partnership
ABN 36 528 219 967

Suite 1301, Level 13
115 Pitt Street
Sydney NSW 2000

GPO Box 4393,
Sydney NSW 2001

T: (02) 8256 1100

F: (02) 8256 1111

info@moyesyong.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bounty Oil & Gas NL and its controlled entities

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Bounty Oil & Gas NL and its controlled entities (the Group) which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bounty Oil & Gas NL and its Controlled Entities is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Responsibilities of the Directors for the half-year financial report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the group's financial position as at 31 December 2019 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Bounty Oil & Gas NL and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND

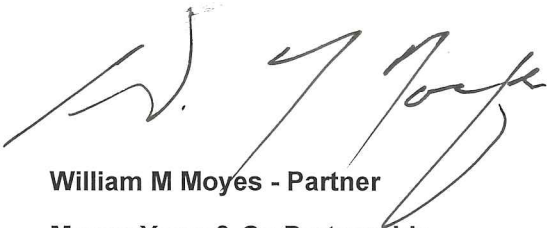
Liability limited by a scheme approved under Professional Standards Legislation



Tax agent
72890029

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



William M Moyes - Partner

Moyes Yong & Co Partnership

Dated this 13th day of March 2020

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