



29 July 2009

ASX/MEDIA RELEASE

BOUNTY OIL & GAS NL

Quarterly Activities Report - End June 2009



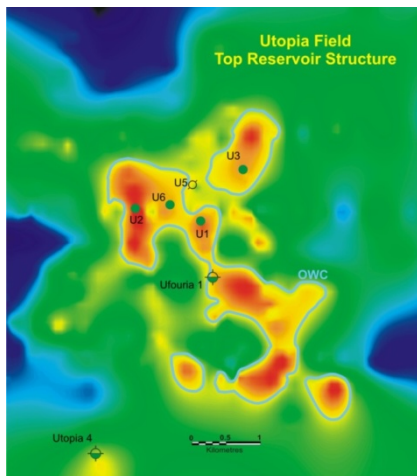
Flaring gas Kiliwani North 1 - Tanzania

Highlights

- **PEP 11, Offshore Sydney Basin - drilling tenders being evaluated to drill the 9.2 trillion cubic feet (P10) Fish Prospect.**
- **Kiliwani North appraisal seismic completed and being processed.**
- **Purchase of Ausam Resources Pty. Ltd. adds production, significant contingent oil resources and major land position in the Surat Basin Queensland**
- **PEL 218 Cooper/Eromanga Basin seismic programme completed and drilling location identified**

Bounty's schedule of permits: See Table 1 at end of this report.

Oil Production: Utopia Block



Location: 30 km south/east of Tarbat / Ipundu oil fields (Tintaburra Block) and 45km south/east of Eromanga.

Background:

Bounty produces light, sweet oil at the Utopia Field from sands in the early Cretaceous Murta Member, trapped in a low relief anticline.

Utopia is the largest known Murta field in the Queensland sector of the Eromanga Basin. A 2004 review indicated a relatively large pool, with recoverable oil reserve estimates of 0.16 million (P90 – i.e. 90% probability), 2.86 million (P50) and 12.70 million (P10) barrels respectively.

Resource / Reserve Estimates: Bounty has 40% of 2.86 million bbls (at P50) of oil in Murta Zone (Bounty: 1.14 million bbls).

Operations during Quarter

Production & Sales:

During the quarter Bounty continued to produce light, sweet crude oil from the Murta Zone and to sell oil to the Eromanga Refinery. Volumes increased this quarter as all three wells are now back online.

	Oil Revenue	Bounty Share (40% Interest)
Q1	1 July – 30 September, 2008	\$158,875
Q2	1 October – 31 December, 2008	\$97,298
Q3	1 January – 31 March, 2009	\$70,684
Q4	1 April – 30 June, 2009	\$79,508
	Total Q 1 – Q4	\$406,363

	Oil Production/Sales	Oil Production bbls Bounty Share (40% Interest)	Oil Sales bbls Bounty Share (40% Interest)
Q1	1 July – 30 September, 2008	1,175	1,297
Q2	1 October – 31 December, 2008	1,336	1,280
Q3	1 January – 31 March, 2009	1,177	1,220
Q4	1 April – 30 June, 2009	1,536	1,052
	Total Q 1 – Q4	5,224	4,849

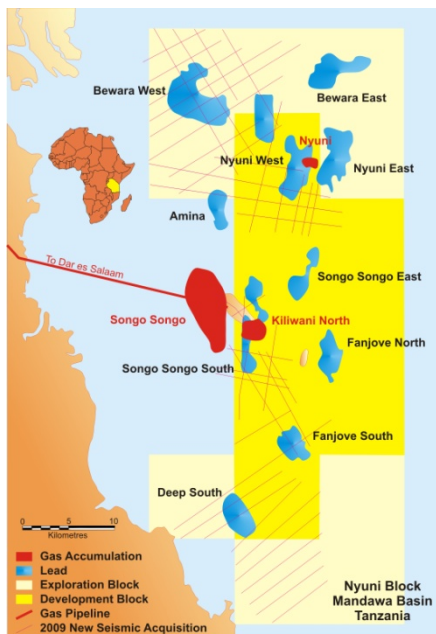
Exploration and Development:

Bounty and the operator continued the joint development review during the quarter. The outline development plan provides for as many as 12 development wells within the known limits of the field. Such a development programme will require low cost drilling methods and Bounty is investigating alternative drilling techniques and completions including, horizontal development wells in order to undertake a cost effective development plan.

