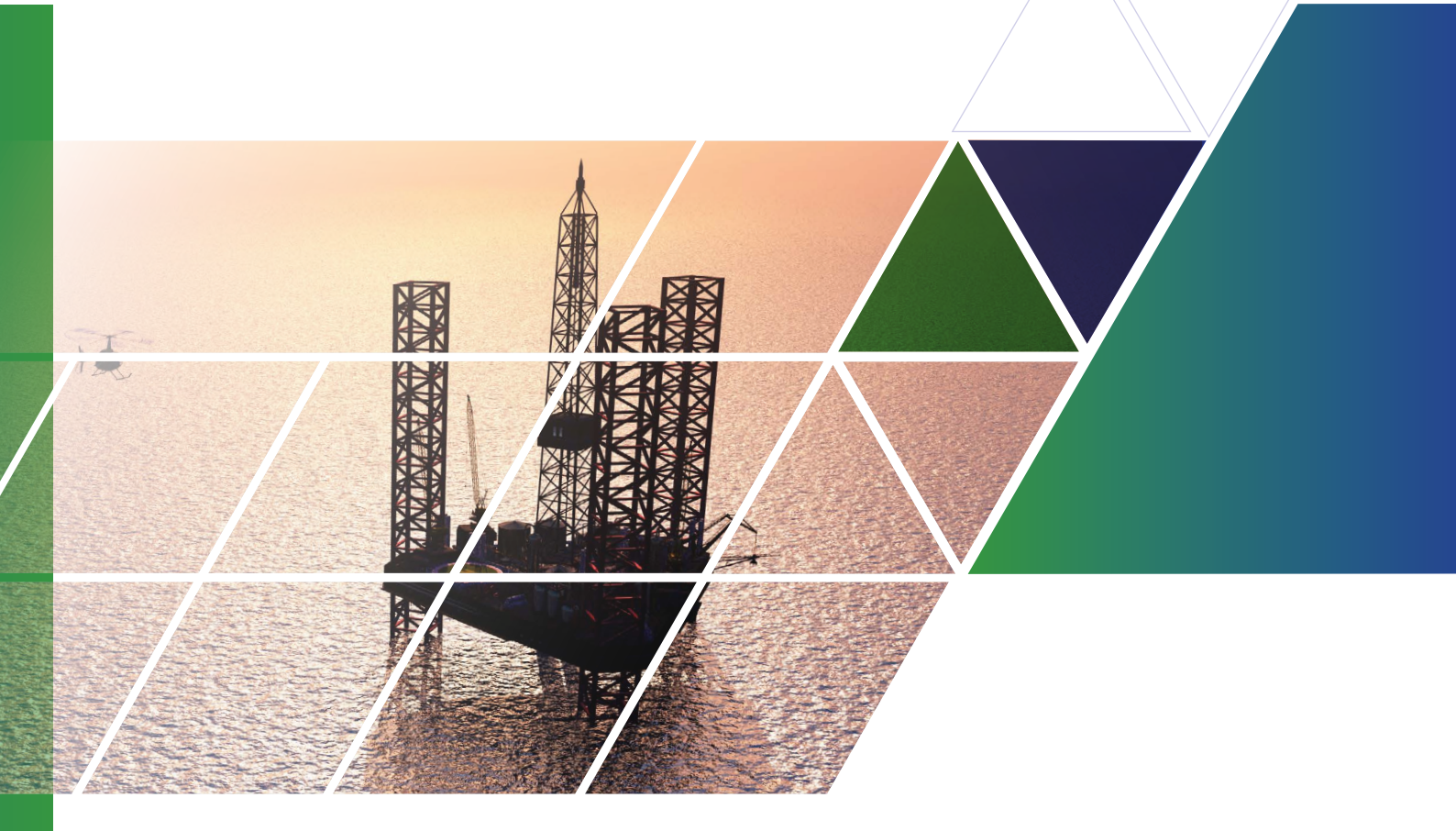




ANNUAL REPORT



2021



OUTLOOK & KEY OUTCOMES

Looking to 2022 Bounty Oil and Gas CEO, Philip Kelso commented:

Cerberus, Carnarvon Basin, Western Australia

“The farmin to the Cerberus Project West Australia will see Bounty shareholders participating in 3 relatively low risk very high impact oil exploration wells in 2022/23 as oil prices strengthen in the face of disinvestment by majors and in a very low sovereign risk State.

Bounty will be one of the only juniors in Australia with significant exposure to existing Australian oil production and hydrocarbon provinces with proximity to markets in the east (PEP 11, Sydney Basin gas) and the west coast (Cerberus, Carnarvon Basin).

We also welcome Kane Marshall who has joined the Bounty team as COO and will be working alongside proven industry performers in the Cerberus Coastal team comprising Ted Jacobson, Joe Graham and Dariusz Jablonski.

Cerberus is an exciting play with some of the largest seismically defined drillable offshore oil prospects in Australia and proximity to production and transport infrastructure. Honeybadger and Stork are examples of prospects with the potential for hundreds of millions of barrels of oil to be found.

Onshore Oil Production, Queensland

With Brent oil prices currently trading above \$100/bbl Bounty will participate in further NFE and appraisal drilling and production from its Cooper Basin and operated Surat Basin proven oil reserves.”

FULL YEAR 2021 - RESULTS

- Group petroleum revenue for the year down 49% to \$1.47 million (2020: \$2.91 million) from Queensland oil sales
- Cash and current assets at 30 June 2021 increased to \$1.75 million with nil debt

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

CHAIRMAN'S REVIEW

Dear Shareholder

In 2021 seeking to increase shareholder value Bounty commenced a search for high impact offshore oil and gas exploration projects.

Bounty's pursuit of these larger projects was founded on our very clear view that oil and gas are fundamental commodities to carry modern society particularly such things as food production and mining. Quite apart from the energy required to carry the world's population through cold winters, food production and transport must have liquid fuels such as diesel derived from oil production.

Secondly, Bounty wished to diversify its exploration focus area to the Westralian Super Basin.

As a result on 15 October 2021 your company was able to announce that it had farmed into the Cerberus Oil Exploration Project located in the core oil production areas of the offshore Carnarvon Basin, Western Australia.

