



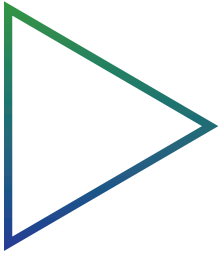
# ANNUAL REPORT 2020



## ANNUAL GENERAL MEETING

The 2020 Annual General Meeting will be held at View Hotel, 17 Blue Street, North Sydney NSW 2060, on 27 November 2020 at 11.00 a.m. EDT

The Notice of Meeting and Proxy Form have been mailed separately from this Annual Report.



# KEY OUTCOMES & OUTLOOK

## OIL PRODUCTION AND DEVELOPMENT

Bounty group oil revenue was \$2.91 million for the year with:-

- Continuing tie-in of cased Birkhead and Westbourne zone oil appraisal wells at Watkins and other Fields; Naccowlah Block, South-West Queensland
- Drilling 9 appraisal and NFE wells with 7 successful completions
- Planning for a further 5 appraisal wells in 2021 from 12 new targets
- Improving oil output and moderate A\$ oil prices at around A\$70

Naccowlah drilling expected to further increase 2020 oil reserves

## OIL AND GAS EXPLORATION AND DEVELOPMENT

- Operator progressing to drill major gas exploration targets in PEP 11 offshore Sydney Basin in 2021
- Bounty seeking other high impact gas/condensate exploration projects in Australia

## FULL YEAR 2020 - RESULTS

- Group petroleum revenue for the year down 21% to \$2.91 million (2019: \$3.66 million) from Queensland oil sales
- Operating profit of \$0.43 million (2019: profit \$1.12 million) before non-cash expenses
- Cash and current assets at 30 June 2020 were \$1.47 million with nil debt

## TABLE OF CONTENTS

	Page	
Key Outcomes	Inside Cover	<b>Website</b>
Chairman's Review	2	Bounty maintains a website at:
CEO's Review	3 - 5	<a href="http://www.bountyoil.com">www.bountyoil.com</a>
Project and Operations Review	6 - 13	On our website you will find full information about the Company. Every announcement made to the Australian Securities Exchange (ASX) is published on the website. You will also find detailed information about the Company's Exploration and Production Permits.
Corporate Governance Statement	13	
Directors Report including Remuneration Report	14 - 25	
Auditor's Independence Declaration	26	
Consolidated Statement of Comprehensive Income	27	
Consolidated Statement of Financial Position	28	
Consolidated Statement of Changes in Equity	29	
Consolidated Statement of Cash Flows	30	<b>Stock Exchange Listing</b>
Contents of Notes to Consolidated Financial Statements	31	Bounty Oil & Gas N.L. securities are listed on the Australian Securities Exchange.
Notes to and Forming Part of the Financial Statements	32 - 53	
Directors Declaration	54	
Independent Auditors Report to Members	55 - 57	<b>ASX Code: BUY</b>
Additional Information Required by ASX Listing Rules	58 - 59	
Schedule of Petroleum Tenements	60 - 61	
Abbreviations	62 - 63	
Corporate Directory	64	

*Bounty Oil & Gas NL*  
*ACN: 090 625 353*  
*ABN: 82 090 625 353*

### Annual General Meeting:

The 2020 Annual General Meeting will be held at View Hotel, 17 Blue Street, North Sydney NSW 2060, on 27 November 2020, commencing at 11.00 a.m.

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## CHAIRMAN'S REVIEW

Dear Shareholder

Bounty has had a very successful year on both the drilling, oil production and exploration fronts. Petroleum revenue reached \$2.91 million from oil produced from Naccowlah Block, SW Queensland notwithstanding a very challenging oil price decline as a result of the Covid-19 pandemic.

With a near halving of active drill rigs in North America and occasions when oil for forward delivery in the USA turned negative, the Naccowlah Block joint venture operator; Santos Limited achieved above market oil prices with intelligent hedging strategies. There are signs that oil prices are in recovery.

Bounty continues to invest its oil revenue back into proving additional oil reserves. It participated in a continuing highly successful 9 well appraisal drilling campaign into the Birkhead and Westbourne zones in the Naccowlah Block. This drilling secures our future revenue.

Bounty is building its balance sheet through cash and asset increases; building oil reserves and investing in new infrastructure. As we strengthen our balance sheet Bounty will commence development of our very significant Surat Basin, SE Queensland oil and gas reserves.

On the high impact front Bounty is generating significant interest by its 15% participation in PEP 11 Offshore Sydney Basin and the joint venture is planning to drill a major gas exploration target in PEP 11 in 2021. The joint venture anticipates that it will shortly receive an extension of its permit term and move to drill preparation.

We are also seeking to create increased shareholder value through looking for additional high impact offshore exploration projects.

Bounty is confident about its future in a world which continues to demand high quality oil and where there is a gas shortage in East Australia.

I thank shareholders for their support in this challenging year of 2020. I would particularly like to thank my other Board members and our dedicated staff and consultants for their great work this year as we look forward to an exciting new drill program for 2021.

Graham Reveleigh  
Chairman

26 October 2020

## CEO'S REVIEW

### Highlights for the Year:

- Bounty petroleum revenue declined 21% to \$2.91 million (2019: \$3.66 million) mainly from oil sales in Australia.
- Operating profit of \$0.43 million (2019: operating profit \$1.11 million) before non-cash expenses including amortisation and an impairment of oil & gas assets of \$2.9 million.
- Net loss after these non-cash items of \$3.1 million (2019: \$2.78 million loss).
- Cash and current assets at 30 June 2020 were \$1.47 million (2019: \$1.47 million) with nil debt.
- Bounty participated in another successful drilling program in 2020 adding to reserves and oil revenue.
- Bounty is planning to maintain and potentially increase oil production in 2021 from its Cooper Basin assets by participating in at least 5 additional appraisal and NFE oil wells in the Naccowlah Block.

### Introduction

Bounty's petroleum revenue was satisfactory at \$2.91 million and we anticipate that it will exceed \$3 million in 2021 by further contributions from the recent Birkhead and Westbourne zone discoveries in Naccowlah Block and a modest oil price recovery. Bounty added to its production tangibles by participating at its share of new pipeline and oil production infrastructure builds in Naccowlah Block.

Our strong 3D seismic database continues to provide new targets and the operator is examining another 12 appraisal and NFE targets with 5 firm wells planned for 2021.

Bounty had further excellent drilling results. 9 wells were drilled in Naccowlah Block during the period out of which 7 were cased for production and completion.

See the Directors Report for further 2020 production and revenue details.

Bounty relinquished ACP 32 Timor Sea and fully expensed its investment. Bounty is actively seeking high impact offshore Australia exploration opportunities.

### 2021 Forward Plans

The successful drilling results in Naccowlah Block have allowed Santos Limited as operator to identify 12 new targets and propose at least 5 additional appraisal wells in 2021 in the Natan Bolan Corella area southwest of Jarrar Field. This additional drilling will increase our very conservatively stated Naccowlah Block oil reserves and provide steady oil revenues in coming years.

Bounty completed further compliance and facility work at PL 2 Alton in preparation for production. Bounty will continue planning to recommence oil production from PL 2 Alton and gas production from PL 441 Downlands; near Surat, Queensland.

Bounty has other Surat Basin gas exploration opportunities to contribute to future revenue growth.

Bounty holds 15% of PEP 11 Offshore Sydney Basin in what has the potential to lead to a new exploration drill of a major gas exploration project near Newcastle, NSW. Offshore operations are not affected by the various onshore gas exploration road blocks and active planning is underway aimed at advancing the Baleen Prospect to a drill test in 2021.

At Rough Range, Western Australia Bounty has 100% ownership of the Rough Range Oilfield and will continue seismic studies to determine the geometry of the Bee Eater prospect.

More details on current projects are set out in the **Project and Operations Review**.

## Onshore Projects

### Oil Business

#### SW Queensland – Cooper Basin

**ATP 1189P Naccowlah Block** – see Maps in **Project and Operations Review** below.

Oil production from the Santos Limited operated ATP 1189 Naccowlah Block was 27,286 bbls (2019: 39,792 bbls). Falling oil prices in \$A terms reduced revenues to \$2.91 million.

Bounty continued to participate in a successful oil appraisal program in the Naccowlah Block. Wells are being progressively tied in with new pipelines and production infrastructure. During the period Bounty participated in a further series of 9 appraisal and NFE oilwells, with 7 cased for production and only 2 P&A'd. This continuing exceptionally successful program has increased Bounty's oil reserves in Naccowlah Block and maintained oil revenue at satisfactory levels for the year. Details of the wells are set out in the **Project and Operations Review** below.

Significant sales volumes will continue to come from additional Birkhead and Westbourne zone discoveries at Cooroo Field, Jarrar Field and other Fields within Naccowlah Block. The joint venture is planning a further 12 Naccowlah appraisal wells with at least 5 in the current financial year.

#### SE Queensland – Surat Basin

**Petroleum Lease 2 Alton (PL2)** – see Maps in **Project and Operations Review** below.

Bounty is now operator of Petroleum Lease 2 and holds:

- 100% of the Alton Oilfield and Alton Block.
- Alton is 440 km west of Brisbane and Alton oil will be transported and sold into the Brisbane Refinery.
- Development reserves: 167,000 bbls of recoverable oil in the early Triassic age Basal Evergreen sand reservoir plus potential 1.136 million bbls of 2P reserves located in the three sands of the Boxvale/Evergreen Formations.
- Production facilities at Alton Oilfield.
- Surrounding exploration acreage where there is considerable potential for further resource additions with undrilled locations and attic oil in the Evergreen Formation. In addition the Showgrounds Formation has been proven as a high productivity sand in the area.
- Bounty holds an 81.75% interest in the Kooroon JV within PL2 Alton and thereby controls appraisal of the Eluanbrook Updip target in PL 2.

Commencement of oil production in 2020 was deferred due to exceptionally depressed oil prices and Bounty is now planning to commence oil production at PL 2 Alton in 2021. This is expected to generate additional revenue of up to \$1 million per annum with significant upside from four undrilled locations; enhanced recovery and later an appraisal well at the Eluanbrook prospect in PL 2.

**Petroleum Lease 441 Downlands (PL 441)** – see Maps in **Project and Operations Review** below.

Bounty continued facility reviews and compliance activities. The PL 441 production infrastructure and pipeline is connected to the Silver Springs – Wallumbilla trunk line and Bounty is studying gas production feasibility.

#### Western Australia – Carnarvon Basin

##### **Petroleum Lease L 16, Rough Range**

Bounty conducted well integrity monitoring on the Rough Range 1B well in Petroleum Licence L 16 onshore Carnarvon Basin and other remediation at the Rough Range Oilfield. It continued data compilation and interpretation work on the seismic database.

Bounty is planning to continue seismic and geological reviews at L 16 in 2021 to provide confidence for a drill test of the Bee Eater prospect in southwest L16.

### **Unconventional Gas Business**

Looming gas supply shortages in eastern Australia continue to provide encouragement for the pursuit of conventional and unconventional gas in PRL's (formerly PEL 218) (Nappamerri Project); Cooper Basin, South Australia where Bounty holds a 24.8% interest and for deep gas in some of Bounty's other permits.

### **Offshore Projects - Growth**

#### ***PEP 11; New South Wales***

The operator Asset Energy Pty Limited undertook a 2D seismic survey in March 2018 and the permit is in good standing. Control of the operator reverted to BPH Energy Limited and interests associated with Mr David Breeze in 2019 and Bounty and Asset have worked very co-operatively to advance to a drill test of the previously well-defined gas prone Baleen Prospect in 2021. With major gas supply issues developing in eastern Australia; the operator has identified with AVO analysis of the new seismic data a new target at Baleen Prospect.

#### ***AC/P32 Ashmore Cartier - Timor Sea***

Bounty's efforts at farming out AC/P 32 were made difficult by heavy oil price declines in 2019/2020 and Bounty relinquished this project with a non-cash impairment of \$2.90 million.

### **Conclusion**

Oil revenue is expected to be \$2.5 million in 2021.

Australia confronts the challenge of finding more domestic oil and gas. Bounty maintained its oil reserves in the year to 31 December 2019 and is well placed for additional oil reserve growth at end 2020. It will look for above trend growth preferably through focus on Bounty operated projects.

Management will pursue additional oil opportunities from within its own operated oil resources at Alton in the Surat Basin which will be placed on production in 2021. Further afield it will fully review the seismic and other data in the Rough Range permit and seek partners for an exploration well at Bee Eater in PL 16 Rough Range.

On the growth front Bounty is seeking additional offshore gas/condensate opportunities in Australia so shareholders obtain good leverage. Bounty holds excellent Permits as has been demonstrated by the 2020 Naccowlah Block drilling successes and we are confident of further oil drilling success in 2021.

#### **PHILIP F. KELSO**

Chief Executive Officer

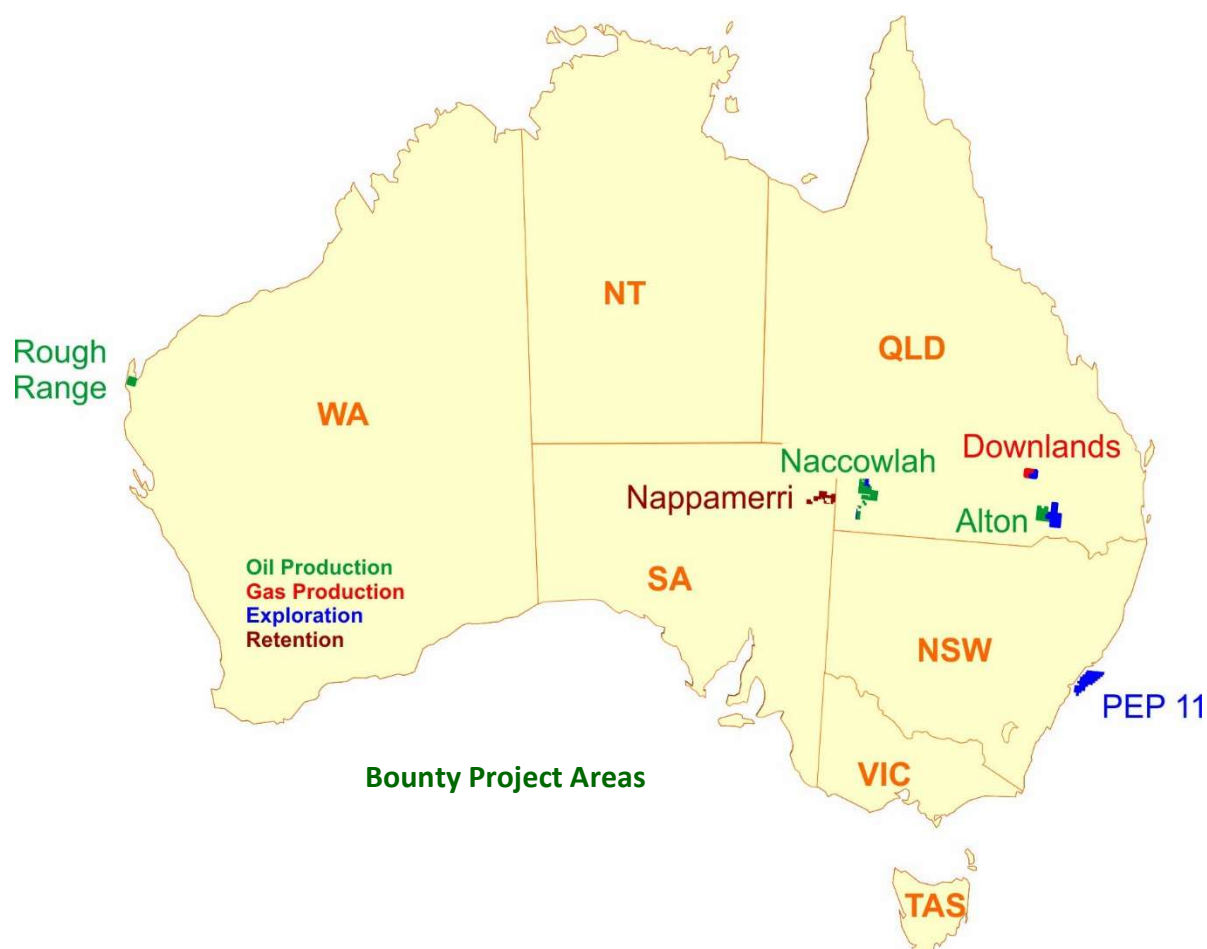
26 October 2020



## PROJECT and OPERATIONS REVIEW

### Bounty Projects

Bounty has production and exploration operations in four states and territories within Australia.



