

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: statutory@bountyoil.com



31st July, 2007.

The Manager
Company Announcements Office
Australian Stock Exchange Limited
4th 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 30th June 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 3,883 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\$286,124.00 (Bounty share AU\$114,449.00).

Average daily production from the field was 42.67 bbls.

Studies are being commissioned to further optimise production from the wells.

EXPLORATION

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

Work is in progress to reprocess some 2-D seismic at the Utopia field. This will allow a decision to be made as to whether 3-D seismic should be shot.

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

A multi-horizon prospect has been identified, and negotiations are continuing with a drilling contractor.

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

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. A further extension to PEP 11 is being sought.

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.

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%

Work has continued on the post well geological interpretation following the P&A of Parrot Hill 2.

Nyuni Block, Tanzania, East Africa

Bounty Interest – 6.0%

Drilling of the prospect has been delayed whilst extensive mechanical repairs and maintenance are carried out on the drill rig, to bring it up to an acceptable standard. Drilling will commence in the near future.

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

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")

30 June 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12months) \$A'000
1.1 Receipts from product sales and related debtors	113	468
1.2 Payments for		
(a) exploration and evaluation	(77)	(803)
(b) development		(2)
(c) production	(48)	(183)
(d) administration	(157)	(733)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	14	48
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		-
	(155)	(1,205)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments	(43)	(542)
(c) other fixed assets		(1)
1.9 Proceeds from sale of:		
(a) interests in permits		286
(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)		
	(43)	125
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(198)	(1080)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(198)	(1080)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		1,006
1.15	Less Cost of Placement		(37)
1.16	Less Listing fees		(4)
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		965
	Net increase (decrease) in cash held	(198)	(115)
1.20	Cash at beginning of quarter/year to date	1,193	1,110
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	995	995

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 \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	282
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

+ See chapter 19 for defined terms.

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
Total	200

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	62	83
5.2 Deposits at call	933	1,109
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	995	1,192

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter

+ 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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	183,601,038	183,601,038		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <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 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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: Date:
(Director/Company secretary)

Print name:

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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