Your company successfully completed a small capital raising of \$2.74 million and is commencing steps to prepare for drilling three (3) oil exploration wells within the Cerberus Project Area. The shallow water projects will enable us use of jack up rigs and have access to support infrastructure.

We continue to await regulatory approval to move forward with gas exploration in PEP 11 Offshore Sydney Basin. The joint venture is planning to drill Sea Blue 1 a major gas exploration target in 2022.

Bounty remains confident about its future in a world which continues to demand oil from low sovereign risk countries and will also move forward with developing its proven oil reserves in the Cooper and Surat Basins.

I thank shareholders in what has been a challenging year disrupted by the Covid-19 pandemic. The strong oil price recovery however provides us with confidence in the future. I also wish to thank my Board members and executives for their patience during the year.

I welcome Kane Marshall, a highly qualified petroleum engineer as COO of Bounty.

Graham Reveleigh
Chairman

29 October 2021

CEO'S REVIEW

Bounty Group Highlights for the Financial Year:

- Bounty continued oil production from Naccowlah Block exploiting the additional reserves proved by development and NFE drills in 2019/2020.
- Cash and current assets at 30 June 2021 increased to \$1.75 million with nil debt.
- Petroleum revenue down 49% to \$1.47 million as Covid 19 restrictions heavily impacted international oil prices.
- Operating loss of \$0.45 million (2020: \$0.43 million) before non-cash expenses including impairment and amortisation of oil & gas assets of \$2.46 million.
- Bounty's proven oil resources in the Cooper and Surat Basins in Queensland provide scope for very significant growth.
- Active search for material offshore oil and gas projects.

Bounty Diversifying into Western Australia Offshore Projects

During the financial year Bounty examined a number of material offshore petroleum exploration opportunities in Western Australia as a means to diversify from its PEP 11 Sydney Basin Gas Project which continues to await regulatory approvals.

Cerberus Project Offshore Carnarvon Basin WA – Bounty Earning 25%

As a result on 15 October 2021 Bounty was very pleased to announce that it would acquire a 25% strategic Interest in 4 Drill Ready Shallow Water Carnarvon Basin Oil Exploration Licences in Western Australia.

Cerberus Main Points

- Bounty Group entered a binding farmin agreement with Coastal Oil and Gas Pty Ltd ("Coastal") to acquire a 25% interest in Carnarvon Basin oil exploration licenses EP 475, EP 490, EP 491 and TP 27 (collectively "Cerberus Project") by funding AUD \$6 million towards the costs of drilling three (3) exploration wells ("Drilling Program").
- Under the farmin Bounty Group will also have options during the next six (6) months to earn two 25% tranches for additional participating interests in the Cerberus Project by funding \$9 million and \$12 million respectively towards the Drilling Program.
- Bounty Group and Coastal will jointly operate the Drilling Program.
- The primary prospects identified for drilling are Triassic stratigraphic plays that are direct lookalikes to the very significant Santos Limited operated Dorado, Phoenix South and Roc discoveries.
- Drilling projects will focus on the Stork, Honeybadger, Parrot and Gallant prospects with Unrisked Prospective Resources as follows:

| Prospective Resources | Mean (million barrels) | 1U Low (million barrels) | 2U Best (million barrels) | 3U High (million barrels) | Geological Target |
|-------------------------------|------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------|
| Honeybadger Prospect - EP 490 | 294 | 13 | 102 | 814 | Triassic |
| Stork Prospect - EP 475 | 228 | 14 | 94 | 620 | Triassic |
| Parrot - EP 491 | 105 | 14 | 61 | 262 | Triassic |
| Gallant - EP 490 | 44 | 6 | 26 | 108 | Cretaceous |

Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

- An Expression of Interest has been issued to the rig market to assess the timing and cost of the Drilling Program, estimated to be between US \$20 - 30 million for the 3 wells.

Project Funding and COO Appointment

On 21 October 2021 Bounty raised \$2.74 million, before issue expenses, from qualified institutional and sophisticated investors, which was heavily oversubscribed.

With its ongoing oil revenue Bounty's cash and current assets now exceed \$4 million sufficient to allow it to move forward with the initial phases of the Cerberus Project.

Mr Kane Marshall has joined Bounty as Chief Operating Officer to manage Bounty's farmin while working alongside Coastal's technical team including oil industry veteran Ted Jacobson.

Kane Marshall is a petroleum reservoir engineer/geologist and was until 2019 Managing Director of an ASX quoted oil producer and a Non-Executive Director of Hawkley Oil and Gas Limited.

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

Offshore Projects – Gas Exploration Growth Project

PEP 11 - New South Wales

Bounty holds 15% of PEP 11 Offshore Sydney Basin in what has the potential to lead to a new exploration drill of a multi TCF major gas exploration project near Newcastle, NSW. Active planning is underway aimed at advancing the Baleen Prospect to a drill test in 2022 with the Sea Blue 1 Well.

The Joint Venture is confident that it will obtain regulatory approvals to drill the Sea Blue 1 Well in 2022.

Onshore 2022 Forward Oil Development Plans

See the Directors Report for further 2021 production and revenue details.

Bounty's petroleum revenues were reduced to \$1.47 million however Bounty emerged from 2021 in a sound position with its core petroleum acreage and reserves intact and cash and current assets at 30 June 2021 increased to \$1.75 million. Bounty anticipates continuing oil production from the recent Birkhead and Westbourne zone discoveries in Naccowlah Block supported by a strong oil price recovery.

Onshore Projects

Oil Business

Oil production, development drilling and exploration were all curtailed by the COVID – 19 pandemic extending through the whole period and with associated interstate travel restrictions active development was restricted. The pandemic also heavily impacted the oil price.

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 18,585 bbls (2020: 27,286 bbls). Falling oil prices in \$A terms reduced revenues to \$1.47 million.

Following its 2019-2020 successful oil appraisal program in the Naccowlah Block. The operator, Santos Limited, continued to progressively tie in wells with new pipelines and oil production infrastructure. This continuing exceptionally successful program has maintained Bounty's oil reserves in Naccowlah Block and continued oil volumes at lower but satisfactory levels for the year.