### Summary Land Position

Offshore Australia	Equity	Gross Km <sup>2</sup>	Net Km <sup>2</sup>
PEP-11	15%	4576	686
Onshore Australia			
Naccowlah SW Queensland	2%	1794	36
Nappamerri South Australia	23.28%	859	200
Surat Basin Queensland	Various	808	462
Rough Range Carnarvon Basin WA	10%	80	8
<b>Totals</b>		<b>8117</b>	<b>1392</b>

This table summarises Bounty's land position as at 30 June 2020. Bounty's full schedule of tenements as at 28 September 2020 is included in Additional Information Required by ASX Listing Rules at the end of this Annual Report. During the year Bounty withdrew from ACP 32.

Bounty projects not specifically referred to below in this Project Review are summarised in Bounty's 2020 Quarterly Activity Reports to the ASX and on Bounty's website: [www.bountyoil.com](http://www.bountyoil.com).

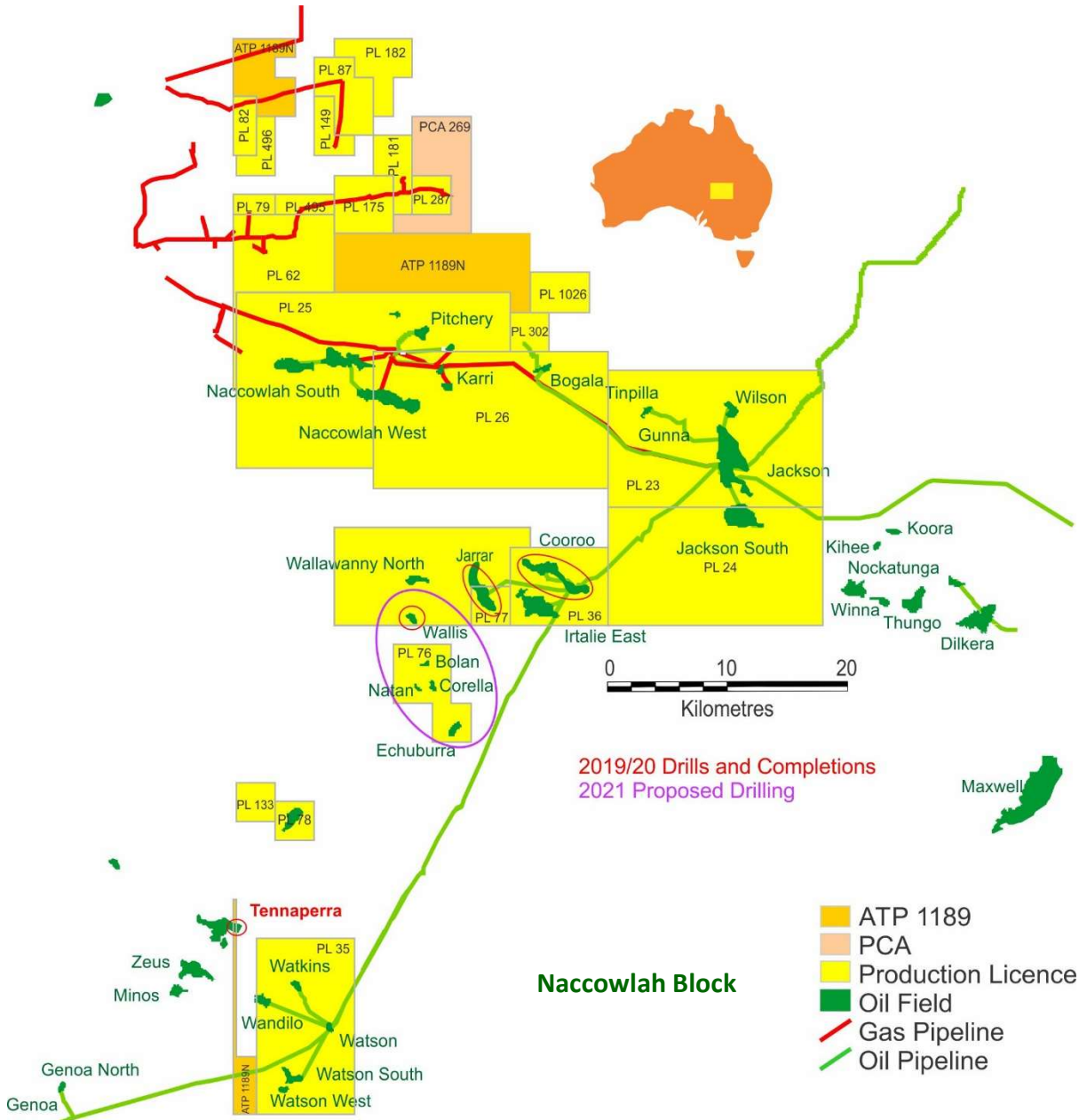
**OIL BUSINESS**

**SW Queensland – Cooper Basin**

**Production**

Bounty’s petroleum production and sales for the year ended 30 June 2020 are summarised in the Review of Operations set out in the Directors Report. Bounty’s production from the Naccowlah project reached a recent peak at end of year 2019, the decline from this peak has been mitigated by successful drilling and at year end Bounty was producing 63 bopd.

**Development**



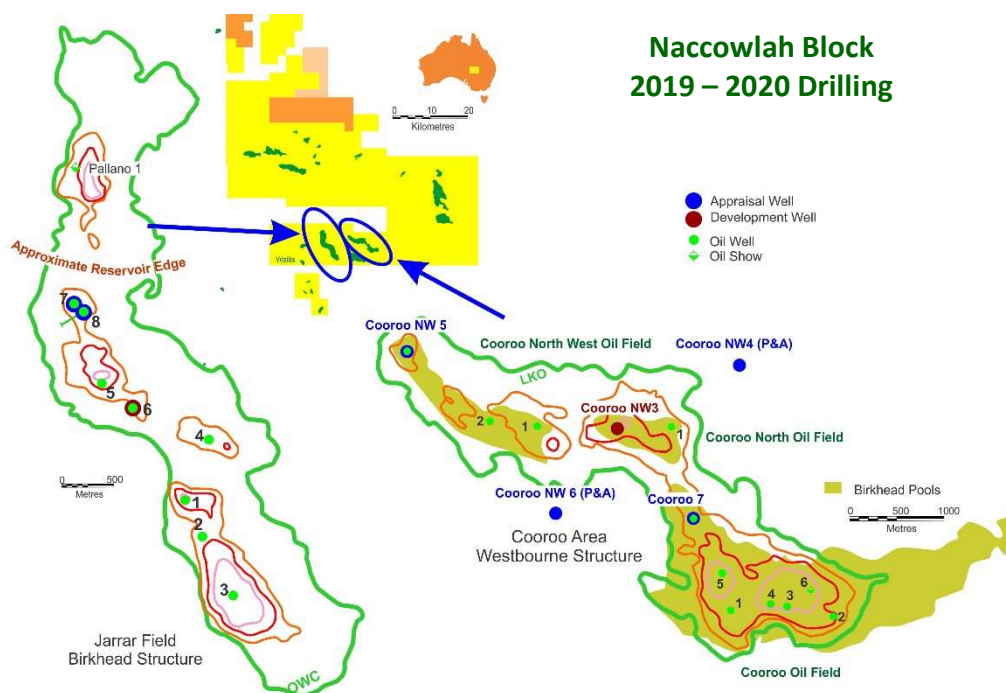
**ATP 1189P Naccowlah Block and Associated PL’s SW Queensland - Bounty 2%**

**Location:** Surrounding Jackson, Naccowlah and Watson Oilfields

## Background

The Naccowlah Block covers 1794 km<sup>2</sup>, 9% of which is covered by ATP 1189P and the remainder in 25 petroleum leases (PL's) and applications covering producing fields. There is significant production infrastructure and pipelines. Bounty's share of production from the Naccowlah Block was 27,285 bbls of oil equivalent for the year. Bounty holds 2P + 2C (Contingent) reserves of 145,000 bbls. The decrease in production due to natural decline, was partially offset by a very successful drilling program (see below). Much of the recent drilling has converted oil resources contingent on drilling to proven reserves.

## 2019 / 2020 Naccowlah Block Drilling



The Naccowlah Block joint venture undertook further near field exploration (NFE) and development drilling in the 12 months ending 30 June 2020 and Bounty participated in all wells with a 78% success rate.

Drilling was directed at extending Birkhead zone oil at Jarrar Field and Westbourne zone oil at Cooroo Field.

Well details are:-

Well	Type	Current Status
Tennaperra 9	Appraisal	Cased and suspended
Jarrar 6	Development	Online
Jarrar 7	Appraisal	Online
Jarrar 8	Appraisal	Online
Cooroo NW 3	Development	Cased and suspended
Cooroo NW 5	Appraisal	Online
Cooroo NW 7	Appraisal	Online
Cooroo NW 4	Appraisal	Plugged and Abandoned
Cooroo NW 6	Appraisal	Plugged and Abandoned

## 2021 Naccowlah Block Development

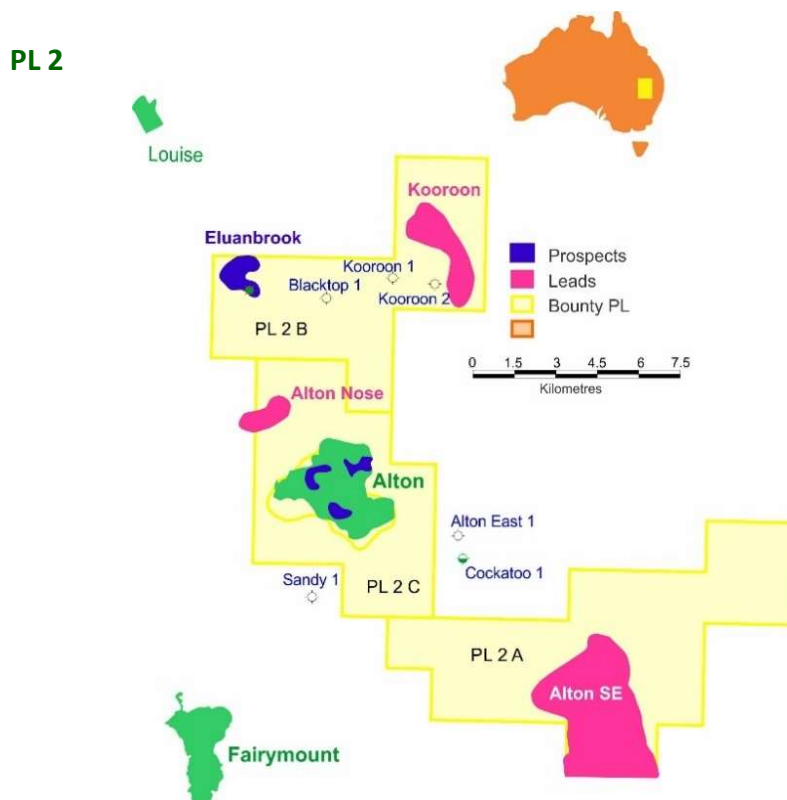
Planning for a 2021 drilling program has commenced. Another 12 potential drilling targets have been identified with 3D seismic targeting the Birkhead Formation reservoir in the Wallis, Bolan, Natan and Echuburra fields.

SE Queensland

Surat Basin (South) Development

PL 2 C Alton - Bounty 100% and PL 2 B and 2 C Kooroon Block – Bounty 81.75%

Location: 70 km. East of St George SE Queensland



Background

In 2016 Bounty acquired full control of PL 2. Hydrocarbons in the southern part of the Surat Basin are generated in the underlying Bowen Basin Permian sequence and are liquids rich. The oil is trapped in the Triassic age Showgrounds Sandstone and in the Evergreen Formation.

The northern section of Bounty's acreage includes the Permian age Tinowan Formation which frequently has a liquids rich gas charge and in places, like Bounty's PL 441 Downlands property, good porosity and permeability. Preparations are underway to re-open the gas plant in PL 441 and pipeline and bring the field back into gas production, provided the economics support it. There is a ready market for the gas due to a shortage of domestic gas in the Eastern states.

Group Interests in the Surat Basin are

South			North		
Permit	Status	Interest	Permit	Status	Interest
<b>Alton Oilfield</b>			<b>Downlands Area</b>		
PL 2 C	Granted	100.0%	ATP 1190 SG	Granted	24.75%
PL 2 Alton	Granted	100.0%	PL 441	Granted	100.0%
			PPL 58	Granted	100.0%
<b>Kooroon JV Block</b>					
PL 2 A	Granted	81.75%			
PL 2 B	Granted	81.75%			
ATP 2028	Renewing	50.0%			

PL 2 C (Alton Field) has to date produced over 2 million barrels from the Jurassic Age Evergreen Formation. Bounty estimates 2P reserves at Alton of 0.216 million bbls.

**2020 Operations**

Bounty focused on data digitisation, compliance and development planning for 2021 oil production.

**2020/21 Plans**

Bounty plans to work over 2-3 wells at Alton and commence oil production while it generates a full field development plan including drilling an up-dip appraisal well at Eluanbrook in the northwest section of PL 2 B and up to 3 attic oil locations within Block 2 C - the Alton Pool. Initial production of 100 bopd is expected from the Evergreen Formation and then moving to develop attic oil with potential recoverable oil of 167,000 bbls. Bounty is targeting 350,000 bbls of oil within known pools in PL 2. The present depressed oil prices have inhibited progress on this plan.

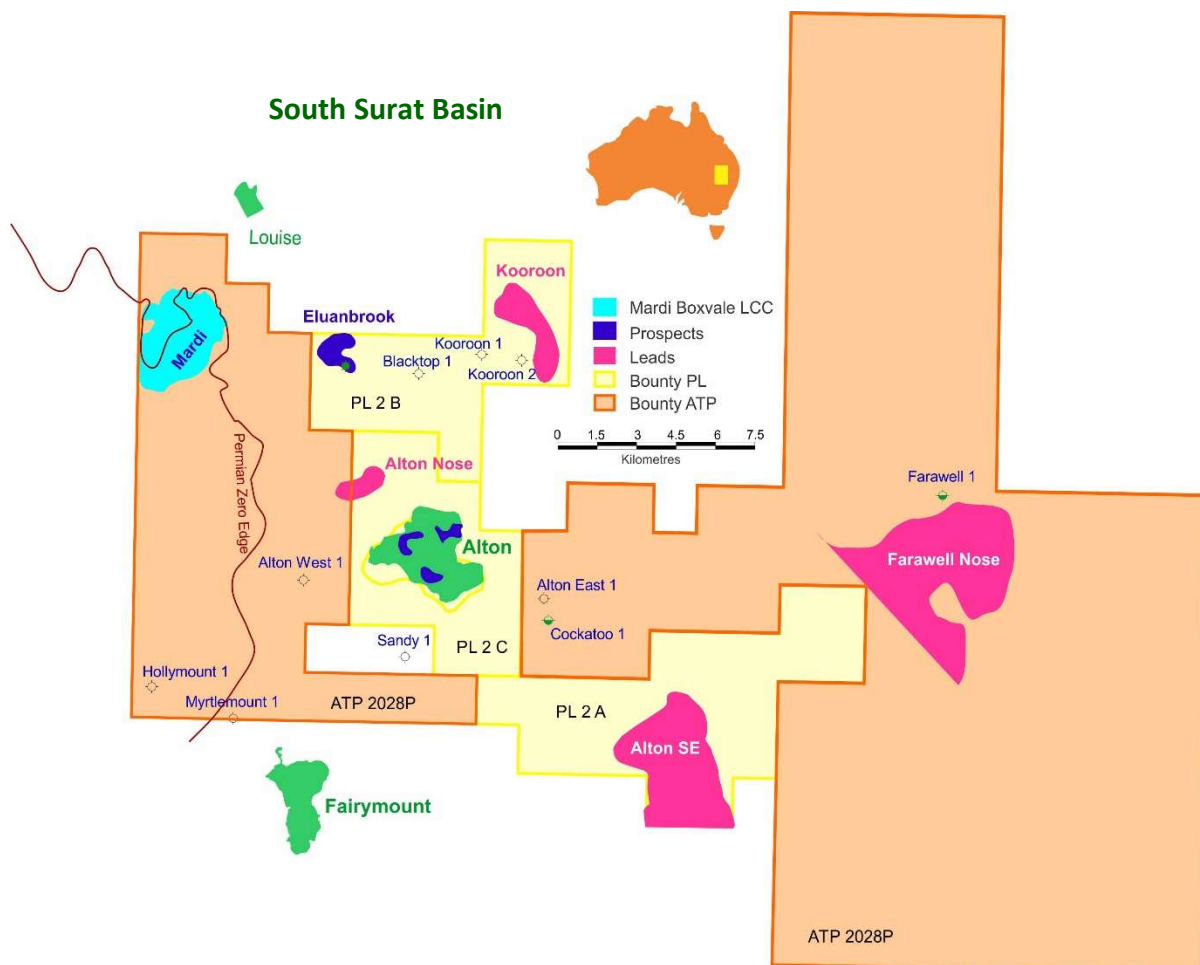
**Surat Basin - Exploration**

**ATP 2028 – Bounty 50%**

**Location:** 70 km. East of St George SE Queensland

**Background**

Bounty has lodged applications for potential commercial areas on ATP 2028 the area which surrounds the Alton Field. There are two principal targets for exploration in ATP 2028; the 200,000 barrel Mardi lead to the west of Alton in the Jurassic age Boxvale Sandstone and the Triassic age Showgrounds Sandstone in channels up dip from oil in Farawell 1 where they drape over a seismic feature near the Farawell Well.



