

LVL 8, 16 SPRING STREET  
SYDNEY, NEW SOUTH WALES  
AUSTRALIA 2000

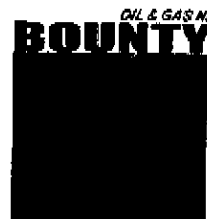
ASX: BUY  
ABN 82 090 625 353

TEL 61 (2) 9247.4777  
FAX 61 (2) 9241.4404  
EMAIL admin@bountyoil.com

30<sup>th</sup> April, 2007.

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000.

FOR PUBLIC RELEASE



Dear Sirs,

Re: **Bounty Oil & Gas NL ("Bounty")**  
**Quarterly Report and Appendix 5B for the Period Ended 31<sup>st</sup> March 2007.**

## **REVIEW OF OPERATIONS**

### **PRODUCTION**

**Utopia Oil Field, PL 412, Queensland**  
*Bounty Interest - 40.0%*

The four operating wells at Utopia in Western Queensland produced 3,574 barrels (bbls) for the quarter. Crude was trucked to the Eromanga refinery where it was sold. Total revenue from sale of crude for the quarter was AU\$250,491 (Bounty share AU\$100,196).

Average daily production from the field was 39.71 bbls.

As crude is trucked to the refinery, the rains during the quarter delayed deliveries.

### **EXPLORATION**

**Vulcan Sub-Basin, AC/P32, Western Australia**  
*Bounty Interest - 16.0%*

Work has been completed on the newly acquired 3D seismic data. A multi-horizon prospect has been identified, and negotiations are at an advanced stage with a drilling contractor.

**Offshore Sydney Basin, PEP-11, New South Wales**  
*Bounty Interest - 75%*

Bounty has obtained a suspension and a 12 month extension to its PEP 11 permit term. With the extension, the company has until August 2007 to drill one well in the permit.

Asset Energy Pty Ltd has purchased 1460 km of 2D seismic data and thus earned their 25% interest in the Permit. Interpretation of the seismic data has confirmed the size and location

of the Biggus prospect. In addition, another lead has been identified to the North of Biggus in an area which previously had no seismic. The Biggus prospect has the potential to contain over 1.2 Tcf of recoverable gas, which is enough gas to supply Sydney for at least ten years at its current gas consumption rate.

Bounty and its JV partner are in negotiations with a drilling contractor to secure a rig to operate the drilling of Baleen-1 (previously Biggus-1). Bounty will have a carried interest through the drilling of this well, retaining 15% on completion. Additional farm-in partners are being considered for this project.

**Carnarvon Basin, EP 412, Western Australia**

*Bounty Interest - 65.0%*

Work is continuing on identifying a site for the well owed by Rough Range Oil NL under the JV.

**Rough Range, EP 435, Western Australia**

*Bounty Interest - 10.0%*

Drilling at Parrot Hill-2 was completed. The well was plugged and abandoned. By participating in the well, Bounty increased its interest in the block to 10%. Further drilling is contemplated later in the year.

**Nyuni Block, Tanzania, East Africa**

*Bounty Interest - 6.0%*

New "transition zone" seismic has been processed and mapped. Two wells will be drilled commencing in June 2007. The operator has signed a drilling contract to use Maurel & Prom's Caroil-6 land rig. For the Nyuni Joint Venture, the first well will be Songo Songo South, drilled from the Killiwani Island which lies one kilometre to the SW of Songo Songo Island. The second target is to be finalised.

**Bonaparte Basin, WA-324-P, Western Australia**

*Bounty Interest - 100.0%*

Work is continuing on mapping the 340 km of the Dolphin seismic survey, and integrating the results with previous seismic data.

Yours faithfully,

**BOUNTY OIL & GAS NL**



Michael L Hutt  
Company Secretary

**Appendix 5B**  
**Mining exploration entity quarterly report**

*Rule 5.3*

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**BOUNTY OIL & GAS NL**

ABN

**090 625 353**

Quarter ended ("current quarter")

**31 March 2007**

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9months) \$A'000
1.1 Receipts from product sales and related debtors	100	355
1.2 Payments for		
(a) exploration and evaluation	(297)	(726)
(b) development		(2)
(c) production	(27)	(135)
(d) administration	(157)	(576)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	34
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		-
<b>Net Operating Cash Flows</b>	<b>(375)</b>	<b>(1,050)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments	(14)	(500)
(c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of:		
(a) interests in permits	287	287
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		382
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>272</b>	<b>168</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(103)</b>	<b>(882)</b>

- See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(103)	(882)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,005	1,005
1.15	Less Cost of Placement	(37)	(37)
1.16	Less Listing fees	(4)	(4)
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	964	964
	<b>Net increase (decrease) in cash held</b>	861	82
1.20	Cash at beginning of quarter/year to date	331	1,110
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,192	1,192

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter SA'000
1.23	Aggregate amount of payments to the parties included in item 1.2	84
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

**Appendix 5B**  
**Mining exploration entity quarterly report**

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		-
3.2 Credit standby arrangements		-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	0
<b>Total</b>	<b>200</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	85	314
5.2 Deposits at call	1,109	17
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,192</b>	<b>331</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	AC/P32	Joint Venture Agreement	16%	12.8%
6.2 Interests in mining tenements acquired or increased	EP 435	Joint Venture Agreement	5%	10%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 <b>Changes during quarter</b> (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	183,601,038	183,601,038		
7.4 <b>Changes during quarter</b> (a) Increases through issues (b) Decreases through returns of capital, buy-backs	22,347,628	22,347,628	\$0.045	\$0.045
7.5 <b>*Convertible debt securities</b> <i>(description)</i>	Nil	Nil		
7.6 <b>Changes during quarter</b> (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	3,400,000	Nil	Exercise price \$0.20c	Expiry date 01/09/2008
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



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(Director/Company secretary)

Date:

30 April 2007

Print name:

**Michael L. Hutt**  
**Company Secretary**

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## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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