The operator Santos Limited is examining several appraisal and NFE targets for drilling in 2022 in Naccowlah Block. 2022 focus will be in the Natan Bolan Corella area southwest of Jarrar Field. This additional drilling should increase our very conservatively stated Naccowlah Block oil reserves and provide steady oil revenues in coming years.

SE Queensland – Surat Basin

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

Commencement of oil production in 2021 was deferred due to Covid-19 and depressed oil prices and Bounty is now planning to commence oil production at PL 2 Alton in 2022. 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. During the period Bounty completed a Well Integrity Management database and other compliance work.

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.

Conclusion

Oil revenue is expected to be \$2.0 million in 2022.

Australia confronts the challenge of finding more domestic oil and gas and more producing oil reserves. Bounty maintained its oil reserves in the year to 31 December 2020 and is well placed for additional oil reserve growth at end 2022.

It will look for major oil project growth with the Cerberus Project, W.A. and on Bounty operated projects.

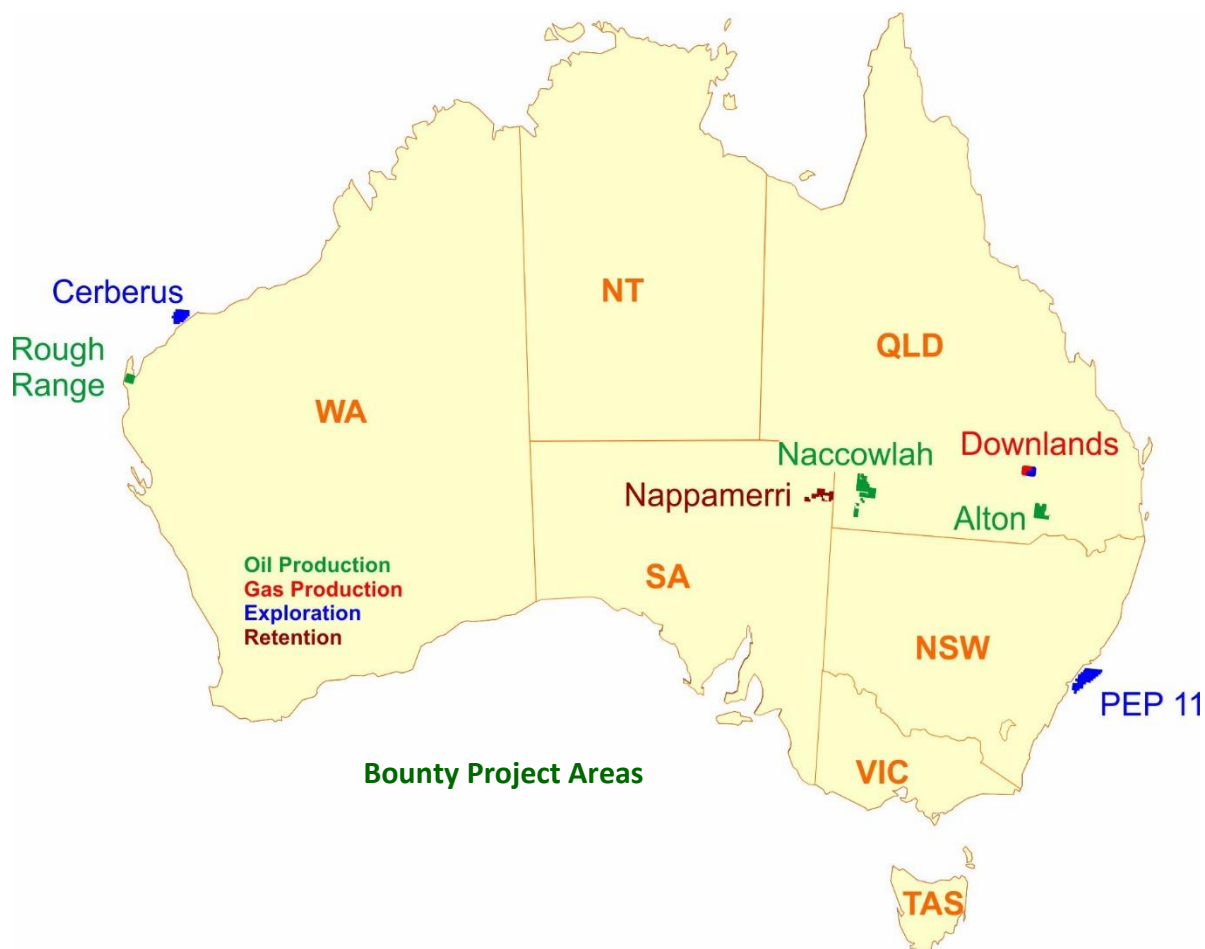
PHILIP F. KELSO
Chief Executive Officer

29 October 2021

PROJECT and OPERATIONS REVIEW

Bounty Projects

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



Summary Land Position

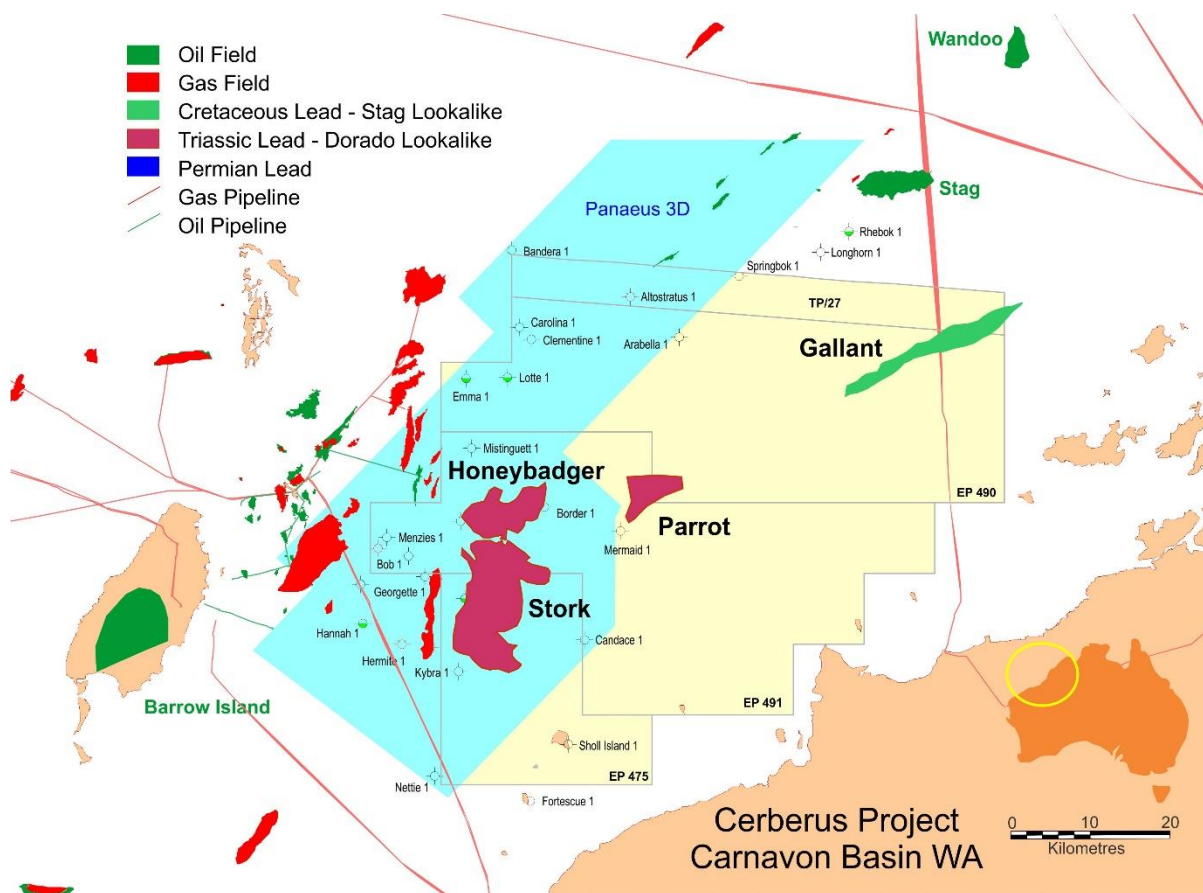
| Offshore Australia | Equity | Gross Km ² | Net Km ² |
|--------------------------------|---------|-----------------------|---------------------|
| PEP-11 | 15% | 4576 | 686.5 |
| Onshore Australia | | | |
| Naccowlah SW Queensland | 2% | 1805 | 36 |
| Nappamerri South Australia | 23.28% | 859 | 200 |
| Surat Basin Queensland | Various | 186 | 146 |
| Rough Range Carnarvon Basin WA | 10% | 80 | 8 |
| Totals | | 7505 | 1077 |

This table summarises Bounty's land position as at 30 June 2021. Bounty's full schedule of tenements as at 28 September 2021 is included in Additional Information Required by ASX Listing Rules at the end of this Annual Report. During the year Bounty withdrew from ATP 2028P Surat Basin.

Bounty projects not specifically referred to below in this Project Review are summarised in Bounty's 2021 Quarterly Activity Reports to the ASX and on Bounty's website: www.bountyoil.com.