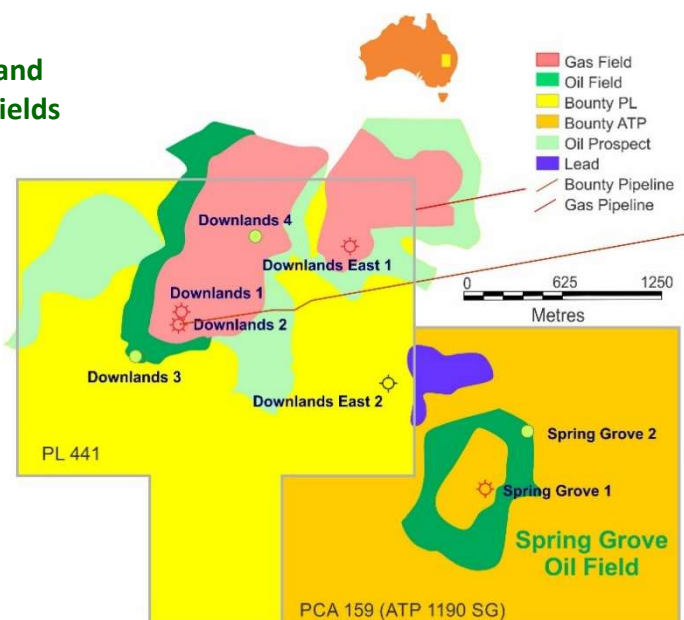
## GAS/CONDENSATE BUSINESS

### Surat Basin (North) Development

Downlands PL 441 – Bounty 100%, Spring Grove PCA 159 (ATP 1190) – Bounty 24.75%

Location: Just north of Surat Township Queensland

### Downlands and Spring Grove Fields



### Background

Renewal of PL 441 and the re-availability of the Silver Springs – Wallumbilla pipeline for gas export during 2018 has provided Bounty with potential to re-commence gas production at Downlands PL 441. Bounty is determining the feasibility of re-opening gas production at PL 441 and exploring the oil leg to the field.

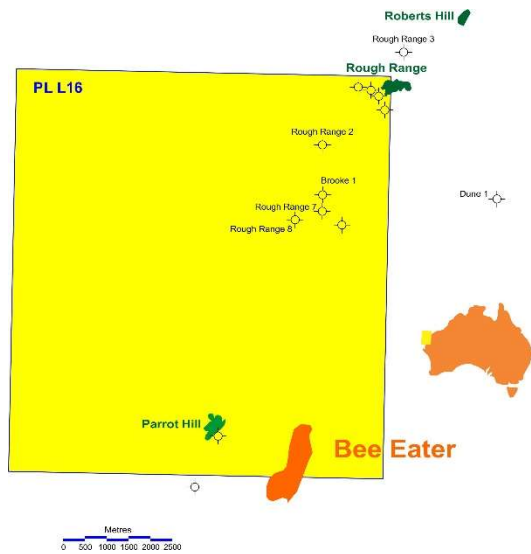
### 2020/21 Operations

Work is underway on taking the gas wells and plant out of care and maintenance and bringing the field back to production. During 2021 it is intended to produce the field and evaluate the potential reserves remaining. The Downlands gas field occurs in sands overlying a basement high. Ringing the high where the sands abut the basement are a series of oil pools and potential pools in the Tinowan Formation which were intersected in Downlands-3 and 4 both of which produced oil to surface. Bounty intends to evaluate these oil pools further once the gas-condensate field is back in production.

**Carnarvon Basin, Western Australia - Production Licence PL L16 – Bounty 100%**

**Location:** Surrounding Rough Range Oil Field, 60 Km south of Exmouth, Carnarvon Basin WA

**Background**



This production licence straddles the Rough Range anticline, the location of the first oil discovery in Australia. The Dingo Claystone, the prime source rock for the Carnarvon Basin, is mature and generating oil in the Patterson Trough running north south along the western edge of the Licence. Oil has migrated a short distance into Rough Range Anticline. Bounty's Licence contain two known proved oil pools - Rough Range and Parrot Hill. Pervasive faulting and poor seismic imaging along the crest of structures makes identifying drill targets challenging.

**Future Work**

The principal undrilled prospect is the 3 million bbl potential Bee Eater prospect in the southern section of L 16.

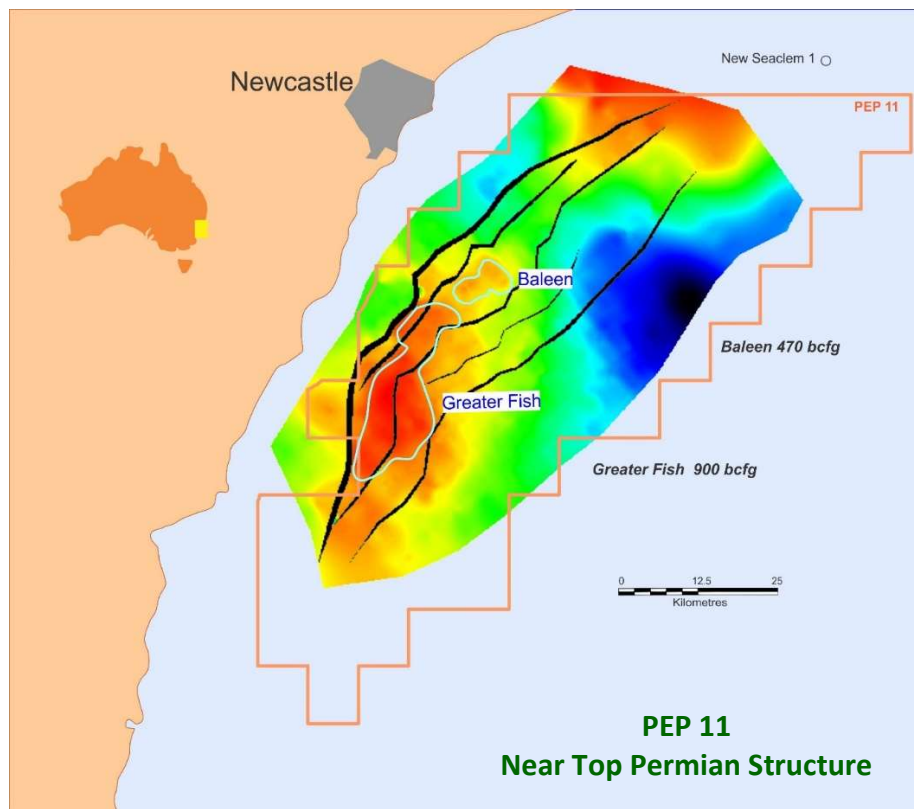
Bounty is fully reviewing the seismic and geological database seeking methods to image oil pools directly given the relatively shallow 1100 metre depth to target. After developing a method to de-risk the data Bounty intends conducting a drill test of the Bee Eater prospect.

**Growth Projects**

**PEP 11, Offshore Sydney Basin, New South Wales – Bounty 15%**

**Background**

PEP 11 covers 4,576 km<sup>2</sup> of the offshore Sydney Basin immediately adjacent to the largest gas market in Australia and is a high impact exploration project.



The operator Asset Energy Pty Limited and Bounty undertook a 200km 2D seismic survey in PEP 11 in March 2018 and the permit is in good standing. That survey was undertaken in the area of the Baleen prospect and with AVO analysis of the new seismic data the Baleen target area has been further refined. The Baleen target area is located approximately 30 km south east of Newcastle and the area is gas prone with anomalous recordings of gas at the sea floor.

### **2020/21 Exploration**

In late 2019 the PEP 11 Joint Venture reviewed the work program and resolved to proceed with the drilling of an exploration well in the Baleen area subject to approvals from NOPTA and other regulatory authorities and financing. In addition to Baleen the PEP 11 project has additional significant structural targets with potential for multi TCF natural gas resources.

In late 2019 the operator Asset Energy Pty Limited and Bounty made application to NOPTA to change the current Permit conditions to proceed with the drilling of an exploration well in lieu of a 500 square km 3D Seismic Survey and to extend the Permit term until March 2023 to enable that drilling. That application was pending at the end of the period and the PEP 11 Joint Venture has been advised that it is in the final decision phase. Subject to approval there will be no requirement to undertake the 500 sq. km 3D seismic program.

As a result with major gas supply issues developing in eastern Australia Bounty and the operator are well placed to move PEP 11 to a drill ready status at the Baleen Prospect in 2021 where AVO (Amplitude versus Offset) analysis has defined an anomaly in the prospective Early to Mid-Permian Shoalhaven Group. The marine sands of the Group are the targets especially further seawards where the sands can be expected to have good reservoir characteristics.

PEP 11 remains one of the most significant untested gas plays in Australia. The PEP JV has demonstrated considerable gas generation and migration in the offshore Sydney Basin, with the previously observed mapped prospects and leads being highly prospective for gas.

### **CORPORATE GOVERNANCE STATEMENT**

Bounty Oil and Gas NL's Corporate Governance Statement is on its website [www.bountyoil.com](http://www.bountyoil.com) and has been released to the ASX.



## DIRECTORS' REPORT

Your directors present their report on the consolidated entity Bounty Oil & Gas NL ("Bounty", "company" or "the group") being the company and its controlled entities for the financial year ended 30 June 2020.

### Directors

The names of the directors in office at any time during or since the end of the financial year are:-

- G. C. Reveleigh (Chairman)
- C. Ross (Non-executive Director)
- R. Payne (Non-executive Director)

### Company Secretary

The following persons held the position of company secretary and chief financial officer of the group during the financial year:

- S. Saraf

### Principal Activities

The principal activity of the company and the group during the financial year was that of exploration for, development, production and marketing of oil and gas (petroleum). Investment in listed entities is treated as a secondary activity and business segment.

There were no significant changes in the nature of the company's principal activities during the financial year.

### Operating Results

Consolidated loss of the group attributable to equity holders after providing for income tax amounted to \$3.1 million (see comparative details below).

	<b>Consolidated 2020</b>	<b>Consolidated 2019</b>
	<b>\$ million</b>	<b>\$ million</b>
Profit/(loss) from ordinary activities before income tax	(3.1)	(2.78)
Income tax attributable to loss	-	-
Net profit/(loss) after income tax	(3.1)	(2.78)

Revenue from continuing operations for the period was \$2.91 million down 21% on the previous year (2019: \$3.6 million) primarily due to lower crude prices and decrease in oil production.

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

- Petroleum revenue; (mainly from oil and gas sales) of \$2.91 million
- Direct petroleum operating expenses of \$1.51 million
- Employee benefits expense of \$0.75 million
- Non-cash expenses for:
  - Impairment charge to oil and gas assets of \$2.90 million
  - Amortisation and depreciation expenses of \$0.62 million

Details of drilling activity, exploration and development operations and cash flows for the year ended 30 June 2020 have been reported by the company to the Australian Securities Exchange in the Quarterly Activity Report and Appendix 5B for each of the quarters during the year and in additional announcements on particular items.

A summary of revenues and results of significant business and geographical segments is set out in Note 4 to the Financial Statements. Brief details are set out below:

## Review of Operations

### Production & Sales:

During the year ended 30 June 2020, the company:

- Produced oil as a joint venture participant from several oil fields and leases operated by Santos Limited in ATP 1189P, Naccowlah Block, SW Queensland.

Petroleum revenue and production in barrels of oil equivalent (boe) are summarised below:-

<b>Naccowlah Block Bounty Share (2% interest)</b>	<b>2020</b>	<b>2019</b>
<b>Totals</b>		
<b>Revenue \$</b>	\$2.91 million	\$3.66 million
<b>Production boe</b>	27,286	39,792

## Exploration and Development

Significant exploration and development operations during the year under review were:

### Australia

#### *Onshore*

#### **Cooper Basin, South-western Queensland**

#### ***ATP 1189P Naccowlah Block; SW Queensland:***

Oil production operations continued at a decreased rate from the producing fields including Jackson and from wells including recent wells in the Irtalie East, Watson, Watson North and Watkins Fields. New pipelines and production infrastructure were completed. Australian \$ oil prices were lower with offsets from hedging. Cost cutting efforts continued. New appraisal drilling continued in the financial year with very good success.

Further Later Development Plans were lodged with the Department of Natural Resources Mines and Energy for the Naccowlah Block ATP 1189P Petroleum Leases and a number of lease renewals were pending.

The operator Santos Limited undertook further near field exploration (NFE) and development drilling in the 12 months ending 30 June 2020 and Bounty participated in all wells with the following results:-

<b>Well</b>	<b>Results</b>
Tennaperra 9	Cased for production
Jarrar 6	Cased for production
Jarrar 7	Cased for production

Jarrar 8	Cased for production
Cooroo NW 3	Cased for production
Cooroo NW 4	P&A
Cooroo 7	Cased for production
Cooroo NW 5	Cased for production
Cooroo NW 6	P&A

Naccowlah Block reserves are assessed at the end of each calendar year. As a result of drilling in 2019 the Naccowlah Block 2P reserves remained steady in the 2019 calendar year. Bounty anticipates that the above 2020 drills will lift 2P reserves in calendar year 2020.

A further program of appraisal and development wells are planned for 2021.

### **Surat Basin; Eastern Queensland**

#### ***Petroleum Lease 2 Alton***

- Further planning continued to develop the PL 2 Alton reserves in 2020/2021 initially by producing oil from Alton Oilfield.
- Bounty group now holds 100% of the Alton Oilfield, 100% of the Alton JV Block and 81.75% of the Kooroon JV all within PL 2 Alton.
- As a result Bounty group is holding in the Alton Oilfield; development reserves of 167,000 bbls of recoverable oil in the early Triassic age Basal Evergreen sand reservoir plus a potential 1.136 million bbls of 2P reserves located in the three sands of the Boxvale/Evergreen Formations.
- And an estimated recoverable resource of 186,000 bbls from P50 OOIP of 625,000 bbls in the Middle Triassic age Showgrounds Sandstone reservoir at the Eluanbrook Prospect within that part of PL2 known as the Kooroon JV.
- Oil price declines curtailed commencement of oil production in 2020 however in early 2021 Bounty will continue development of these resources.

#### ***Petroleum Lease 441 Downlands***

- PL 441 (formerly PL 119) covering shut in gas reserves and oil prospects was renewed on 5 June 2019.
- Bounty completed certain compliance audits and facilities studies on its gas processing plant and developed an optimal plan for re-commencing gas production.

#### ***ATP 2028P (formerly ATP 754P):***

- Bounty group as the operator of the ATP 2028 joint venture with Armour Energy (Surat Basin) Pty Ltd obtained the grant of ATP 2028P covering the southern section of former ATP 754P. Armour has a seismic option to conducting a drill test of the Mardi Prospect to test for oil and gas in several zones down to the Permian age sequence. Bounty extended the option and Bounty group will be free-carried. If seismic surveys are positive then drilling of that multi-zone test is planned for 2021.