Exploration and Development Activity:

Nyuni Block, Offshore Tanzania

Background



The Nyuni Permit is located in the Mandawa Basin. Bounty farmed into the permit in September 2003 and earned its interest by drilling Nyuni 1, which was a gas discovery although not tested.

A further two commitment wells were drilled in 2007/08 at Kiliwani 1 where Bounty was free carried and Kiliwani North 1 which made a new gas discovery. Kiliwani North 1 was production tested and achieved a strong stabilised flow of gas at a rate of 40 million cubic feet/day (mmcf/d), equivalent to 6,700 barrels of oil per day, through a 72/64ths" choke;

Although offshore, most of the wells drilled to date have been drilled using land rigs on islands and the associated reefs which tend to form on the major structural highs.

The permit has been divided into a Location (appraisal area after a discovery) and an Exploration area. Two exploration wells and one appraisal well at Kiliwani North are planned for this phase of the permit and will most likely be drilled in 2010.

Targets

The Mandawa Basin has been a proven gas province since the first discovery at Songo Songo in 1974, however there are several oil seeps both onshore and on Nyuni Island within the Permits. Oil from seeps has been typed to both Jurassic and Tertiary sources. The oil potential of the areas requires evaluation. The permit contains stacked reservoir/seal pairs and several potential source rock zones. The main plays being pursued are the Neocomian (Lower Cretaceous) Sands that host the Songo Songo and Kiliwani North Fields, and the Albian/Aptian Sands that host a 25 metre gas column in Nyuni 1. Nine Neocomian sand and five Albian/Aptian leads have been identified to date with a total unrisks 1.1 Trillion cubic feet (Tcf) gas recoverable potential, or 297Bcf on a risked basis.

Analysis of the production test of the Kiliwani North 1 indicates that the well is addressing 17 Bcf of recoverable gas reserves; the exact size of the Kiliwani North pool is unknown as it is still open to the north but contingent resources of at least another 50 Bcf are not unreasonable.

Current Activities

Commercialisation Kiliwani North

Kiliwani North is only 3.5 kilometres from Songo Songo gas plant and the head of the pipeline to Dar es Salaam. The Kiliwani North partners have access to the pipeline and negotiations are now underway with the Tanzanian authorities and other stakeholders on an arrangement that will enable Kiliwani North gas to be developed at a profit. The gas market is for power generation at a base price and to an increasing number of industrial users in Dar es Salaam and environs at a premium price.

Appraisal Kiliwani North

Seismic acquisition on Songo Songo Island to delineate the northern extent of the Kiliwani North pool has been completed and initial results indicate good quality data have been recovered. This data is the key to the future development of this discovery.

Exploration

Test reprocessing of the seismic data over the Nyuni PSA is providing much better definition of the numerous leads and prospects in this licence. A project to reprocess seismic throughout the licence would definitely provide cleared definition and ranking of targets for future drilling.

Exploration Activity

AC/P 32, Offshore Western Australia

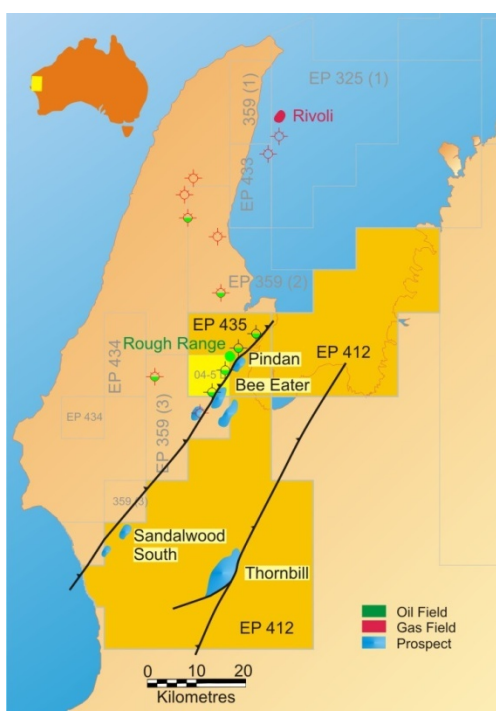
Location: Ashmore Cartier Region, Timor Sea.