Major Growth Projects

Cerberus Project Offshore Carnarvon Basin WA – Bounty Earning 25%



Background

On 7 October 2021 Bounty entered a farmin agreement to earn a 25% interest in this 600 mmbbl potential oil project, offshore Carnarvon Basin, West Australia.

The Cerberus Project incorporates 3,759 km² in four permits - EP 475, 490, 491 and TP 27 offshore Carnarvon Basin and lies 70 km. east of Barrow Island. It is right in the heart of Australia's most active oil production area and offers a large number of prospects and leads, many drill ready, with prospective resources of over 600 million barrels.

Bounty is farming in to earn 25% by paying A\$6 million towards the cost of drilling 3 wells and retains an option for six months to earn two additional tranches of 25% each by pro rata contributions to the well costs or finding farmin partners. The project is principally targeting oil in a lower Triassic source rock and reservoir sequence at the base of the Locker Shale, in lookalikes to the highly successful Dorado Project (2C reserves of 344 MMboe) being developed by Santos Limited and Canarvon Petroleum Ltd in the Browse Basin to the northeast.

Bounty reviewed this project in the later part of FY 2020/21 and finalised the agreement in October 2021. Bounty simultaneously announced on 15 October 2021 the farmin, a \$2.74 million capital raising to finance the farmin, and the appointment of Mr Kane Marshall as Chief Operating Officer to head up the new WA office and manage the project as it moves to drilling.

The attraction of this area is twofold, excellent prospective volumes offering reserves greater than Bounty's onshore projects, and shallow water jack up drilling with abundant opportunities to achieve economies of scale by participating in drilling groups, resulting in costs only a few times more than onshore but with huge rewards.

Targets

Bounty is targeting three plays:

- Dorado discovery lookalikes in the same Lower Triassic sequence as the hugely successful Dorado (344 MMboe 2C), Phoenix South and ROC (78 MMboe 2C) discoveries in the Browse Basin to the northeast
- Sand bodies entirely sealed within clay filled subsea channels in the Triassic age Locker Shale similar to those providing the top seal to the Dorado discovery
- Stag (85 MMbo) and Wandoo (100 MMbo) look alikes in identical pinchouts in the same Lower Cretaceous sand package