### **Carnarvon Basin, Western Australia**

#### ***Petroleum Licence L 16 Rough Range***

- During the period the group conducted well integrity monitoring on the Rough Range 1B well in Petroleum Licence L 16 onshore Carnarvon Basin and other remediation at the Rough Range Oilfield.

- Bounty commenced a full seismic and geological review at L 16 aimed at further refinement of the structure and reservoir to prepare for:-
  - Further seismic surveys and/or
  - An exploration well.

### **Offshore**

#### **PEP 11; New South Wales: Bounty 15% interest:**

The operator Asset Energy Pty Limited undertook a 2D seismic survey in March 2018 and the permit is in good standing. Asset Energy and Bounty have co-operated to advance to a drill test of the previously well-defined Baleen Prospect. With major gas supply issues developing in eastern Australia; the operator has identified a new target at Baleen Prospect using AVO analysis of seismic data.

At the end of the period a decision on permit extension and variation by NOPTA was pending.

#### **AC/P 32 Ashmore Cartier Territory; Timor Sea: Bounty 100%**

Efforts at farmout of the well commitment in AC/P 32 continued over several years without success and Bounty relinquished AC/P 32 in late 2019. As a result it incurred a material non-cash expense item of \$2.90 million with all prior expenditure written off.

### **Other Properties**

During the period, Bounty continued to fund exploration and development expenditure in connection with its other operated and joint venture interests located in Queensland and South Australia and Western Australia. Bounty is actively seeking additional material projects.

### **Corporate – Share Issues**

During the year ended 30 June 2020 the company did not make any equity issues.

### **Dividends Paid or Recommended**

**No dividends have been paid or declared for payment for the year ended 30 June 2020 and no dividend is recommended.**

### **Financial Position**

The net assets of the group reduced by \$3.1 million in the year ended to 30 June 2020 as a result of non-cash impairments on petroleum properties. The significant underlying movements resulted from the following items:

○ Impairment of oil and gas assets of	\$2.90 million.
○ Amortisation of production assets	\$0.55 million.
○ Exploration write offs	\$ nil

At 30 June 2020 current assets were \$1.47 million.

During the financial year the company invested:-

- \$ 0.85 million on petroleum development drilling, property acquisitions and in completions and surface production facility upgrades mainly in ATP 1189P Naccowlah Block; Queensland to further exploit its existing proved producing oil reserves and to increase its 2P oil reserves.
- \$ 0.33 million in petroleum exploration projects and acquisitions in Australia as summarised in the Review of Operations above.

The directors believe the company is in a stable financial position to expand and grow its current operations.

### **Significant Changes in State of Affairs**

There have been no significant changes in the state of affairs of the company during the financial year.

### **Contingent liabilities and Contingent Assets**

As at the date this report, there were no contingent assets or liabilities.

There was no litigation against or involving Bounty Oil & Gas N.L. or its subsidiaries.

### **Events after the Reporting Period**

On 23 September 2020, the Company issued a further 143,000,000 ordinary shares via placement at \$0.01(1 cent) to raise \$ 1.42 million before issue expenses. The shares were allotted pursuant to the Company's 15% placement capacity under ASX listing rule 7.1. No other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### **Future Developments, Prospects and Business Strategies**

Subject to the amount of its ongoing oil and gas revenues and the availability of new capital; consistent with that income and the available cash reserves of the group, Bounty will continue:

- Production, development and exploration for oil and natural gas (petroleum).
- Expand in the business of the exploration for, development of and production of petroleum.
- To conduct such operations principally in Australia.

In the coming year the group will focus on the:-

- Development of its existing oil and gas reserves in the Cooper Basin and in the Surat Basin, Queensland aimed at increasing group oil and gas revenue;
- Financing and preparation to fund its 15% participating interest share and to drill its major offshore gas target in PEP 11, Sydney Basin;
- Acquisition of additional petroleum properties with existing petroleum production or reserves and resources considered to have potential to develop and/or produce petroleum within an acceptable time frame;
- Development of new business opportunities focused on material Australian drill opportunities and projects.

## Environmental regulations or Issues

The company's operations are subject to significant environmental regulation under the law of the Commonwealth of Australia and its States and Territories in respect of its operated and non-operated interests in petroleum exploration, development and production. Its oil and gas production interests in the State of Queensland are operated by Bounty group companies, AGL Energy Limited, Armour Energy (Surat Basin) Pty Ltd and Santos Limited who comply with all relevant environmental legislation. Its non-operated offshore exploration operations in PEP 11, NSW are conducted by Asset Energy Pty Ltd a competent operator. Asset conducts operations in full compliance with all relevant environmental legislation of the Commonwealth of Australia. Bounty otherwise complies with all relevant environmental legislation.

## Information on Directors

The names and particulars of the directors of the company during or since the end of the financial year ended 30 June 2020, are:-

<b>Graham Reveleigh</b>	—	<i>Non-Executive Director</i>
Qualifications	—	BSc. MSc, M. Aus IMM.
Experience	—	Mr Reveleigh is a professional geologist and has over 50 years' experience in the resources industry both in Australia and overseas. Early in his career, he worked in the oil industry, then spent most of his career in exploration, mine management and construction in the mineral industry. Mr Reveleigh has had extensive experience in petroleum in recent years as a director of Drillsearch Energy Limited and its Canadian subsidiary. He is a Member of the Australasian Institute of Mining and Metallurgy and a member of the Petroleum Exploration Society of Australia. He was appointed a director and chairman in 2005.
Special responsibilities:		Chairman of the company; geotechnical advice.
<b>Charles Ross</b>	—	<i>Non-Executive Director</i>
Qualifications	—	BSc.
Experience	—	Mr Ross has had extensive experience in the private and public equity and corporate finance market in Canada, USA and Europe of over 25years. He has operated extensively in corporate asset acquisition and divestiture, review and development of corporate financing strategies, administration, compliance procedures and investor relations in North America and the Euro zone. He was a director of Circumpacific Energy Corporation (a subsidiary of Drillsearch Energy Limited) from 1992 until 2008. This required management involvement in most aspects of petroleum exploration, development and production operations in the Western Canada Basin and other areas. He was appointed a director in 2005.
Special responsibilities:		Audit reviews; corporate strategy.
<b>Roy Payne</b>	—	<i>Non-Executive Director</i>
Qualifications	—	Solicitor Queensland.
Experience	—	Mr Payne is a commercial lawyer with over 34 years' experience. Prior to working in private practice as a lawyer he worked for the Department of Justice', Queensland for 15 years.
		Mr Payne has many years of experience in the corporate world. He has been the chairman of a listed mining exploration company. He is currently the chairman of the board of a private ship maintenance and repair company and was the chairman and director for many years of two limited liability, not for profit companies that operate a public art gallery and a gallery foundation. He has a wealth of knowledge and experience with corporate governance and mining exploration.
Special responsibilities:		Commercial law and Queensland statutory compliance.

**Directorships of other listed companies**

Directorships of other listed companies currently held by the directors or held in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Mr G. Reveleigh	Peak Minerals Limited (formerly Pure Alumina Ltd)	1 July 2017 to 23 October 2018
Mr C. Ross	TSX Listed Companies; Canada: Goldex Resources Corporation, Norzan Enterprises Ltd., Haliao Energy Inc; Tearlach Resources Limited; Schwabo Capital Corporation; Four Nines Gold Inc. and Norsement Mining Inc.	1 July 2017 to present
Mr R. Payne	Nil	NA

**Directors shareholdings**

The following table sets out each Directors interest in shares and options over shares of the Company or a related body corporate as at the date of this report:-

	Bounty Oil & Gas NL	
	Fully paid ordinary shares	Share options
	Number	Number
Mr G. Reveleigh	21,377,928	-
Mr C. Ross	3,200,000	-
<b>Mr R. Payne</b>	-	-

**Meetings of Directors/Committees**

During the financial year, seven (7) meetings of directors were held. Attendances by each director during the year were as follows:-

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr G. Reveleigh	7	7
Mr C. Ross	7	7
<b>Mr R. Payne</b>	7	7

The company does not have separate audit or remuneration committees.

**Indemnifying Officers or Auditor**

During the financial year ended 30 June 2020 the company has not entered indemnity and access deeds with any of the directors indemnifying them against liabilities incurred as directors, including costs and expenses in successfully defending legal proceedings. The company has not, during or since the financial year, in respect of any person who is or has been an auditor of the company or a related body corporate indemnified or made any agreement for indemnifying against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings.

The company has paid premiums to insure each of the directors and officers in office at any time during the financial year against liabilities up to a limit of \$10 million for damages and for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

**Share Options**

No options were issued during the year ending 30 June 2020 or have since been issued up to the date of this report.

Accordingly at balance date on 30 June 2020 and at the date of this report, no unissued ordinary shares or securities of Bounty Oil & Gas NL or any other entity comprising the consolidated entity were under option. No ordinary shares of the company were issued pursuant to exercise of options during the year ending 30 June 2020.

**Legal Matters or Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the reporting period.

**Non-Audit Services**

The independent auditor to the company; Mr William Moyes has not provided non-audit services to the company during or after the end of the financial year.

**Remuneration of Directors and Management**

**Information on the remuneration of directors and other key management personnel is contained in the Remuneration Report which forms part of this Directors Report and is set out on the following pages.**

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on Page 15.

Signed in accordance with a resolution of the Board of Directors made pursuant to s. 298(2) of the Corporations Act 2001.

On behalf of the Directors.



**GRAHAM REVELEIGH**  
Chairman

Dated: 30 September 2020



## REMUNERATION REPORT

This remuneration report forms part of the Directors Report for the year ended 30 June 2020 and details the nature and amount of remuneration for the Bounty Oil & Gas NL non-executive directors and other key management personnel of the group.

The prescribed details for each person covered by this report are detailed below under the following headings:

- Director and senior management details
- Remuneration policy
- Non-executive directors policy
- Senior management personnel policy
- Remuneration of directors and key management
- Key terms and employment contracts

### Directors and Key Management details

The term “key management” as used in this remuneration report to refers to the following directors and executives.

#### *Directors*

The following persons acted as directors of the company during or since the end of the financial year:-

- Mr G. C. Reveleigh (Chairman)
- Mr C. Ross (Non-Executive Director)
- Mr R. Payne (Non-Executive Director)

#### *Executives*

The following persons acted as senior management of the company during or since the end of the financial year:

- Mr P. F. Kelso (Chief Executive Officer)

The company does not consider other employees and consultants to be Key Management Personnel.

### Remuneration policy

The remuneration policy of Bounty Oil & Gas NL has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and bonuses issued at the discretion of the board of the company. The board of Bounty Oil & Gas NL believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the company, as well as create goal congruence between directors, executives and shareholders.

All remuneration paid to key management personnel (directors and others) is valued at the cost to the company and expensed or where appropriate transferred to capital items. Shares issued to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management person. Share options are valued using the Black- Scholes methodology. Shares and options granted to key management personnel (directors and others) are subject to any necessary approvals required by the ASX Listing Rules.

### Performance-based remuneration

Given the long-term nature of and risk variables involved in exploration and development of petroleum resource projects as compared to other sectors e.g. retail revenues; remuneration of directors or other key management personnel is not performance based.

**Non-executive directors' policy**

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is within the maximum amount specified in the company's Constitution. Any increase of that amount is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the company.

Remuneration of non-executive directors is determined by the Board exclusive of the director under consideration after considering the individual time commitment, duties and function of the subject Director. Further considerations of the amount of remuneration are made by referral to amounts paid to Directors, both executive and non-executive, by other listed entities of comparable size to the Company in the oil and gas exploration industry.

The board of directors as a whole determines the proportion of any fixed and variable compensation for each other key management person.

Any consulting fees payable to Directors as to specific projects outside the normal day to day duties of the Directors are agreed upon prior to commencement of work on the specific projects.

The company makes cash bonus payments to key directors from time to time. Bonus payments by way of share based payments are made from time to time subject to any necessary shareholder approval. All such payments are expensed at the time of issue at the prevailing market price.

Each director is paid in cash. Shares and share options have on occasions been granted to directors as part of their remuneration.

**Senior management personnel policy**

The board's policy for determining the nature and amount of remuneration of key management personnel who are senior management executives of the company is as follows:-

The remuneration structure comprises a combination of, short term benefits including base fees and long-term incentives and is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key executive management personnel are for fixed terms which may continue at the end of the term. There were no provisions for retirement benefits in contracts with senior management executives of the company made or continued during the year ended 30 June 2020.

The company may make cash bonus payments to senior management executives and to selected employees from time to time. Bonus payments and long-term incentives by way of share-based payments are classed as long-term incentives and are made from time to time subject to any necessary shareholder approval. All such payments are expensed at the time of issue at the prevailing market price.

Key management personnel who are employees receive a superannuation guarantee contribution required by the government and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

The chief executive officer, Mr P. F. Kelso, is engaged through a fixed term service agreement with a personally related entity containing the following material conditions:

- Management fees of \$398,000 per annum payable by equal monthly instalments.
- Payment of lease fees for a motor vehicle and parking.
- Bonuses at the discretion of the board of directors and there are no retirement or other fixed benefits.
- The personally related entity is responsible for all statutory entitlements.
- Services: To include non-exclusive executive management, capital raising, communication, management strategy, budgets, investment policy and all other duties normally incidental to the position of chief executive officer.

Other than the directors and the chief executive officer, at the date of this Report all other personnel are permanent or part time employees of the company and not classified as key management personnel.

### Key Management Remuneration

Details of the remuneration of directors and the other key management personnel of the group (as defined in AASB 124 Related Party Disclosures) and the one highest paid executive of Bounty Oil & Gas N.L. are set out in the following tables.

Key Management Remuneration						
2020	\$					
Key Management Person	Short-term Benefits			Post-employment Benefits	Share based payment	Total
	Cash, salary and commissions	Cash bonus and Non-cash benefits (2)	Consulting Fees + Other	Super-annuation	Options	
<b>Non-Executive Directors</b>						
Mr G. Reveleigh (1)	52,500	-	-	-	-	52,500
Mr C. Ross (1)	10,754	-	-	-	-	10,754
Mr R. Payne	7,333	-	-	16,825	-	24,158
<b>Other Key Management Personnel – Chief Executive officer</b>						
Mr P.F. Kelso (1)	398,000	-	4,200	-	-	402,200

1. Paid to a personally related entity of the director/executive.

Key Management Remuneration						
2019	\$					
Key Management Person	Short-term Benefits			Post-employment Benefits	Share based payment	Total
	Cash, salary and commissions	Cash bonus and Non-cash benefits (2)	Consulting Fees + Other	Super-annuation	Options	
<b>Non-Executive Directors</b>						
Mr G. Reveleigh (1)	60,000	-	-	-	-	60,000
Mr C. Ross (1)	30,000	-	7652	-	-	37,652
Mr R. Payne	-	-	-	20,000	-	20,000
<b>Other Key Management Personnel – Chief Executive officer</b>						
Mr P.F. Kelso (1) (3)	398,000	5,765	8,400	-	-	412,165

1. Paid to a personally related entity of the director/executive.
2. Compensation for the 2019 financial year as set out in this column included only non-cash benefits of \$5,765.

No director or senior management person appointed during the above periods received a payment as part of his consideration for agreeing to be appointed to that position.

### Share-based payments

During the financial year ended 30 June 2020 no share-based payments were made to Key Management Persons.

**Fully paid ordinary shares**

No fully paid ordinary shares were issued to Key Management Persons during the period.

**Share Options**

1. No share options were issued to directors or other key management persons or executives as part of their remuneration during the year ended 30 June 2020 or since that date.
2. During the year, no directors or senior management held or exercised options that were granted to them as part of their compensation in previous periods.

**Loan transaction with directors and executives**

No loans were made to key management personnel including their personally related entities during the financial year ended 30 June 2020 and no loans were outstanding at the end of the prior period. CEO advanced a short-term interest free loan to the Company of \$150,000 during the year. At 30 June 2020 loans outstanding to related entities of the CEO were \$100,448 inclusive of accrued interest charge at 10% p.a. after payment of \$19,000 during the year.

**Other Key Management Personnel Disclosures:**

Further information on disclosure in connection with Key Management Personnel and Share Base Payments are set out in the following Notes to the Financial Statements:-

1. Note 19: Share Based Payments
2. Note 20: Key Management Personnel Disclosures
3. Note 22: Related Party Transactions.