The Joint Venture is renewing the permit for another three years and Bounty will remain in the permit and increase its working interest to 15%.

EP 412 and EP 435, Carnarvon Basin, Onshore Western Australia

Location: Southeast of Exmouth, WA

EP 435 – Bounty 10%



Empire Oil & Gas NL, the operator of EP 435 continued planning to drill the Bee Eater Prospect in EP 359. Bounty holds no interest in EP 359 but the Bee Eater prospect immediately adjoins EP 435 to the south. Bee-Eater is an exciting prospect located on the eastern side of the Miocene aged Rough Range Anticline. The structural development of Bee-Eater is interpreted to predate oil generation and migration from the Paterson Trough down dip to the east and pre-dates the formation of the Rough Range Fault and Anticline. The timing of an early formed Bee-Eater structure enhances the possibility that it could be charged with oil to its spill point from oil migrating up from the Paterson Trough. Empire has estimated that the Bee-Eater structure has potential recoverable oil reserves of up to 5 million barrels. The Bee Eater structure extends into Bounty's EP 435 Permit.

If Bee Eater 1 is successful Empire would also progress the drilling of the Rainbow-1 well located on the extension of the Bee-Eater structure in the adjoining permit EP 435.

A Bee-Eater discovery will also result in drilling additional wells along the Bullara Trend into EP 435 and EP 412 (Bounty 65%).. A number of 'Bee-Eater

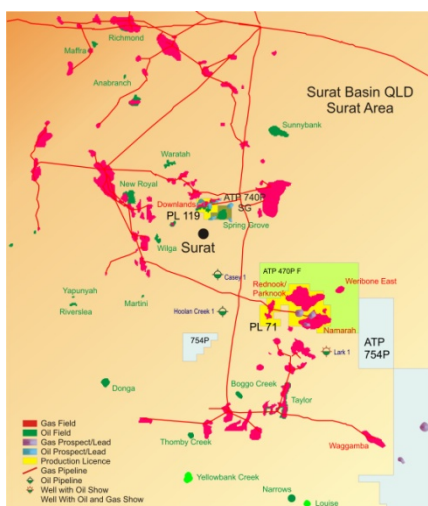
type prospects' and leads have been identified in EP 435 and EP 412, including the Sandalwood South and Pinjan Prospects in EP 412.

EP 412 – Bounty 65% (reducing to 20% after free carry on well)

Negotiations are underway to restructure the joint venture and the farmin by Empire Oil and Gas.

The licence contains possible Bee-Eater like prospects for oil in the Mesozoic sequence and gas prospects in the Permian. The Thornbill Prospect is mapped at the Lyndon Sandstone level, an extensive Permian-aged transgressive sandstone. The Thornbill-1 gas Prospect has a seismic amplitude anomaly in the Lyndon Sandstone at a shallow target depth of 800 metres coincident with geochemical anomalies at surface. Thornbill 1 has potential recoverable reserves of up to 50 billion cubic feet of gas.

PL's 71 & 119, ATP 741 (SG) and ATP 740P, Surat Basin Onshore Queensland



Location: Surrounding the town of Surat

Background

Bounty acquired interests in these permits through the purchase of Ausam Resources Pty. Ltd ("Ausam"). Downlands gas field produces small amounts of oil and gas from one well.