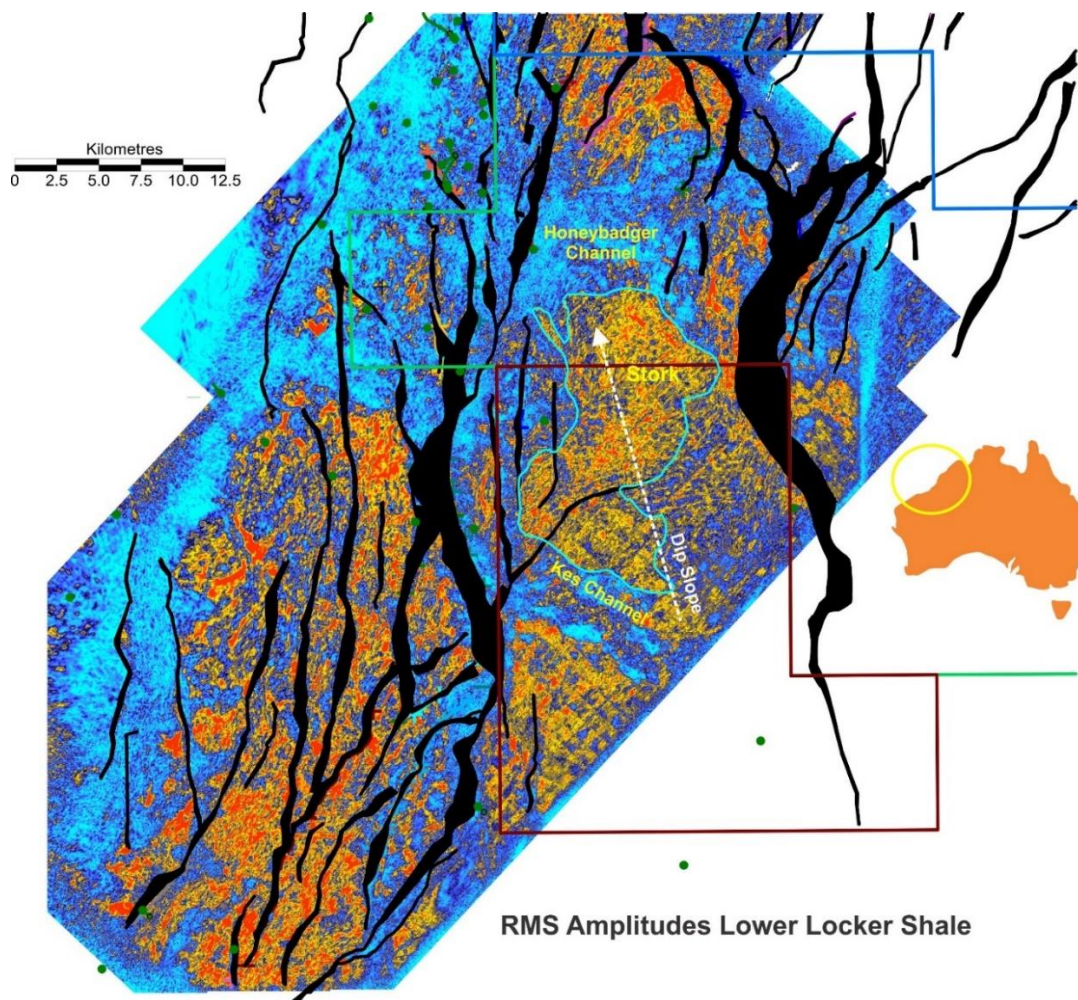
Active gas seepage from around the edges of the Triassic prospects is a prominent feature, providing additional evidence of mobile hydrocarbons and minimising the risk of charge.

The main focus is on four targets with the best chance of success with Prospective Resources as follows:

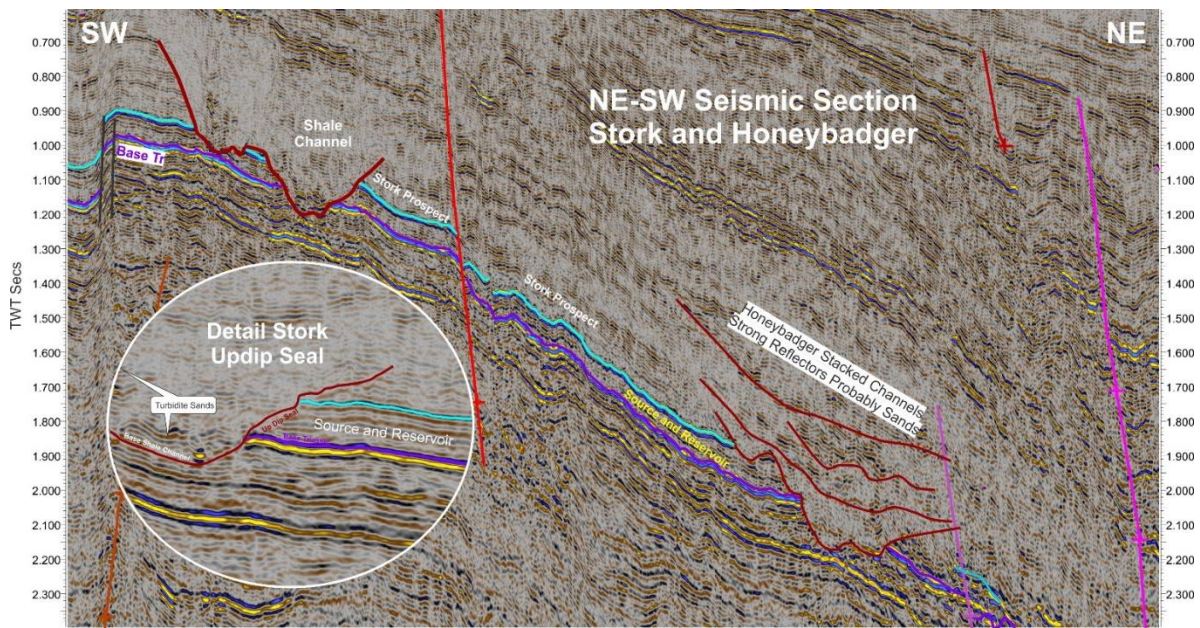
| Prospective Resource MMbo | Mean | 1U Low | 2U Best | 3U High | Reservoir Age |
|-------------------------------|------|--------|---------|---------|---------------|
| Honeybadger Prospect - EP 491 | 294 | 13 | 102 | 814 | Triassic |
| Stork Prospect - EP 475 | 228 | 14 | 94 | 620 | Triassic |
| Parrot - EP 491 | 105 | 14 | 61 | 262 | Triassic |
| Gallant - EP 490 | 44 | 6 | 26 | 108 | Cretaceous |

Three of those targets are described below (see Carnarvon Project Location Map above).