**Performance income as a proportion of total remuneration**

The percentage of remuneration paid to directors and key management personnel during the financial year ended 30 June 2020 which was performance based was: Nil.

**Employee Share Scheme**

Bounty Oil & Gas NL does not have a current Employee Share Plan (the Plan) approved by shareholders.

## AUDITOR'S INDEPENDENCE DECLARATION

### To the directors of Bounty Oil & Gas NL

In accordance with section 307C of the Corporations Act 2001, as lead auditor for the audit of the financial report of Bounty Oil & Gas NL and its controlled entities for the year ended 30 June 2020, 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: 30 September 2020

**Consolidated statement of profit and loss and other comprehensive income  
for the year ended 30 June 2020**

	Notes	Year-ended	
		30-Jun-20 \$	30-Jun-19 \$
Petroleum revenue	5	2,906,461	3,656,692
Net Investment income	5	(32,009)	(3,466)
Other income	5	50,848	3,571
Direct petroleum operating expense	5	(1,507,931)	(1,469,689)
Changes in inventory		(7,682)	66,219
Employee benefits and contractor expense	6	(747,588)	(598,236)
Depreciation expense		(81,380)	(68,263)
Amortisation of oil producing assets		(542,127)	(733,259)
Occupancy expense		(99,064)	(103,852)
Corporate activity costs		(44,202)	(284,597)
Rehabilitation finance costs		(27,645)	(27,849)
Foreign exchange gain/(loss)	5	26,073	35,767
Impairment of oil and gas assets	14	(2,904,523)	(3,161,710)
Exploration expenses write off		-	-
General legal and professional costs		(55,200)	(47,797)
Other expenses		(36,623)	(46,099)
<b>Loss before Tax</b>		<b>(3,102,592)</b>	<b>(2,782,568)</b>
Income tax expense	7	-	-
Loss for the period from continuing operations		<b>(3,102,592)</b>	<b>(2,782,568)</b>
<b>Loss for the year</b>		<b>(3,102,592)</b>	<b>(2,782,568)</b>
Other comprehensive income for the year, net of income tax		-	-
<b>Total Comprehensive loss for the period</b>		<b>(3,102,592)</b>	<b>(2,782,568)</b>
<b>Total comprehensive income/(loss) attributable to owners of the parent</b>		<b>(3,102,592)</b>	<b>(2,782,568)</b>
<b>Earnings/(loss) per share</b>			
Basic (cents per share)		<b>(0.33)</b>	(0.30)
Diluted (cents per share)		<b>(0.33)</b>	(0.30)

The above consolidated statement of comprehensive income should to be read in conjunction with the accompanying notes.

**Consolidated statement of financial position**  
as at 30 June 2020

	Notes	30-Jun-20 \$	30-Jun-19 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	1,096,605	813,870
Trade and other receivables	10	273,125	561,723
Inventories	11	69,508	54,289
Other current financial assets	12	32,353	43,580
<b>Total current assets</b>		<b>1,471,591</b>	<b>1,473,462</b>
<b>Non-current assets</b>			
Other receivables	10	40,850	60,850
Exploration and evaluation assets	14 (b)	4,999,553	7,871,281
Production and development assets	14(a)	5,243,330	5,041,992
Property, plant and equipment	13	878,923	848,607
<b>Total non-current assets</b>		<b>11,162,656</b>	<b>13,822,730</b>
<b>Total assets</b>		<b>12,634,247</b>	<b>15,296,192</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	1,275,814	872,847
Provisions	16	61,335	45,535
<b>Total current liabilities</b>		<b>1,337,149</b>	<b>918,382</b>
<b>Non-current liabilities</b>			
Unearned revenue		-	-
Provisions	16	1,354,185	1,332,305
<b>Total non-current liabilities</b>		<b>1,354,185</b>	<b>1,332,305</b>
<b>Total liabilities</b>		<b>2,691,334</b>	<b>2,250,687</b>
<b>Net assets</b>		<b>9,942,913</b>	<b>13,045,505</b>
<b>Equity</b>			
Issued capital	17	43,440,163	43,440,163
Reserves		201,600	201,600
Retained losses		(33,698,850)	(30,596,258)
<b>Equity attributable to owners of the parent</b>		<b>9,942,913</b>	<b>13,045,505</b>
<b>Total equity</b>		<b>9,942,913</b>	<b>13,045,505</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Consolidated statement of changes in equity  
for the year ended 30 June 2020**

	Notes	Ordinary share capital \$	Option reserve \$	Retained earnings/ (Accumulated losses) \$	Total \$
<b>Balance at 1 July 2018</b>		43,440,163	201,600	(27,813,690)	15,828,073
(Loss) for the year		-	-	(2,782,568)	(2,782,568)
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	(2,782,568)	(2,782,568)
Shares issued during the period	17	-	-	-	-
<b>Balance at 30 June 2019</b>		<b>43,440,163</b>	<b>201,600</b>	<b>(30,596,258)</b>	<b>13,045,505</b>
<b>Balance at 1 July 2019</b>		43,440,163	201,600	(30,596,258)	13,045,505
Loss for the period		-	-	(3,102,592)	(3,102,592)
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	(3,102,592)	(3,102,592)
Shares issued during the period	17	-	-	-	-
<b>Balance at 30 June 2020</b>		<b>43,440,163</b>	<b>201,600</b>	<b>(33,698,850)</b>	<b>9,942,913</b>

The above consolidated statement of changes in equity should to be read in conjunction with the accompanying notes.



**Consolidated statement of cash flows  
for the year ended 30 June 2020**

	Notes	Year-ended	
		30-Jun-20 \$	30-Jun-19 \$
<b>Cash flows from operating activities</b>			
Receipts from petroleum operations		3,475,484	5,085,186
Payments to suppliers and employees		(2,483,305)	(3,626,956)
Interest and dividend received		25,812	3,267
Net cash generated by operating activities	18	<b>1,017,991</b>	<b>1,461,497</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation assets		(60,808)	(238,093)
Payments for oil production & development assets		(839,325)	(879,386)
Payments for property plant and equipment		(14,877)	(29,483)
Payments for acquisition of subsidiaries		-	(15,000)
Other deposits		170,000	(40,878)
Proceeds from sale of available-for-sale financial assets		-	52,905
Payment for available for sale financial assets		(20,782)	(54,135)
Net cash (used in) investing activities		<b>(765,792)</b>	<b>(1,204,070)</b>
Net increase in cash and cash equivalents		<b>252,199</b>	<b>257,427</b>
<b>Cash and cash equivalents at the beginning of the period</b>			
Effects of exchange rate changes on the balance of cash held in foreign currencies		<b>30,536</b>	<b>15,319</b>
<b>Cash and cash equivalents at the end of the period</b>	9	<b>1,096,605</b>	<b>813,870</b>

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

**Contents of the notes to the consolidated financial statements**

1. Statement of compliance
2. Summary of significant accounting policies
3. Critical accounting estimates and judgments
4. Segment Information
5. Revenue and other income
6. Employee benefit expense
7. Income tax expense
8. Earnings/(loss) per share
9. Cash and cash equivalents
10. Trade and other receivables
11. Inventories
12. Other current financial assets
13. Property, plant and equipment
14. Non current assets
15. Trade and other payables
16. Provisions
17. Issued capital
18. Reconciliation of cash flow from continuing operations
19. Share based payments
20. Key management personnel
21. Commitments
22. Related party transactions
23. Financial instruments
24. Controlled entities
25. Interest in joint operations
26. Parent entity information
27. Contingent liabilities and contingent assets
28. Events occurring after the reporting period
29. Auditors remuneration
30. Company details

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 1. Statement of compliance

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.

This financial report includes the consolidated financial statements and notes of Bounty Oil & Gas NL ("parent entity") and controlled entities ("consolidated group" or "group") and the Group's interest in jointly controlled assets for the financial year ended 30 June 2020. Supplementary financial information about the parent entity is disclosed in Note 26. The Financial Statements are presented in Australian currency.

The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue by the directors on 30 September 2020.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*.

Compliance with AASB 101 ensures compliance with International Financial Reporting Standard IAS 1 Presentation of Financial Statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

### 2. Summary of significant accounting policies

#### a. Basis of preparation

The consolidated 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.

The financial report is presented in Australian dollars and under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, all values are rounded to the nearest dollar unless otherwise stated.

The following significant accounting policies have been adopted in the preparation and presentation of the financial reports. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### b. Adoption of new and amended Accounting Standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2019 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

- AASB 16 Leases - In the current year, the Group has applied AASB 16 Leases, which is effective for annual periods that begin on or after 1 January 2019. The leases recognised by the Group predominantly relate to office premises and storage facility. 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. The Group has adopted the new AASB in a modified approach whereby it will not reassess whether a contract is, or contains, a lease at 1 July 2019 but apply the standard only to contracts that were previously identified as leases applying AASB 17 and Interpretation 4 at the date of initial application. The Group will further adopt a practical approach to apply a common discount rate to all leases with reasonably similar attributes (i.e. similar remaining lease term for a similar class of underlying asset in a similar economic environment). Lease liabilities will be measured at their present value of future payments on the initial date of application, being 1 July 2019 discounted at the incremental borrowing rate at that date, and right-of-use assets are equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised on the consolidated statement of financial position immediately before the date of initial application.

The Group assessed that the adoption of the new AASB 16 has no material impact on the consolidated statement of financial position due to the low value nature of the underlying assets and liabilities.

'Leases accounting policy (applied from 1 January 2019) are disclosed in detail at Note 2 (o).

## Notes to the consolidated financial statements for the year ended 30 June 2020

### b. Accounting standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective or early adopted by the Group. The company is still assessing whether there will be any material impact.

Title	Application date for the Standard	Application date for the Group
- Conceptual Framework AASB 2019-1 Conceptual Framework for Financial Reporting Amendments to Australian Accounting Standards –	1 Jan 2020	1 July 2020
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 Jan 2020	1 July 2020
- AASB 2019-5 Amendments to AASBs- Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	1 Jan 2020	1 July 2020
- AASB 2020-1 Amendments to AASBs-Classification of liabilities as current or Non-current	1 Jan 2022	1 July 2022

### c. Basis of consolidation

#### (i) Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Bounty Oil & Gas NL at the end of the reporting period. A controlled entity is any entity over which Bounty Oil & Gas NL has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 24 to the financial statements.

In preparing the consolidated financial statements all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

For the reporting period the only controlled entities that Bounty Oil & Gas NL had were Ausam Resources Pty Limited (100%), Interstate Energy Pty Limited (100%), Rough Range Pty Limited (100%) and Lansvale Oil & Gas Pty Ltd (100%)(deregistered from 1 July 2020).

#### (ii) Joint arrangements

Under AASB 11 'Joint Arrangements' investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. Bounty Oil & Gas NL has assessed the nature of its joint arrangements and determined them to be joint

Bounty Oil & Gas NL has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operations are set out in note 25.

#### (iii) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e., gain on a bargain purchase) is recognised in profit or loss immediately.

**Notes to the consolidated financial statements  
for the year ended 30 June 2020****d. Interests 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;
- 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.

**e. Income tax**

The income tax expense / (income) for the year comprises current income tax expense / (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Current and deferred income tax expense / (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation - Bounty Oil & Gas NL and its wholly owned Australian subsidiary have not formed an income tax consolidation group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand alone taxpayer' approach to allocation.

**Notes to the consolidated financial statements  
for the year ended 30 June 2020****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 30 June 2020, the Group realised a net loss after tax of \$3,102,592 (2019: \$2,782,568). This was primarily due to non-cash impairment of \$2.9 million to oil and gas assets. The net cash generated by operating activities for the period ended 30 June 2020 was \$1,017,991 (2019: net cash generated \$1,461,497). The Group's net asset position at 30 June 2020 was \$9,942,913 (30 June 2019: \$13,045,505) and a cash balance of \$1,096,605 (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 21) 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; contemplating issue of additional equity by the Group; 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 as to 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 AASB 13 requires the disclosure of fair value information by 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

**h. Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days.

Collection of trade receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount for the provision is recognised in the income statement.

**i. Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

## Notes to the consolidated financial statements for the year ended 30 June 2020

### j. Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation on assets is calculated over their estimated useful life as follows:

Class of fixed asset	Estimated useful life
Office furniture and fittings	5 years
Computer equipment	4 years
Plant and equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### k. Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and,
- at least one of the following conditions is also met:

- i) the exploration and evaluation expenditures are expected to be recouped through successful exploration, development and commercial exploitation of the area of interest, or alternatively, by its sale; or,
- ii) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable petroleum reserves or resources and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, geophysical surveys, studies, exploratory drilling, sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then re-classified to development.

### l. Production and development assets

The group follows the full cost method of accounting for production and development assets whereby all costs, less any incentives related to the acquisition, exploration and development of oil and gas reserves are capitalised. These costs include land acquisition costs, geological and geophysical expenses, the costs of drilling both productive and non productive wells, non producing lease rentals and directly related general and administrative expenses. Proceeds received from the disposal of properties are normally credited against accumulated costs.

When a significant portion of the properties is sold, a gain or loss is recorded and reflected in profit or loss.

With respect to production assets, depletion of production and development assets and amortisation of production facilities and equipment are calculated using the unit of production method based on estimated proven oil and gas reserves. For the purposes of depletion calculation proved oil and gas reserves before royalties are converted to a common unit measure. The estimated costs for developing proved underdeveloped reserves, future decommissioning and abandonments, net of estimated salvage values, are provided for on the unit of production method included in the provision for depletion and amortisation.

**Notes to the consolidated financial statements  
for the year ended 30 June 2020****I. Production and development assets (continued)**

In applying the full cost method of accounting, the capitalised costs less accumulated depletion are restricted from exceeding an amount equal to the estimated discounted future net revenues, based on year end prices and costs, less the aggregate estimate future operating and capital costs derived from proven and probable reserves.

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the field on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit of production calculations are dealt with on a prospective basis.

**m. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**n. Inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any estimated selling costs. The cost of petroleum products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads.

**o. Leases**

Detailed below are the new accounting policies of the Group upon adoption of AASB 16 from 1 July 2019:

When a contract is entered into, the Group assesses whether the contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group separates the lease and non-lease components of the contract and accounts for these separately.

The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

***Leases as a lessee***

Right-of-use assets and lease liabilities are recognised at commencement date of the lease when the asset is available for use.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated using the straight-line method over the shorter of their useful life and the lease term.

Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses, assessed in accordance with the Group's impairment policies.

Lease liabilities are initially measured at the present value of future lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease payments are fixed payments or index-based variable payments incorporating Group's expectations of extension options and do not include non-lease components of a contract. A portfolio approach was taken when determining the implicit discount rate for the office premise and office car bay lease.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use assets, with any excess recognised in the consolidated income statement.

***Short-term leases and lease of low value assets***

Short term leases (lease term of 12 month or less) and leases of low value assets are recognised as incurred as an expense in the consolidated income statement.



## Notes to the consolidated financial statements for the year ended 30 June 2020

### p. Financial instruments

#### i) Financial assets at fair value through profit or loss

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date (the date that the Group commits to purchase or sell the asset).

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through profit or loss
- (iii) derecognition (equity instruments)

##### *(i) Financial assets at amortised cost (debt instruments):*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes other receivables.

##### *(ii) Financial assets at fair value through profit or loss:*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

##### *(iii) Derecognition:*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

## Notes to the consolidated financial statements for the year ended 30 June 2020

### p. Financial instruments (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Impairment of financial assets

Expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss will be recognised through an allowance. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### ii) Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### q. Impairment of assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### r. Foreign currency

#### *Functional and presentation currency*

The functional currency is measured using the currency of the primary economic environment in which the Group operates (the "functional" currency). The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate at balance date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

**Notes to the consolidated financial statements  
for the year ended 30 June 2020****s. Employee benefits***Wages and salaries, other entitlements*

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Employee benefits payable later than one year include Statutory Long Service Leave only.

*Share based payments – employee share plan*

Share based compensation has from time to time been provided to eligible persons via the Bounty Oil & Gas N.L. Employee Share Plan ("Plan"). Under AASB 2 "Share-based Payments", the Employee Share Plan shares are deemed to be equity-settled share-based remuneration.

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of the quoted market price or binomial pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

**t. Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**u. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**v. Rehabilitation obligations**

Provisions for future environmental restoration are recognised where there is a present obligation as a result of exploration, development, production or storage activities having been undertaken and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at reporting date, with a corresponding charge in the cost of the associated asset.