Targets

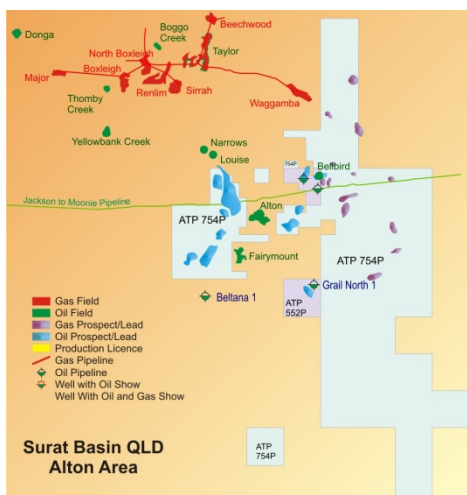
There are potential gas and oil development opportunities in both PL 71 and PL 119.

Current Activities

Gas and minor oil production continued during the quarter. Engineering and reservoir studies will now commence to determine the feasibility of developing oil legs to the Downlands field (PL 119) and the Spring Gully oil field (ATP 741P SG). There are contingent resources of more than 2 million barrels of oil potentially recoverable from this programme.

ATP 754P & ATP 552P, Surat Basin Onshore Queensland

Location: Surrounding Alton and Fairymount Oilfields



Background

Bounty acquired its interest in ATP 754P when it purchased Ausam. Bounty's initial interest in ATP 552P was also acquired with Ausam and increased by the transfer of an additional 8.3% from Rawson Resources. The permits surround the Alton and Fairymount Oilfields and are targeting oil in the Bowen Basin and in the overlying Surat Basin sections

Targets

Eluanbrook Stratigraphic Prospect ATP 754P

When drilled in 1985 Eluanbrook 1 recovered 19 barrels of very light crude/condensate from the Showgrounds Sandstone on Drill Stem Test. The *Eluanbrook Stratigraphic Prospect* lies up dip from Eluanbrook 1

where the Showgrounds Sandstone truncates against basement and is well sealed by the overlying shales. This large prospect could contain 4.6 MMbo recoverable; it is planned to be drilled in late 2009 when the new infill seismic has been interpreted.

Success with Eluanbrook Stratigraphic Prospect would open up additional stratigraphic plays and possible Boxvale reservoirs up dip from the Showgrounds pinchout.

Bellbird Field ATP 552P

Detailed studies continued during the quarter. The Bellbird field possibly contains as much as 2 MMbo recoverable in a tight reservoir but; the oil is moveable as it has flowed to surface in Bellbird 1 and Bellbird West 1. Application for renewal of the ATP has been submitted with a programme designed to evaluate and test the oil accumulations in the Bellbird Field.

Conventional Gas ATP 754P

There are a number of conventional gas prospects in the Permian along trend from the Waggamba Gas Field. The aggregate unrisks, potential total recoverable resource is a mean of 58 Bcf gas. Waggamba produces up to 80 barrels of condensate per million cubic feet of gas which may enhance the economics of gas production.

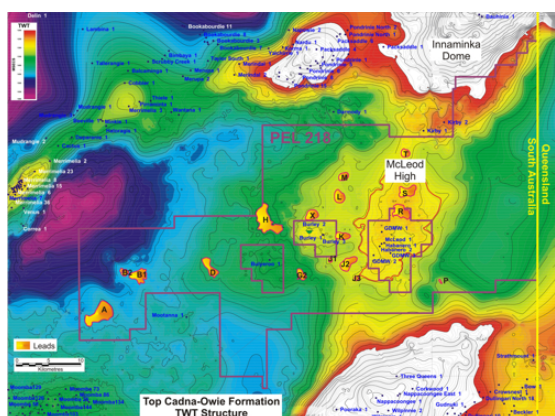
Current Activities

The Mardie 2D seismic survey covering the Eluanbrook Stratigraphic Prospect was acquired in March. It is anticipated that the joint venture will select a well site early in the next quarter.

PEL 218, Cooper/Eromanga Basins, Onshore South Australia

Location: 50 kilometres ENE of Moomba South Australia

Background



Bounty farmed into the rights above the Permian and earned 5.5% by funding a share of the Wakefield 2D Seismic Survey in PEL 218. It will earn an additional 17.78% by funding a share of an upcoming Wakefield 1 well to the Base of the Cretaceous/Jurassic Eromanga Basin sequence.