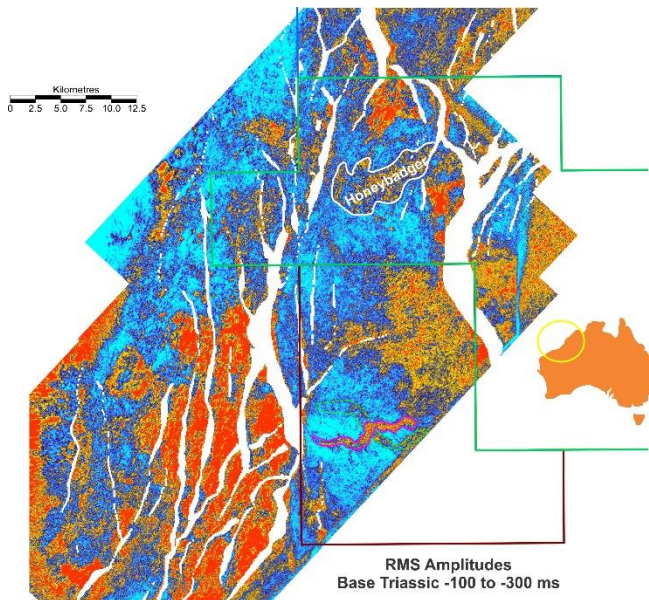
Stork Prospect



Higher seismic amplitudes (warm colours) define the deltaic sands in the Lower part of the Locker Shale which form the reservoir at Dorado; the clay seals (cold colours) by the Kes Canyon and the erosion of the sand package by the Honeybadger canyon clearly define the prospect.



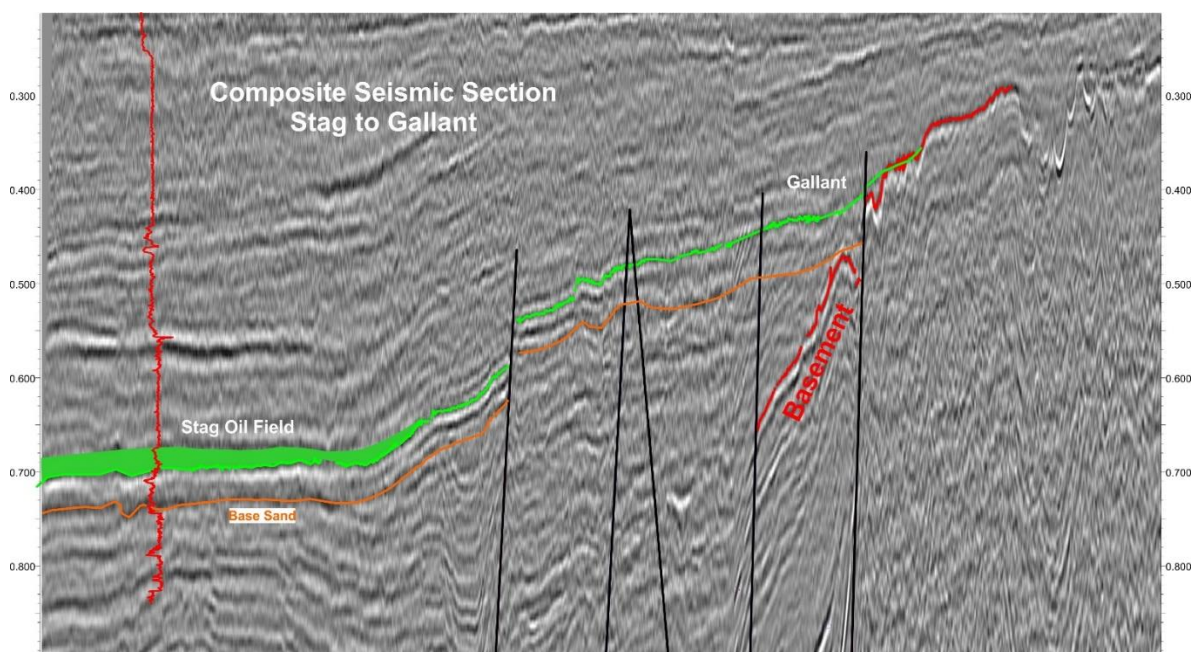
The seismic section shows the details of the updip seal against the clay-filled channels within the Triassic Locker Formation, identical to Dorado, and the extent of the Honeybadger Canyon in cross-section. The higher amplitude reflectors within the canyon are most likely due to turbidite sands formed in sub-sea channels cutting into the shale. World-wide these are very attractive targets because the sand bodies are usually completely contained within shale providing an all-round seal. In this case they directly over lie the source interval, which is mature downdip, feeding directly into the reservoirs.



Honeybadger

Amplitude extraction clearly reveals the turbidite sands in the Honeybadger Canyon (orange and red), showing good all-round lateral and top seal by clay (blue) and seal to the northeast against clay and a fault. Migration from a mature source is postulated up the fault immediately to the west of the sands, where the Basal Locker shales are mature.

Gallant



The Stag field to the north of the Cerberus Project permits is trapped in a pinchout of the *M. Australis* Sand, the upper sand in a package of Lower Cretaceous sands including the Mardie Greensand and The Birdrong Sandstone, both of which host commercial oilfields. At Gallant these sands abut and pinchout against impermeable Carboniferous Limestone. This structure persists along the edge of the basement with two other similar stratigraphic targets. They are all very shallow, and studies indicate that due to the nature of the oil at Stag the oil should flow to surface even from shallow depths.