The amount of the provision for future restoration costs relating to exploration, development and production facilities is capitalised and depleted as a component of the cost of those activities.

The unwinding of the effect of discounting on the provision is recognised as a finance cost.

**w. Revenue and other income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

**x. Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## Notes to the consolidated financial statements for the year ended 30 June 2020

### y. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares.

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted number of shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential ordinary shares, which comprises share options issued.

### z. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### aa. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

## 3. Critical accounting estimates and judgments

In the application of the group's accounting policies, which are described in Note 1, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical and industry experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments that management has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### *Business combination*

Management uses valuation techniques in determining the fair values of the various elements of a business combination. See Note 2(c)(iii).

#### *Exploration and evaluation assets*

The group's policy is discussed in Note 2(k). The application of these policies requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through profit or loss.

#### *Estimate of reserve quantities*

The estimated quantities of proven and probably hydrocarbon reserves and resources reported by the group are integral to the calculation of amortisation (depletion) and depreciation expense and to assessments of possible impairment of assets.

Estimated reserve quantities are based upon data from exploration and development drilling, interpretations of geological and geophysical models and assessment of the technical feasibility and commercial viability of producing the reserves.

Management prepares reserve estimates which conform to guidelines prepared by the Society of Petroleum Engineers, USA. Where appropriate these estimates are then verified by independent technical experts.

These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological or reservoir data is generated during the course of operations.

#### *Provision for rehabilitation and decommissioning*

The group estimates the future removal and decommissioning costs of oil and gas production facilities, wells, pipelines and related assets at the time of installation of the assets. In most instances the removal of these assets will occur many years in the future. The estimates of future removal costs therefore requires management to make adjustments regarding the removal date, future environmental legislation, the extent of decommissioning activities and future removal technologies.

## Notes to the consolidated financial statements for the year ended 30 June 2020

### Impairment of production and development assets

The group assesses whether oil and gas assets are tested for impairment on a semi-annual basis. This requires an estimation of the recoverable amount from the cash generating unit to which each asset belongs. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and or subsequent disposal. The expected net cash flows are discounted to their present values in determining the recoverable amount. Its policy for production and development assets is discussed in Note 1(l).

During the year, the group carried out annual reviews of its petroleum production, development and exploration properties. 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. The reviews led to the recognition of an impairment loss of \$2.9 million on AC/P32. Further commentary on impairment is included in the Directors' Report. This non-cash loss has been recognised in the Group's profit or loss statement. These properties are reported as in the core oil and gas segment.

## 4. 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)	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	\$	\$	\$	\$
<b>Core Oil &amp; Gas Segment</b>				
Production projects	2,906,461	3,656,692	801,713	419,828
Exploration projects	-	-	(2,904,523)	(2,104,885)
<b>Secondary Segment</b>				
Listed securities	(32,009)	(3,466)	(32,009)	(3,466)
<b>Total from continuing operations</b>	<b>2,874,452</b>	<b>3,653,226</b>	<b>(2,134,819)</b>	<b>(1,688,523)</b>
Other revenue			76,921	39,338
Central admin costs and directors remuneration			(1,044,694)	(1,133,383)
<b>Loss before tax</b>			<b>(3,102,592)</b>	<b>(2,782,568)</b>

### Segment revenue

Revenue reported above represents revenue/income generated from external sources. There were no intersegment sales during the period (2019: nil).

### Accounting policies of reportable segments

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. This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

### Information about major customers

Included in the revenue arising from direct sales of oil and gas of \$2.90 million (2019: \$3.66 million) are revenues of approximately \$1.93 million (2019: \$2.44 million) which arose from sales to the Group's largest customer. The revenue from the Group's second largest customer was approximately \$0.97 million (2019: \$1.22 million). No other single customer contributed 10% or more to the Groups revenue for both 2020 and 2019.

### Other segment information

	Amortisation, depreciation & depletion		Additions to non-current assets	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	\$	\$	\$	\$
<b>Core Oil &amp; Gas Segment</b>				
Production projects	619,520	798,925	731,285	604,947
Development projects	-	-	112,733	333,292
Exploration projects	-	-	32,795	217,995
<b>Other</b>	<b>3,987</b>	<b>2,597</b>	<b>1,203</b>	<b>6,373</b>
<b>Total</b>	<b>623,507</b>	<b>801,522</b>	<b>878,016</b>	<b>1,162,607</b>

**Notes to the consolidated financial statements  
for the year ended 30 June 2020**

**4. Segment Information (continued)**

	Impairment losses (expenses)	
	30-Jun-20	30-Jun-19
	\$	\$
<b>Core Oil &amp; Gas Segment</b>		
Production projects	-	1,056,825
Exploration projects	<b>2,904,523</b>	2,104,885
<b>Total</b>	<b>2,904,523</b>	3,161,710

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and provisions.

The unallocated items include items that are not considered part of the core operations of any segment.

	Segment assets		Segment liabilities	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	\$	\$	\$	\$
<b>Core Oil &amp; Gas Segment</b>				
Production projects	<b>4,649,336</b>	4,914,253	<b>2,055,104</b>	1,411,083
Development projects	<b>1,657,559</b>	1,544,826	<b>68,163</b>	172,649
Exploration projects	<b>4,999,553</b>	7,871,281	<b>76,855</b>	75,961
<b>Secondary Segment</b>				
Listed securities	<b>32,353</b>	43,580	-	-
<b>Unallocated</b>	<b>1,295,446</b>	922,252	<b>491,212</b>	590,994
<b>Total</b>	<b>12,634,247</b>	15,296,192	<b>2,691,334</b>	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	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	\$	\$	\$	\$
Australia	<b>2,951,373</b>	3,692,564	<b>11,162,656</b>	13,822,730
<b>Total</b>	<b>2,951,373</b>	3,692,564	<b>11,162,656</b>	13,822,730

**5. Revenue and other income**

	30-Jun-20	30-Jun-19
	\$	\$
<b>Sales revenue:</b>		
Oil and gas sales	<b>2,879,482</b>	3,627,085
Revenue from tariffs	<b>26,979</b>	29,607
<b>Total sales revenue</b>	<b>2,906,461</b>	3,656,692
<b>Investment income:</b>		
Investment income from financial assets at fair value through Profit and loss (held for trading listed shares)		
Realised gain	-	975
Unrealised gain/(loss)	<b>(32,009)</b>	(4,441)
<b>Total investment income</b>	<b>(32,009)</b>	(3,466)
<b>Other income:</b>		
Interest and dividend income	<b>5,497</b>	3,571
Gains/(losses) on foreign currency	<b>26,073</b>	35,767
Government Assistance – COVID-19 related	<b>45,351</b>	-
<b>Total other revenue</b>	<b>76,921</b>	39,338
<b>Total revenue</b>	<b>2,951,373</b>	3,692,564

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 6. Employee benefit expense

	30-Jun-20	30-Jun-19
	\$	\$
Directors fees	87,412	(31,927)
Consultancy fees - Internal	398,000	398,000
Wages & salaries	215,867	183,920
Other employee benefit expenses	46,309	48,243
<b>Total Employee benefit expense</b>	<b>747,588</b>	<b>598,236</b>

Directors fees were in credit for the 2019 year due to adjustment of prior period accruals.

#### Recharge and recoveries

The Group has the policy to allocate a portion of employee benefit expense to production, development, exploration and evaluation assets based on employee time committed to various projects.

### 7. Income tax expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit/(income tax benefit) from continuing operations before income tax at 27.5% (2019 27.5%)

	\$	\$
Consolidated group	(853,213)	(765,205)
Add: tax effect of non deductible expenses	988,980	494,578
Less: tax effect of expenditure claimed as deduction	(109,605)	(20,080)
<b>Tax effect of Unused tax losses not recognised as deferred tax asset</b>	<b>26,162</b>	<b>(290,707)</b>
<b>Income tax expense attributable to loss from ordinary activities</b>	<b>-</b>	<b>-</b>

The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not probable and recovery of timing differences is not assured beyond reasonable doubt.

The potential future income tax benefit will be obtained if:

- 1) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be realised by another company in the Group in accordance with Division 170 of the Income Tax Assessment Act 1997;
- 2) the relevant company and/or group continues to comply with the conditions for deductibility imposed by the Act; and
- 3) no changes in tax legislation adversely affect the Company and/or the group in realizing the benefit.

Bounty Oil and Gas NL and its wholly-owned subsidiaries have not formed a tax consolidation group.

### 8. Earnings/(loss) per share

Basic earnings/(loss) per share (cents per share)	(0.33)	(0.30)
Diluted earnings/(loss) per share (cents per share)	(0.33)	(0.30)
Net (loss)/profit used in the calculation of basic and diluted earnings/(loss) per share	(3,102,592)	(2,782,568)

	No. of Shares	No. of Shares
Weighted average number of ordinary shares for the purposes of basic and diluted EPS	953,400,982	953,400,982

### 9. Cash and cash equivalents

	\$	\$
Deposits on call	65,323	64,547
Cash at bank	1,031,282	749,323
<b>Total Cash and cash equivalents</b>	<b>1,096,605</b>	<b>813,870</b>

**Notes to the consolidated financial statements  
for the year ended 30 June 2020**

**10. Trade and other receivables**

	<u>30-Jun-20</u>	<u>30-Jun-19</u>
	\$	\$
<b>Current</b>		
Trade and other receivables	269,199	557,797
Prepayments	3,926	3,926
<b>Non-current</b>		
Other receivables	40,850	60,850
<b>Total trade and other receivables</b>	<u>313,975</u>	<u>622,573</u>

**11. Inventories**

	<u>\$</u>	<u>\$</u>
Oil and other inventory	69,508	54,289
	<u>69,508</u>	<u>54,289</u>

**12. Other current financial assets**

	<u>\$</u>	<u>\$</u>
Financial assets at fair value through profit and loss - shares in listed corporations		
	32,353	43,580
<b>Total current financial assets</b>	<u>32,353</u>	<u>43,580</u>

**Note**

**23(d)**

**13. Property, plant and equipment**

**Plant and Equipment**

	<u>\$</u>	<u>\$</u>
Plant and equipment – at cost	1,291,525	1,179,827
Less accumulated depreciation	(412,602)	(331,220)
<b>Total Property, plant and equipment</b>	<u>878,923</u>	<u>848,607</u>

**Movement in carrying amounts:**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the financial year.

	<u>\$</u>	<u>\$</u>
<b>Opening Balance</b>	848,607	854,573
Additions	111,698	62,297
Depreciation	(81,380)	(68,263)
<b>Carrying amount at the end of the year</b>	<u>878,923</u>	<u>848,607</u>



**Notes to the consolidated financial statements  
for the year ended 30 June 2020**

14. Non current assets	Note	30-Jun-20	30-Jun-19
(a): Production and development assets		\$	\$
<b>SW Queensland</b>			
Joint operation interest in ATP1189 Naccowlah Block – at cost	25	3,602,977	3,003,427
Less: Amortisation		(2,003,868)	(1,505,000)
<b>East Queensland - PL 441 (ex-PL119) Downlands – at cost</b>		<b>3,872,238</b>	3,850,998
Less: Depletion and amortisation		(2,518,609)	(2,518,609)
<b>Nyuni Block, Tanzania- Kiliwani North</b>			
Joint operation interest in Nyuni Block - Kiliwani North at cost	25	-	1,356,825
Less: Amortisation		-	(300,000)
Less: Impairment		-	(1,056,825)
Rehabilitation costs – all petroleum properties		633,033	666,350
All other development assets		1,657,559	1,544,826
<b>Total production and development assets</b>		<b>5,243,330</b>	5,041,992
<b>Movement in carrying amounts of production &amp; development assets:</b>			
		\$	\$
<b>Opening balance at the beginning of the year</b>		<b>5,041,992</b>	5,939,819
Additions		733,523	882,315
Movement in rehabilitation		(33,317)	(33,317)
Impairment of production and development assets (see i below)		-	(1,056,825)
Amortisation of production assets		(498,868)	(690,000)
<b>Carrying amount at the end of the year</b>		<b>5,243,330</b>	5,041,992
(i) 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 30 June 2020, offshore permit AC/P 32 Timor Sea was relinquished and the investment was fully impaired. Refer to table in note 14(c) below. Further commentary on impairment is included in the Directors' Report. No other impairments were recognised for this reporting period.			
<b>Key assumptions used:</b>			
	<b>2020-2021</b>	<b>2022+</b>	
Crude oil price (US\$)	\$50.00	\$60.00	
Average AUD:USD exchange rate	\$0.700	\$0.70	
CPI (%)	2.0%	2.0%	
Post-tax real discount rate (%)	7.0%	7.0%	
<b>(b): Exploration and evaluation assets</b>			
		\$	\$
Exploration assets	25	4,999,553	7,871,281
<b>Total exploration and evaluation assets</b>		<b>4,999,553</b>	7,871,281
<b>Movement in carrying amounts of exploration and evaluation assets:</b>			
		\$	\$
<b>Opening balance at the beginning of the year</b>		<b>7,871,281</b>	9,758,171
Additions		32,795	217,995
Acquisition through business combination		-	-
Impairment of Exploration and evaluation asset (see i above)		(2,904,523)	(2,104,885)
<b>Carrying amount at the end of the year</b>		<b>4,999,553</b>	7,871,281
<b>(c): Impairment of oil and gas properties</b>			
		\$	\$
AC/P 32 Ashmore Cartier		2,904,523	-
Nyuni Block Tanzania		-	2,753,576
EP 359/EP 435 Rough Range, W.A.		-	408,134

**Notes to the consolidated financial statements  
for the year ended 30 June 2020**

	30-Jun-20	30-Jun-19
	\$	\$
<b>15. Trade and other payables</b>		
<b>Current</b>		
Trade payables	393,646	297,579
Amounts owing to Joint Operations	843,104	493,861
GST, FBT, PAYG & superannuation liability	39,064	81,407
<b>Total trade and other payables</b>	<b>1,275,814</b>	<b>872,847</b>
<b>16. Provisions</b>		
<b>Current - Provision for employee entitlement</b>	<b>61,335</b>	<b>34,708</b>
Non-current - Provision for employee entitlement	28,424	22,935
Non-current - Rehabilitation costs – petroleum properties	1,325,761	1,309,370
	<b>1,354,185</b>	<b>1,332,305</b>
<b>Movement in provisions</b>		
Opening balance	1,332,305	1,317,121
Unwinding of discount on provision	27,645	27,849
Net provisions recognised/(expensed)	(5,765)	(12,665)
<b>Balance at the end of the period</b>	<b>1,354,185</b>	<b>1,332,305</b>

The provision for rehabilitation costs represents the present value of best estimate of the future sacrifice of economic benefits that will be required to remove the facilities and restore the affected areas at the Group's operation sites. The rehabilitation of the petroleum properties is expected to be undertaken between 1 to 20 years. The discount rate used in the calculation of the provision as at 30 June 2020 was 2%, broadly equivalent to the Australian Government 10 year bond rate. Long service leave is measured at the present value of benefits accumulated upto the end of financial year. The liability is discounted using an appropriate discount rate. The measurement requires judgement to determine key assumptions used in the calculation including futures pay increases and settlement dates of employee's departure.

**17. Issued capital**

A reconciliation of the movement in capital for the Company can be found in the Consolidated Statement of Changes in Equity  
953,400,982 fully paid ordinary shares (2019: 953,400,982)  
Nil options transferred to share option reserve on expiry (2019: Nil)

	\$	\$
	43,440,163	43,440,163
	201,600	201,600
	<b>43,641,763</b>	<b>43,641,763</b>

**(a) Movement in fully paid ordinary shares**

Balance at beginning of period

Balance at end of period

	No. of Shares	No. of Shares
	953,400,982	953,400,982
	<b>953,400,982</b>	<b>953,400,982</b>

**18. Reconciliation of cash flow from continuing operations**

Reconciliation of Cash Flow from continuing operations with profit/(loss) after income tax.