The permit lies within the Nappamerri Trough, which contains mature source rocks and is the source for the ring of Jurassic oilfields surrounding the permit to the north, west and south. The permit covers the Trough itself and in the east the McLeod High which is an extension of the Innaminka Dome to the north of the permit.

Previous exploration concentrated on Cooper Basin Permian gas plays and discovered gas in several accumulations on the McLeod High and related structures. Burley 2 recovered good oil shows at the main sealed reservoir horizons, proving that Jurassic oil has migrated into the permit. Drill stem tests at the Murta level failed, so the shows remain untested.

Targets

Oil generated from Jurassic source rocks in the Nappamerri Trough has migrated onto the Trough margins and has been trapped in fields to the north, west and south of the Trough. The partners in PEL 218 are targeting oil which has migrated eastwards up into the McLeod High. Longer distance migration of oil has been established by the ring of Jurassic oil pools surrounding PEL 218. The partners are targeting oil in close proximity to the source where the migration pathways are much shorter lessening the risk of charge.

Several leads with potential recoverable reserves of between 2 and 14 MMbo have been identified and the most promising have been detailed by the 210 km 2D Wakefield Seismic Survey.

Current Activities

The Wakefield Seismic Survey has been interpreted and a well site, Wakefield 1, targeting up to 11 MMbo (P10) recoverable in the Eromanga sequence has been identified. It is proposed to drill next Quarter.

WA 324 P, Offshore Bonaparte Basin, Western Australia

Location: 400 km west of Darwin, Northern Territory off the Kimberley Coast

Operations during Quarter:

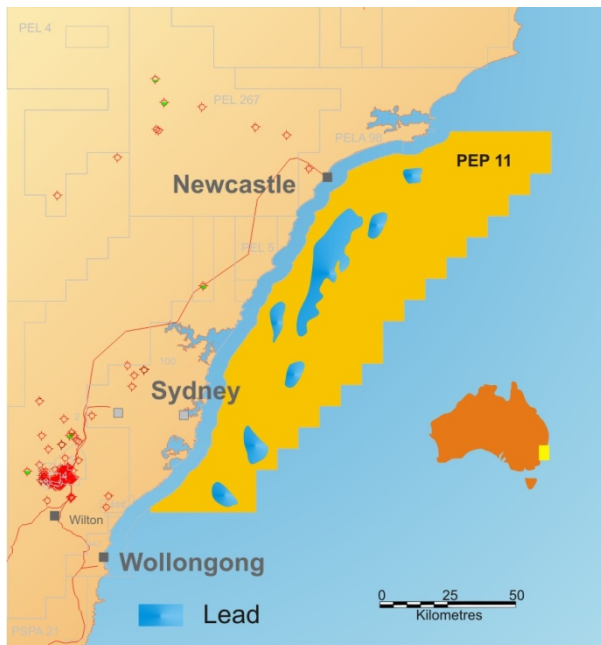
As there were no prospects of sufficient size this permit was surrendered.

PEP 11, Offshore Sydney Basin, New South Wales

Location: Offshore Sydney and Newcastle

Resources Estimates: Individual targets in the 0.5 – 3 Bcf range (P50)

Background and Geological Setting



PEP 11 is located offshore from Newcastle – Sydney. It is an extensive (8,267 km²) permit and is adjacent to the largest gas market in Australia. The main work commitment for PEP 11 is a requirement to drill an exploration well.

The underlying rocks in PEP 11 are Permian and Triassic age sediments of the Sydney Basin deposited around 250 million years ago and include the Permian age coal measures which are a prime source of gas. The seismic mapping has now identified that PEP 11 contains some massive structures, none of which have been tested by drilling.

Permian coals source the major gas/condensate reserves in the Cooper Basin, Central Australia and much of the coal seam gas in the Bowen Basin, Queensland.

Various drill holes onshore in the Sydney Basin and recent coal seam gas drilling have proved that the Basin has generated gas and oil in the onshore areas. Those wells have proved an

active hydrocarbon generating system.