Future Potential

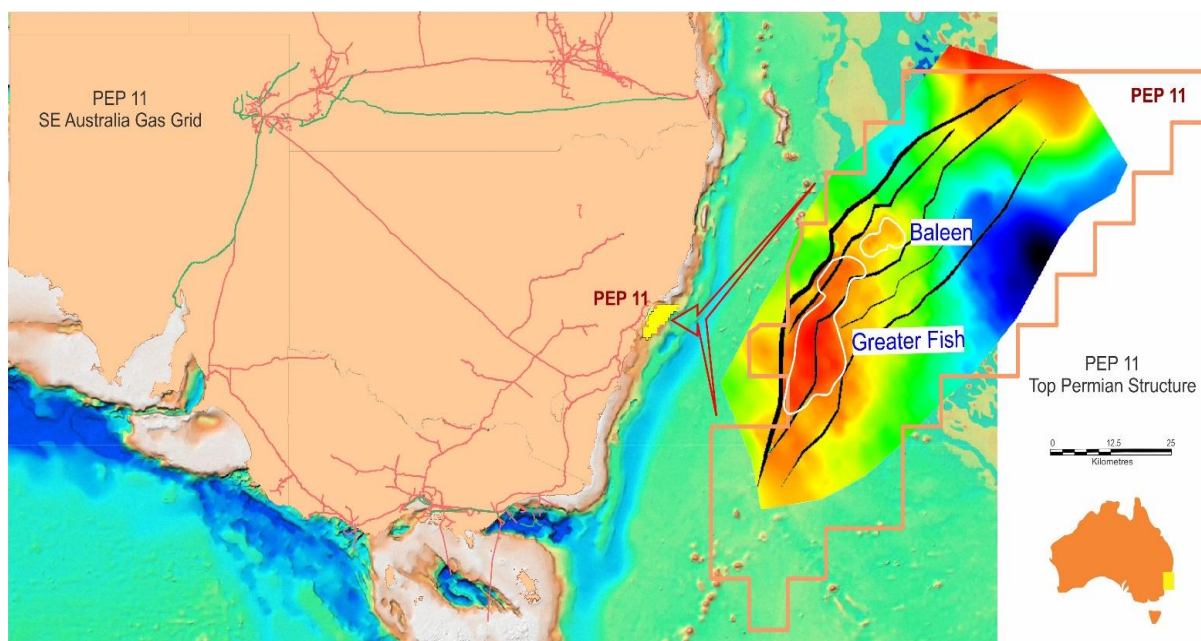
In addition to the four main prospects (above) there are at least 16 leads and prospects in the Cerberus project which are being evaluated. To assist in de-risking the drilling program reprocessing of the older seismic data is being considered. Planning for the 3 well program is already underway with the selection of specialist contractors to plan and manage the program. The wells are planned for 2022/23.

Major Gas Growth Projects:

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

Background and Petroleum Setting

PEP 11 covers 4,576 sq. km immediately adjacent to the largest gas market in Australia and is a high impact exploration project (see Location below). PEP 11 remains one of the most significant untested gas plays in Australia. The PEP 11 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. In 2010 it drilled New Seaclem 1 and demonstrated capacity to drill in this permit.



A 200km 2D seismic survey was completed in March 2018 in the area of the Baleen prospect and with AVO analysis further refined the Baleen target located 30 km southeast of Newcastle.

Joint Venture focus now is a drill test of Baleen where AVO (Amplitude versus Offset) analysis has defined an anomaly in the prospective Early to Mid-Permian sequence. The marine sands of the sequence are the targets especially further seawards where the sands can be expected to have good reservoir characteristics.

Activities during the Year – Baleen Drill Test – Sea Blue 1

Preliminary

As outlined in detail in the previous 2021 Reports the operator, Advent Energy Ltd (Advent), submitted to NOPTA an application to enable the drilling of the Baleen Prospect in PEP 11 and to change the current Permit conditions to this effect. The permit is in good standing and continues during this review period. The Permit is also suspended under the Federal Government’s COVID-19 - Work Bid Exploration Permits arrangements. Preparations are under way to drill an exploration well for gas – Sea Blue 1.

The joint venture also proposes to use the drilling program at Baleen to investigate CCS - Carbon Capture and Storage (geo-sequestration of CO₂ emissions) - opportunities in PEP 11. Up to 34% of the total national emissions are from this part of east Australia and independent Government research has indicated at least 2 TCF (Trillion Cubic Ft) of CO₂ storage may be feasible in the offshore Sydney Basin.

Advent has been actively preparing for the drilling program by securing the services of well management and environmental services to design the well program and carry out environmental impact assessments of the proposed operations. A Proposal to assess the possibilities of geo sequestration of CO₂ in the Sydney Basin are also being considered.

Sea Blue 1 Well Preparations

On 8 March 2021 the operator appointed a Drilling Manager under a Preliminary Well Services Agreement with Add Energy relating to the preparation for drilling of the Sea Blue 1 well to undertake a phased approach to provide technical support in the following areas: -

- Review of current well design documentation
- Develop a suitable well design and cost estimates
- Develop drilling schedule and define a ready to drill tentative window

The scope of work included review of existing data and latest geological prognoses for the well, documentation of the subsurface well design envelope and compilation of a preliminary well design, project costs and schedule to complete the Sea Blue 1 well. Add Energy delivered its report during the period ended 30 June 2021 including Basis of Well Design (BOWD) and rationale for design of the well, the well cost compilation and the project schedule.

Advent subsequently appointed Xodus under a lump sum contract to prepare the Environmental Plan for first submission to NOPSEMA. Xodus's appointment was based on their high quality of engagement, willingness to provide a staged lump sum proposal, and recent experience with NOPSEMA requirements.

The operator followed this report with:

1. Issue of a call for tender for the provision of subsea wellhead equipment, materials and associated services for the Baleen drilling program.
2. A call for tender for the provision of drilling rig services to multiple drilling contractors who have semi-submersible drilling units in the Australasian region.

2022 Operations

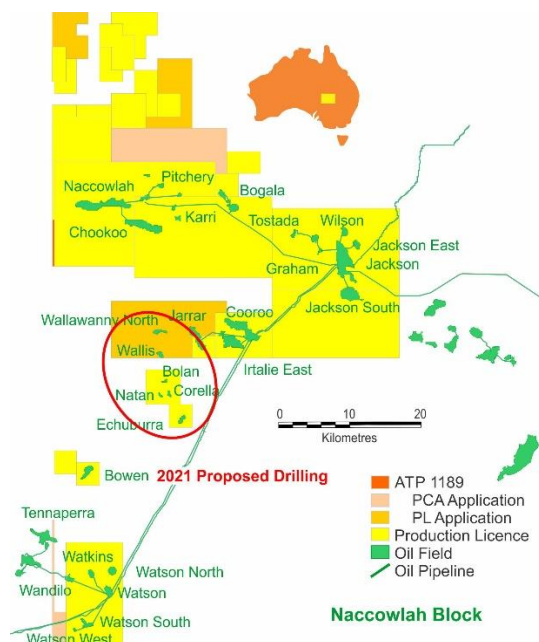
Planning and financing the proposed Sea Blue 1 well will be ongoing, however the permit operations are suspended under the governments COVID-19 provisions.