Profit/(Loss) from continuing operations after income tax

	\$	\$
	(3,102,592)	(2,782,568)

**Non-cash flows in profit/(loss) from continuing operations:**

Unearned income on rental lease	-	(2,944)
Depreciation and amortisation	580,248	758,263
Fair value movement in marketable financial assets	32,009	4,441
Foreign exchange differences	(20,315)	(10,925)
Movement in employee benefit obligation	21,289	(101,645)
Impairment of receivables	-	234,827
Impairment of oil and gas assets	2,904,523	3,161,710
Accrued interest expense	6,087	7,081
Accrued interest income	-	(304)
Change in trade and other receivables	278,377	1,062,825
Profit/(loss) on sale of marketable financial assets	-	(975)
Change in inventory	(15,219)	(34,060)
Change in rehabilitation obligation	70,904	71,108
Change in trade & other payables	262,680	(905,337)
<b>Net Cash from continuing operations</b>	<b>1,017,991</b>	<b>1,461,497</b>

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 19. Share based payments

No share based payment compensation was granted to directors or senior management during the financial year ended 30th June 2020 and there was Nil expensed (2019: Nil). During the year, no directors or senior management exercised options that were granted to them as part of their compensation in prior periods.

### 20. Key management personnel

#### a) Key Management Personnel Compensation

The aggregate remuneration made to Key Management Personnel of the group is set out below:

	30-Jun-20	30-Jun-19
	\$	\$
Short term employee benefits	470,460	395,239
Share based payments	-	-
<b>Total</b>	<b>470,460</b>	<b>395,239</b>

Apart from the details disclosed in this note, no director or key management person has entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' or executives' interests existing at year-end.

Information regarding individual directors' and executives' compensation and some equity instrument disclosures as permitted by the Corporations Regulations 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

#### b) Equity Instrument Disclosures Relating to Key Management Personnel

i) Options provided as remuneration and shares issued on exercise of such options: Nil

ii) Share holdings

The movement during the reporting period in the number of ordinary shares in Bounty Oil and Gas N.L. held, directly, indirectly or beneficially, by each key management person, including related parties, is as follows:

	Balance at Start of the Year	Purchases	Received on exercise of Options	Received other	Sales	Held at the end of Year
<b>2020</b>						
<b>Directors</b>						
G Reveleigh	23,377,928	-	-	-	2,000,000	21,377,928
R Payne	-	-	-	-	-	-
C Ross	3,200,000	-	-	-	-	3,200,000
<b>Executives</b>						
P Kelso	56,135,175	1,352,317	-	-	19,500,000	37,987,492
<b>2019</b>						
<b>Directors</b>						
G Reveleigh	23,377,928	-	-	-	-	23,377,928
R Payne	-	-	-	-	-	-
C Ross	3,200,000	-	-	-	-	3,200,000
<b>Executives</b>						
P Kelso	50,979,133	5,156,042	-	-	-	56,135,175

No shares were granted to key management personnel during the financial year or during the previous financial year.

#### c) Key Management Personnel - other loans and advances

No loans were made to key management personnel including their personally related entities during the financial year ended 30 June 2020 and no loans were outstanding at the end of the prior period. CEO advanced a short term interest free loan to the Company of \$150,000 during the year. At 30 June 2020 loans outstanding to related entities of the CEO were \$100,448 inclusive of accrued interest charge at 10% p.a. after payment of \$19,000 during the year.

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 20. Key management personnel (continued)

#### d) Other transactions with key management personnel

Other than the transactions disclosed in the Remuneration Report contained in the Directors' Report, during the financial year, \$4,200 for site management services and \$19,000 towards consideration due for acquisition of subsidiaries in previous year, to firms in which Mr. P. Kelso is a director.

Aggregate amounts of each of the above types of other transactions with entities associated with key management personnel of Bounty Oil & Gas NL:

	30-Jun-20	30-Jun-19
	\$	\$
Payment towards consideration for acquisition of Rough Range Oil Pty Ltd.	19,000	15,000
Site management services for PL2	4,200	8,400
Rent of office	-	24,750
	<b>23,200</b>	<b>48,150</b>

### 21. 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.

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

Payable	\$	\$
Not longer than 1 year	1,037,000	767,004
Longer than 1 year and not longer than 5 years	2,851,750	1,917,510
	<b>3,888,750</b>	<b>2,684,514</b>

There are no lease commitments at the balance date.

### 22. Related party transactions

#### a. The Group's main related parties are as follows:

##### Key Management Personnel

Any person(s) having authority or responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group are considered as key management personnel.

Disclosures relating to key management personnel are set out in Note 20 and in the Directors Report.

##### Controlled entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 24.

All inter-company loans and receivables are eliminated on consolidation and are interest free with no set repayment terms.

#### b. Transactions with other related parties:

The Group has a related party relationship with its joint ventures/joint operations (note 25) and with its key management personnel. The Company and its controlled entities engage in a variety of related party transactions in the ordinary course of business. These transactions are generally conducted on normal terms and conditions.

There were no transactions with related parties other than as disclosed in Note 20 and this Note 22.

### 23. Financial instruments

#### a) Capital management:

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders. The Group's overall strategy remains unchanged from last financial year. The Group's capital structure consists of equity (comprising issued capital, reserves and retained earnings as detailed in Consolidated Statement of Changes in Equity) and no debt. The Group is not subject to any externally imposed capital requirements.

The Board reviews the capital structure of the Group on an on-going basis. As part of this review, the Board considers the cost of capital and associated risks.

The gearing ratio at the end of the reporting period was nil (2019: nil).

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 23. Financial instruments (continued)

b) Categories of financial instruments:	Note	30-Jun-20	30-Jun-19
<b>Financial assets</b>		<b>\$</b>	<b>\$</b>
Cash and cash equivalents		1,096,605	813,870
Loans deposits and receivables		313,975	622,573
Available for sale financial assets designated as at FVTPL	12	32,353	43,580
<b>Total financial assets</b>		<b>1,442,933</b>	<b>1,480,023</b>
<b>Financial liabilities</b>			
Other amortised cost - trade creditors		(1,275,814)	(872,847)
<b>Total financial liabilities</b>		<b>(1,275,814)</b>	<b>(872,847)</b>

### c) Financial risk management objectives:

The main risks the company is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

#### Foreign currency risk:

Foreign currency risk is managed by retaining majority of its cash and payables in Australian currency. Petroleum sales are received in USD with short term credit terms. The Group does not currently use derivative financial instruments to hedge foreign currency risk and therefore is exposed to daily movements in exchange rates. However, the Group intends to maintain sufficient USD cash balances to meet its USD obligations.

#### Liquidity risk:

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### Credit risk:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Group and arises principally from the Group's receivables from customers and cash deposits. The Group's 2020 trade receivables are deposits and amounts due from State government departments and major Oil & Gas companies in Australia. The Group exited the joint operations during the year and these receivables have now been adjusted against related payables, and balance fully impaired.

The Company does not have any material credit risk exposure to any single debtor or company of debtors under financial instruments or collateral securities entered into by the Company.

Exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	30-Jun-20	30-Jun-19
Carrying amount:	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	1,096,605	813,870
Trade and other receivables	313,975	622,573
	<b>1,410,580</b>	<b>1,436,443</b>

All cash held by the Group is deposited with investment grade banks and any expected credit loss is immaterial.

The aging of the Group's trade receivables at reporting date was:

	30-Jun-20		30-Jun-19	
	Gross \$	Impairment \$	Gross \$	Impairment \$
Past due	-	-	234,827	(234,827)
Not past due	273,125	-	561,723	-

#### Commodity risk:

The sales revenue of the company is derived from sales of oil at the prevailing TAPIS or Dated Brent oil price on the Singapore market in USD. Sales volumes are not sufficient to undertake the expense of entering derivative contracts to manage that risk.

### d) Fair value of financial instruments:

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

## Notes to the consolidated financial statements for the year ended 30 June 2020

### d) Fair value of financial instruments (continued):

The fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Consolidated	Fair value hierarchy	30-Jun-20	30-Jun-19
		\$	\$
<b>Financial assets at fair value through profit or loss (see note 12)</b>	<b>Quoted bid prices in an active market</b>		
	<b>Level 1</b>	<b>32,353</b>	43,580

### e) Sensitivity analysis

The company does not perform sensitivity analysis with respect to interest rate risk, foreign currency risk, liquidity risk, credit risk or price risk.

## 24 . Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 2 (c)(i).

Name of entity	Country of Incorporation	Class of shares	30-Jun-20	30-Jun-19
			Equity holding % (1)	
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

(1) The proportion of ownership interest is equal to the proportion of voting power held.

## 25. Interest in joint operations

Set out below are the joint arrangements of the Group as at 30 June 2020, 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)	
ATP 1189P Naccowlah block	Production	Proportionate	Adelaide, Australia	2%	2%
ATP 2028P (ex-ATP 754P)	Exploration	Proportionate	Brisbane, 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.

Details of the total revenue and expenses derived from or incurred in ATP 1189P joint operations and the company's share of the assets and liabilities employed in these joint operations are as follows:

	30-Jun-20	30-Jun-19
	\$	\$
Revenue from petroleum	2,906,461	3,656,692
Petroleum and all other expenses	(2,104,748)	(2,180,039)
<b>Net Profit/(Loss) from joint operations</b>	<b>801,713</b>	1,476,653
<b>Current assets</b>		
Trade receivables	266,317	524,990
Inventories	69,508	54,289
<b>Non current assets</b>		
Property, plant & equipment (net of accumulated depreciation)	579,520	515,605
Other non-current assets	2,232,142	2,164,777
<b>Total assets in joint operations</b>	<b>3,147,487</b>	3,259,661
<b>Current liabilities - Trade and other payables</b>	<b>843,104</b>	493,861
<b>Non current liabilities - Provisions</b>	<b>1,047,089</b>	1,047,790
<b>Total liabilities in joint operations</b>	<b>1,890,193</b>	1,541,651
<b>Net interest in joint operations</b>	<b>1,257,294</b>	1,718,010

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 25. Interest in joint operations (continued)

The Group's joint operations agreements require majority consent from all parties for all relevant activities. The joint participants own the assets of the joint operations as tenants in common and are jointly and severally liable for the liabilities incurred by the joint operations. These entities are therefore classified as joint operations and the group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 2(c)(ii) & 2(d).

The accounting policies adopted for the group's joint operations are consistent with those in previous financial year.

The company's share of revenue and expenses from joint operations are included in the Consolidated Statement of Comprehensive Income. The company's share of the assets and liabilities held in joint operations are included in the Consolidated Statement of Financial Position.

### Interests in other joint operation entities

Also included in the Consolidated Financial Statements as at 30 June 2020, the group held interests in joint operations whose principal activities were exploration, evaluation and development of oil and gas but not accruing material revenue.

The company contributes cash funds to the joint operations by way of cash calls for a specified percentage of total exploration and development activities. Other than the ATP1189P Naccowlah Block production Joint Operations none of the joint operations hold any material assets and accordingly the Company's share of exploration, evaluation and development expenditure is accounted for in accordance with the policy set out in Note 1.

### 26. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are same as those applied in the consolidated financial statements. Refer to Note 1 for a summary of the significant accounting policies relating to the Group. After review of policies, the Board resolved to reclassify the intercompany loans to controlled entities as non current assets.

The individual financial statements for the parent entity Bounty Oil & Gas NL show the following aggregate amounts:

<b>Statement of Financial Position</b>	<b>30-Jun-20</b>	<b>30-Jun-19</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Current assets	<b>1,376,654</b>	1,378,875
Non-current assets	<b>12,315,706</b>	14,920,323
<b>Total Assets</b>	<b>13,692,360</b>	16,299,198
<b>Liabilities</b>		
Current liabilities	<b>1,230,577</b>	795,880
Non-current liabilities	<b>1,121,182</b>	1,112,368
<b>Total Liabilities</b>	<b>2,351,759</b>	1,908,248
<b>Net Assets</b>	<b>11,340,601</b>	14,390,950
<b>Equity</b>		
Issued capital	<b>43,440,163</b>	43,440,163
Reserves	<b>201,600</b>	201,600
Retained earnings/Accumulated losses	<b>(32,301,162)</b>	(29,250,813)
<b>Total Equity</b>	<b>11,340,601</b>	14,390,950
<b>Statement of Profit and Loss and other Comprehensive Income</b>		
Loss for the year	<b>(3,050,349)</b>	(2,669,560)
Other comprehensive income/(loss)	-	-
<b>Total Comprehensive loss for the year</b>	<b>(3,050,349)</b>	(2,669,560)
<b>Commitments for Capital Expenditure</b>		
No longer than 1 year	<b>894,000</b>	683,004
Longer than 1 year and not longer than 5 years	<b>2,458,500</b>	1,707,510
<b>Total</b>	<b>3,352,500</b>	2,390,514

There are no operating lease commitments at the balance date.

**Notes to the consolidated financial statements  
for the year ended 30 June 2020**

**27. Contingent liabilities and contingent assets**

As at the date this report, there were no contingent assets or liabilities.  
There was no other litigation against or involving Bounty Oil & Gas N.L. or its subsidiaries.

**28. Events occurring after the reporting period**

On 23 September 2020, the Company issued a further 143,000,000 ordinary shares via placement at \$0.01(1 cent) to raise \$1.42 million before issue expenses. The shares were allotted pursuant to the Company's 15% placement capacity under ASX listing rule 7.1. No other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years, other than those referred to in note 27 above.

**29. Auditors remuneration**

Remuneration of the auditors of the Company for:

- Auditing or reviewing the financial reports for year
- Other services

**Total**

	<b>30-Jun-20</b>	30-Jun-19
	\$	\$
	<b>30,000</b>	30,000
	-	-
	<b>30,000</b>	30,000

The auditor to Bounty Oil & Gas NL is William M Moyes, Suite 1301, Level 13, 115 Pitt Street, Sydney NSW 2000.

**30. Company details**

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

**Registered Office**

Suite 302, 93-95 Pacific Highway,  
North Sydney, NSW, 2060, Australia  
Tel: (02) 9299 7200

**Principal place of business**

Suite 302, 93-95 Pacific Highway,  
North Sydney, NSW, 2060, Australia  
Tel: (02) 9299 7200



**DIRECTORS' DECLARATION**

a) The directors of Bounty Oil and Gas NL ("the Company") declare that the financial statements and notes, as set out on pages 16 to 42 are in accordance with the Corporations Act 2001:

(i) comply with Accounting Standards and the Corporations Regulations 2001; and  
(ii) give a true and fair view of the financial position as at 30th June 2020 and of the performance for the year ended on that date of the Company;

b) The Chief Executive Officer and the Chief Financial Officer have each declared that:


(i) The financial records of the company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001.

(ii) The financial statements and notes for the financial year comply in all material respects with the Accounting Standards;

(iii) The financial statements and notes give a true and fair view.

c) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Graham Reveleigh  
Director

Dated: 30 September 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of Bounty Oil and Gas NL

### *Report on the audit of the financial report*

#### *Opinion*

We have audited the financial report of Bounty Oil and Gas NL (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the financial position of the Group as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial report.

## Carrying value of exploration and evaluation & production and development assets

Why Significant	How our audit addressed the key audit matter:
<p>At 30 June 2020, the Group owned exploration and evaluation assets with a carrying value of approximately \$5 million and production and development assets with a carrying value of approximately \$5.24 million. Australian Accounting Standards require the Group to assess throughout the reporting period whether there is any indication that an asset may either be impaired, or a previous impairment reversed. If any indication exists, the Group must estimate the recoverable amount of the asset.</p> <p>During the half year to 31 December 2019 the Group made the decision to relinquish its petroleum exploration permit AC/P 32 located in the Ashmore Cartier Territory, Timor Sea, offshore Western Australia, which formed part of the Group's exploration and evaluation assets. This resulted in the writing off the costs attributable to that tenement and recognising a loss in relation to the surrender of the tenement.</p> <p>No other impairment of any other exploration and evaluation or production and development assets was performed during the year.</p> <p>The assessment of indicators of impairment and reversal of impairment is complex and highly judgemental. It includes modelling a range of assumptions and estimates that are impacted on by the expected future performance and market conditions. Accordingly, this matter was considered to be a key audit matter.</p>	<p>Our audit procedures comprised of mainly but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the Group's accounting policy to ensure it met the requirements of AASB 6 – Exploration for and Evaluation of Mineral Resources and AASB 136 – Impairment of Assets.</li> <li>• Assessing the currency of holding for all the Group's tenements and licences and review of documentation to substantiate the renewal of expired licences.</li> <li>• Evaluation of the valuation methodology and other relevant factors applied in determining the recoverable amount, the appropriate level of impairment and relevant impairment indicators.</li> <li>• Review of the criteria and assumptions applied by management in assessing the valuation and challenging the director's assumptions that supported the evaluation of impairment indicators.</li> <li>• Assessing the level of amortisation applied to production and development assets.</li> </ul>

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the 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.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, the matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibility for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at:  
[www.auasb.gov.au/auditors\\_files/ar2.pdf](http://www.auasb.gov.au/auditors_files/ar2.pdf) . This description forms part of our audit report.