Operations during Quarter

Bounty's farm in partner Asset Energy Pty Limited (part of the listed MEC Resources Limited group) is now evaluating tenders to drill the Fish prospect and is finalising and will soon submit the environmental applications for drilling.

- Appendix 5B is attached.

[The information in this report that relates to or refers to petroleum or hydrocarbon reserves, is based on information and reports prepared by , reviewed and/or compiled by the CEO of Bounty Oil & Gas NL Mr Philip F Kelso. Mr Kelso is a Bachelor of Science (Geology) and has practised geology and petroleum geology for in excess of 20 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy. He consents to the reporting of that information in the form and context in which it appears.]

For further information, please contact:

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TABLE 1: BOUNTY'S SCHEDULE OF PERMITS

Permit	Basin	Interest	Gross km ²	Net km ²	Operator
Australia Offshore					
AC/P32	Ashmore Cartier Territory - Vulcan Basin	10%	1,092	109	PTTEP
PEP 11	NSW - Sydney Basin	75%	8,267	6,200	Bounty
Australia Onshore					
PL 214 Utopia	SW Qld – Cooper - Eromanga Basin.	40%	221	88	OWK ¹
ATP 560P	SW Qld – Cooper - Eromanga Basin.	40%	86	34	OWK ¹
PEL 218	SW Qld – Cooper - Eromanga Basin.	earning 23.28%	1603.5	373	Adelaide Energy
EP 435	WA - Carnarvon Basin	10%	317	32	Rough Range ²
PL 104-5-L	WA - Carnarvon Basin	10%	80	8	Rough Range ²
EP 412	WA - Carnarvon Basin	65%	2,651	1,723	Rough Range ²
PL 71	Qld - Surat Basin	20%	134	27	Origin Energy
PL 119	Qld - Surat Basin	24.748%	21	5	Mosaic Oil
ATP 470P	Qld - Surat Basin	51.781%	253	131	Origin Energy
ATP 471P (SG)	Qld - Surat Basin	24.748%	15	4	Mosaic Oil
ATP 552P	Qld - Surat Basin	75%	124	93	Bounty
ATP 754P	Qld - Surat Basin	50%	2,761	1,380	Origin Energy
Tanzania Offshore					
Nyuni Block	Mandawa Basin	5.00%	2,860	143	Ndovu ³
Total			20,487	10,352	

1. **OWK - Oil Wells Inc of Kentucky Pty Limited**
2. **Rough Range Oil Pty Ltd (a subsidiary of Empire Oil and Gas NL)**
3. **Ndovu Resources Limited (a subsidiary of Aminex PLC)**

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

82 090 625 353

Quarter ended ("current quarter")

30th June, 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	79	440
1.2 Payments for		
(a) exploration and evaluation	(607)	(2,707)
(b) development	-	-
(c) production	-	-
(d) administration	(360)	(1,143)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other movements in receivables	(19)	(36)
Net Operating Cash Flows	(897)	(3,409)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(414)	(627)
(c) other fixed assets	(48)	(56)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	28	28
(c) other fixed assets	-	5
1.10 Loans to other entities	(4)	(58)
1.11 Loans repaid by other entities	-	25
1.12 Other (provide details if material)	-	-
Net investing cash flows	(438)	(683)
1.13 Total operating and investing cash flows (carried forward)	(1,335)	(4,092)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,335)	(4,092)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,018	3,378
1.15	Less cost of placement	(138)	(212)
1.16	Proceeds from borrowings	1,019	1,019
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
Net financing cash flows		2,899	4,185
Net increase (decrease) in cash held		1,564	93
1.20	Cash at beginning of quarter/year to date	147	1,618
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,711	1,711

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	44
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.16 consists of application monies for shares which were allotted in July, 2009.

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

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	150
4.2 Development	-
Total	150

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	1,675	58
5.2 Deposits at call	36	89
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,711	147

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	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

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	453,370,569	453,370,569		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	134,529,944	134,529,914	\$0.015	\$0.015
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
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.