**Report on the audit of the remuneration report**

**Opinion on the remuneration report**

We have audited the remuneration report included on pages 11 to 14 of the directors' report for the year ended 30 June 2020. In our opinion, the remuneration report of Bounty Oil and Gas NL for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

**Responsibilities**

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

  
**William M Moyes - Partner**  
**Moyes Yong & Co Partnership**

Dated: 30 September 2020



## 1. Additional Information Required by ASX Listing Rules

The following is additional information provided in accordance with the Listing Rules of the Australian Securities Exchange Limited.

### Analysis of equity security holders as at 28 September 2020:

- a) Analysis of numbers of holders of fully paid ordinary shares:

No. of Securities	No. of Shareholder:
1 – 1,000	221
1,001 – 5,000	119
5,001 – 10,000	406
10,001 – 100,000	1,711
100,001 and above	<u>1,054</u>
	<b><u>3,511</u></b>

- b) Twenty largest holders of quoted equity securities at **28 September 2020**:

	Ordinary Shareholders	Fully paid number	%
1	Barry Sheedy & Associates Pty Ltd	43,893,700	4.00%
2	Robert A Hutchfield	38,148,909	3.48%
3	Comadvance Pty Ltd	30,994,403	2.83%
4	Red Kite Capital Inc.	27,022,000	2.46%
5	David Alan McSeveny	25,323,382	2.31%
6	Odel Investments Pl	22,500,000	2.05%
7	Bang Vi Khanh	22,400,000	2.04%
8	Zanamere Pty Ltd	21,377,928	1.95%
9	GH Corporate Services Pty Ltd	20,283,061	1.85%
10	Tri-Ex Holdings Pty Ltd	19,177,778	1.75%
11	WH Ave LLC	18,000,000	1.64%
12	Kestrel Petroleum Pty Ltd	15,175,000	1.38%
13	Melanie T Verheggen	12,259,399	1.12%
14	C M Roche & K S Roche	11,900,000	1.09%
15	Jordan Vujic	11,710,011	1.07%
16	Level 1 PL	10,059,254	0.92%
17	Quadrangle Capital Pty Ltd	10,000,000	0.91%
18	Suburban Holdings Pty Ltd	10,000,000	0.91%
19	Ninety Three Pty Ltd	10,000,000	0.91%
20	Funding Securities Pty Ltd	<u>9,000,000</u>	<u>0.82%</u>
	<b>Total Top 20 Holders</b>	<b><u>389,224,825</u></b>	<b><u>35.50%</u></b>

- c) Options as at **28 September 2020**:

- i) there were no listed and quoted options over ordinary shares.
- ii) there were no unlisted options over ordinary shares.

## 2. Substantial Shareholders

As at 28 September 2020 there were no substantial shareholders as disclosed in substantial shareholders notices given to the company.

## 3. Issued Shares and Distribution

- a) The total number of fully paid ordinary shares on issue on 28 September 2020 was 1,096,400,982.
- b) There were 1,283 holders of less than a marketable parcel of ordinary shares, totalling 12,907,565 shares being 1.18% of number of fully paid ordinary shares on issue.
- c) The percentage of the total holding of the 20 largest shareholders of ordinary shares was 35.50% of issued capital.

## 4. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange (ASX) under the code BUY.

## 5. Income Tax

The company is taxed as a public company.

## 6. Voting Rights

The voting rights attaching to ordinary shares are governed by the Constitution. At a meeting of members every person present who is a member or representative of a member shall on a show of hands have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. No options have any voting rights.

## 7. Additional Information

Information in these financial statements (or in the annual report) that relates to or refers to petroleum exploration and prospectivity or petroleum or hydrocarbon reserves or resources is based on information compiled and/or written by Mr Philip F Kelso the CEO of Bounty Oil & Gas NL. Mr Kelso is a Bachelor of Science (Geology) and has practised geology and petroleum geology for in excess of 45 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy. Mr Kelso is a qualified person as defined in the ASX Listing Rules: Chapter 19 and consents to the reporting of that information in the form and context in which it appears in this report.

The company continues to comply with the ASX Listing Rules disclosure requirements. The company reports to ASX which makes available all reports to those who wish to access them. All ASX releases and other background information are posted regularly on the company's website. The company intends to post on its website its annual report and all other required notices to its shareholders.

The board reviews and receives advice on areas of operational and financial risks. Business risk management strategies are developed as appropriate to mitigate all identified risks of the business. The directors are aware of the guidelines for the content of a code of conduct to guide compliance with legal and other obligations to shareholders but have not formally established such a code. Where applicable to its activities, the directors ensure that the company is responsible to its shareholders, employees, contractors, advisers, individuals and the community.

## 8. Secretary

The name of the Secretary of the company is Mr. Sachin Saraf.

## 9. Share Buy Back

There is no current on market share buy-back.

## Schedule of Petroleum Tenements – 28 September 2020

## Australia - Queensland

Cooper Eromanga Basin					
Permit	Basin	Interest	Gross km <sup>2</sup>	Net km <sup>2</sup>	Operator
ATP 1189P (formerly 259P) Naccowlah Block	SW Qld – Cooper - Eromanga Basin.	2%	1,064.5	21.3	Santos <sup>2</sup>
PL 23	SW Qld – Cooper - Eromanga Basin.	2%	234.6	4.7	Santos <sup>2</sup>
PL 24	SW Qld – Cooper - Eromanga Basin.	2%	200.9	4.0	Santos <sup>2</sup>
PL 25	SW Qld – Cooper - Eromanga Basin.	2%	256	5.1	Santos <sup>2</sup>
PL 26	SW Qld – Cooper - Eromanga Basin.	2%	255.9	5.1	Santos <sup>2</sup>
PL 35	SW Qld – Cooper - Eromanga Basin.	2%	136.5	2.7	Santos <sup>2</sup>
PL 36	SW Qld – Cooper - Eromanga Basin.	2%	60.9	1.2	Santos <sup>2</sup>
PL 62	SW Qld – Cooper - Eromanga Basin.	2%	64.7	1.3	Santos <sup>2</sup>
PL 76	SW Qld – Cooper - Eromanga Basin.	2%	39.5	0.8	Santos <sup>2</sup>
PL 77	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 78	SW Qld – Cooper - Eromanga Basin.	2%	12.1	0.2	Santos <sup>2</sup>
PL 79	SW Qld – Cooper - Eromanga Basin.	2%	6.5	0.1	Santos <sup>2</sup>
PL 82	SW Qld – Cooper - Eromanga Basin.	2%	10.4	0.2	Santos <sup>2</sup>
PL 87	SW Qld – Cooper - Eromanga Basin.	2%	27.5	0.6	Santos <sup>2</sup>
PL 287	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 496	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 495	SW Qld – Cooper - Eromanga Basin.	2%	9.2	0.2	Santos <sup>2</sup>
PL 133	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 149	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 175	SW Qld – Cooper - Eromanga Basin.	2%	27.5	0.6	Santos <sup>2</sup>
PL 181	SW Qld – Cooper - Eromanga Basin.	2%	18.3	0.4	Santos <sup>2</sup>
PL 182	SW Qld – Cooper - Eromanga Basin.	2%	27.5	0.6	Santos <sup>2</sup>
PL 1026	SW Qld – Cooper - Eromanga Basin.	2%	18.3	0.4	Santos <sup>2</sup>
PL 302	SW Qld – Cooper - Eromanga Basin.	2%	12.2	0.2	Santos <sup>2</sup>
PL 1047	SW Qld – Cooper - Eromanga Basin.	2%	30.6	0.6	Santos <sup>2</sup>

PL 1060	SW Qld – Cooper - Eromanga Basin.	2%	1176	23.5	Santos <sup>2</sup>
PL 1078	SW Qld – Cooper - Eromanga Basin.	2%	8.5	0.2	Santos <sup>2</sup>
PL 1079	SW Qld – Cooper - Eromanga Basin.	2%	17	0.4	Santos <sup>2</sup>
PL 1080	SW Qld – Cooper - Eromanga Basin.	2%	25	0.5	Santos <sup>2</sup>
PL 1085	SW Qld – Cooper - Eromanga Basin.	2%	11	0.3	Santos <sup>2</sup>
PL 1093	SW Qld – Cooper - Eromanga Basin.	2%	42	0.8	Santos <sup>2</sup>
PL 1047	SW Qld – Cooper - Eromanga Basin.	2%	30.8	0.6	Santos <sup>2</sup>
PPL 2039	SW Qld – Cooper - Eromanga Basin.	2%	-	-	Santos <sup>2</sup>
PCA 247	SW Qld – Cooper - Eromanga Basin.	2%	127.8	2.6	Santos <sup>2</sup>
<b>Surat Basin</b>					
PL 2 Alton Oilfield	Qld - Surat Basin	100%	16	16	Bounty <sup>1</sup>
PL 2A	Qld - Surat Basin	81.75%	66.8	54.6	Bounty <sup>1</sup>
PL 2B	Qld - Surat Basin	81.75%	136.7	111.7	Bounty <sup>1</sup>
PL 2C	Qld - Surat Basin	100%	45.2	45.2	Bounty <sup>1</sup>
PL 441 (ex PL 119)	Qld - Surat Basin	100%	21.4	21.4	Ausam <sup>7</sup>
PCA 159 ex ATP 1190 Spring Grove (SG) <sup>5</sup>	Qld - Surat Basin	24.748%	13.2	3.3	AGL <sup>4</sup>
ATP 2028	Qld - Surat Basin	50%	554.4	277.2	Ausam <sup>7</sup>
PPL 58 Pipeline Licence <sup>6</sup>	Qld – Surat Basin	100%			Ausam <sup>7</sup>

Table 2 Schedule of other Australian Petroleum Permits and Tenements – 28 September 2020

Permit	Basin	Interest	Gross km <sup>2</sup>	Net km <sup>2</sup>	Operator
<b>Australia – South Australia</b>					
PRL 35 37 38 41 43-45 48 49 – FO inclusive replacing EL 218 (Post Permian)	SA – Cooper - Eromanga Basin.	23.28%	1,603.5	373.3	Beach Energy Ltd <sup>9</sup>
<b>Australia – Western Australia</b>					
PL 104 - L16 (Petroleum Lease)	WA - Carnarvon Basin onshore	100%	79.5	79.5	Rough Range <sup>3</sup>
<b>Australia – Offshore</b>					
PEP 11	NSW - Sydney Basin	15%	4,577	686.5	Asset Energy <sup>8</sup>

**Operators / Notes**

1. Bounty Oil &amp; Gas NL

2. Santos Limited group companies

3. Rough Range Oil Pty Ltd. - is a wholly owned subsidiary of Bounty Oil &amp; Gas NL

4. AGL Gas Storage PL

5. PCA (SG) – Potential Commercial Area Spring Grove joint venture block

6. Pipeline Licence 58

7. Ausam Resources Pty Ltd - is a wholly owned subsidiary of Bounty Oil &amp; Gas NL

8. Asset Energy Pty Ltd is a wholly owned subsidiary of Advent Energy Ltd

9. Beach Energy Limited



**ABBREVIATIONS**

The following definitions are provided for readers who are unfamiliar with industry terminology:

AVO	Specialised analysis of seismic data comparing amplitude of sound waves versus collection point offsets
Barrel (bbl/BBL)	A unit of volume of oil production, one barrel equals 42 US gallons, 35 imperial gallons or approximately 159 litres
Basin	A segment of the earth's crust which has down warped and in which sediments have accumulated, such areas may contain hydrocarbons
BCF/Bcf	Billion cubic feet, i.e. 1,000 million cubic feet (equivalent to approximately 28.3 million cubic metres) of gas
BOPD/BPD	Barrels of oil per day; barrels per day
Contingent Resources	Discovered resources, not yet fully commercial
CSG	Coal seam gas
GIIP	Gas initially in place
Lead	A structural or stratigraphic feature which has the potential to contain hydrocarbons
License	An agreement in which a national or state government gives an oil Company the rights to explore for and produce oil and/or gas in a designated area
MCF/Mcf	Thousand cubic feet – the standard measure for natural gas
MDRT	Measured depth below Rotary Table
MMB/mmb, MMBO/mmbo	Million barrels, million barrels of oil
MMCF/mmcf, MMCFG/mmcfg, MMCFGPD/mmcfcpd	Million cubic feet, million cubic feet of gas, million cubic feet of gas per day
NOPTA	National Offshore Petroleum Authority (Australia)
P10	10% probability of occurrence
P90	90% probability of occurrence
PCA	Potential Commercial Area (State of Queensland)
Permeability	The degree to which fluids such as oil, gas and water can move through the pore spaces of a reservoir rock
Permit	A petroleum tenement, lease, licence or block
Play	A geological concept which, if proved correct, could result in the discovery of hydrocarbons

Plug and Abandon (P&A)	The process of terminating operations in a well. Cement plugs are set in the borehole and the rig moves off the location. The borehole is thus left in a safe condition. In some cases, where the Operator considers it possible that the well may be re-entered at a later date, the well may be only temporarily plugged and abandoned
$P_{\text{mean}}$	The average (mean) probability of occurrence
Porosity	The void space in a rock created by cavities between the constituent mineral grains. Liquids are contained in the void space
Prospect (petroleum)	A geological or geophysical anomaly that has been surveyed and defined, usually by seismic data, to the degree that its configuration is fairly well established and on which further exploration such as drilling can be recommended
Prospective Resources	Undisclosed resources
PSA	Production Sharing Agreement
PSC	Production Sharing Contract
PRL	Petroleum Retention Lease (South Australia)
Reserves	Quantities of economically recoverable hydrocarbons estimated to be present within a trap, classified as prove, probably or possible
Reservoir	A subsurface volume of rock of sufficient porosity and permeability to permit the accumulation of crude oil and natural gas under adequate trap conditions
Seal, Sealing Formation	A geological formation that does not permit the passage of fluids. Refer also to Cap Rock
Seismic Survey	A type of geophysical survey where the travel times of artificially created seismic waves are measured as they are reflected in a near vertical sense back to the surface from subsurface boundaries. This data is typically used to determine the depths to the tops of stratigraphic units and in making subsurface structural contour maps and ultimately in delineating prospective structures
Spud	To start the actual drilling of a well
Stratigraphic Trap	A type of petroleum trap which results from variations in the lithology of the reservoir rock, which cause a termination of the reservoir, usually on the up dip extension
Structure	A discrete area of deformed sedimentary rocks, in which the resultant bed configuration is such as to form a potential trap for migrating hydrocarbons
Sub-basin	A localised depression within a basin
TCF/Tcf	Trillion cubic feet
TVDS	Total vertical depth below Sea Level
Up-dip	At a structurally higher elevation within dipping strata

**CORPORATE DIRECTORY****Board of Directors**

Graham C. Reveleigh (Chairman)  
Charles Ross  
Roy Payne

**Chief Executive Officer**

Philip F. Kelso

**Company Secretary**

Sachin Saraf

**Registered and Principal Office**

Suite 302, 93 – 95 Pacific Highway  
North Sydney NSW 2060  
Australia

Telephone: +61 2 9299 2007  
Facsimile: +61 2 9299 7300  
Email: corporate@bountyoil.com  
Website: www.bountyoil.com

**Auditors**

Mr. William M Moyes  
Moyes Yong & Co  
Suite 1301, Level 13  
115 Pitt Street  
Sydney NSW 2000

Telephone: +61 2 8256 1100  
Facsimile: +61 2 8256 1111

**Share Registry**

Automic  
Level 5, 126 Philip Street  
Sydney NSW 2000  
Telephone: +61 2 9698 5414  
Email: hello@automic.com.au

**Bankers**

BankWest, Perth  
Commonwealth Bank of Australia, Sydney

**Legal Counsel**

Dentons Australia  
77 Castlereagh Street  
Sydney NSW 2000

**Independent Consulting Petroleum Engineers**

Apex Energy Consultants Inc.  
Suite 1020, 909 11th Avenue S.W.  
Calgary, Alberta, T2R 0E7  
Canada