SW Queensland – Cooper Basin

Production

Bounty's petroleum production and sales for the year ended 30 June 2021 are summarised in the Review of Operations set out in the Directors Report.

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 km², 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 27,300 bbls of oil equivalent for the year. Bounty holds 2P + 2C (Contingent) reserves of 114,000 bbls. The decrease in production due to natural decline, was partially offset by a continuing successful drilling program in 2020 which converted resources contingent on drilling to producing oil reserves.

2020/2021 Naccowlah Block Program

Most of the wells drilled in previous periods were placed on production. Several wells are awaiting tie in to facilities or further testing.

2021-22 Naccowlah Block Development

Planning for a 2022 drilling program has commenced. Another 12 potential drilling targets have been identified with 3D seismic targeting the Birkhead Formation reservoir in or near the Wallis, Bolan, Natan and Echuburra fields.

SE Queensland

Surat Basin Oil Development

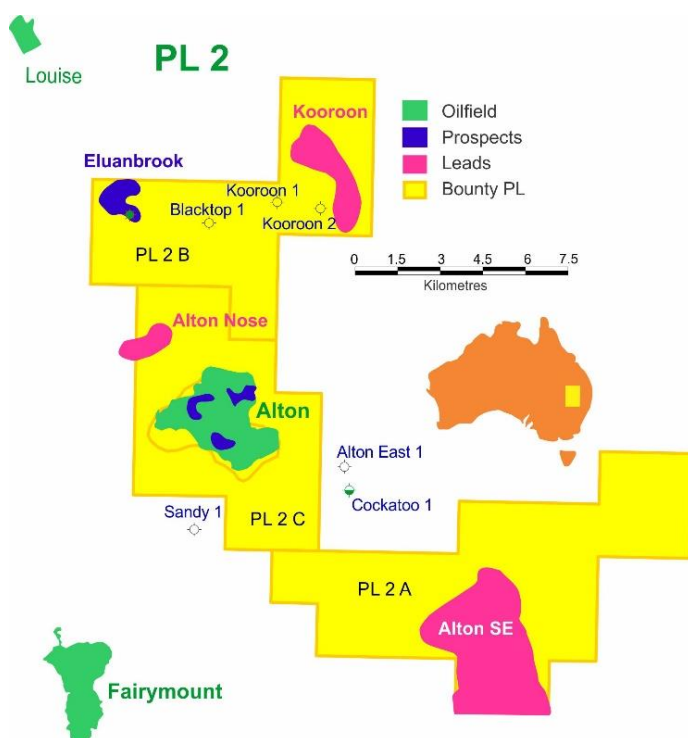
Background

Bounty has two production areas in the Surat Basin and Tinowan Trough, Queensland. The areas are Petroleum Lease 2 Alton in the south and Petroleum Lease 441 Downlands in the north. Hydrocarbons are generated in the Permian sequence and are liquids rich. In PL2 oil is trapped in the Triassic age Showgrounds Sandstone and in the overlying Evergreen Formation. Here Bounty is targeting around 350,000 bbls of oil in proven reservoirs.

At Downlands gas is trapped in the Permian age Tinowan Formation which frequently has a liquids rich gas charge and in Bounty's 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. In addition there are targets in excess of 750,000 bbls in tighter oil sands which will be investigated.

Bounty Permit Interests in the Surat Basin, Queensland

| South | | | North | | |
|-------------------------|---------|----------|-----------------------|---------|----------|
| Permit | Status | Interest | Permit | Status | Interest |
| Alton Oilfield | | | Downlands Area | | |
| 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% |
| Kooroon JV Block | | | | | |
| PL 2 A | Granted | 81.75% | | | |
| PL 2 B | Granted | 81.75% | | | |



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

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

PL 2 (Alton Field) has to date produced over 2 million barrels of oil from the Jurassic Age Evergreen Formation. Bounty has established through decline analysis that 1P reserves of 48,000 bbls can be recovered from the existing wells. Furthermore, re-evaluation of the seismic has indicated a substantial attic which could contain 168,000 bbls, and smaller, possibly unswept parts of the oil pool amounting to another 70,000 bbl potential.

2021 Operations

Bounty completed data digitisation and completed a Well Integrity Management System in preparation for re-commencement of oil production.

2021/22 Plans

Bounty plans re-commence oil production while it generates a full field development plan including drilling a new development well targeting the main attic oil at Alton.

Surat Basin - Exploration and Appraisal

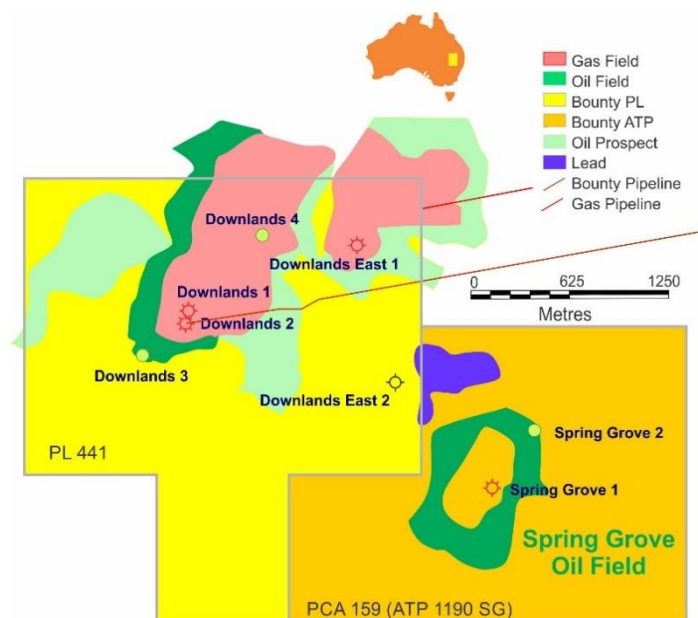
There are a number of leads and prospects within the remaining parts of PL 2 (Blocks A, B and C) of which an up-dip appraisal well at Eluanbrook in the northwest section of PL 2 B is the most promising. Eluanbrook 1 was drilled in 1986 and discovered light oil and gas in the transition zone near the water contact. Bounty proposes drilling an up dip well accessing 150,000 bbl of oil.

There are unresolved leads within PL 2 which require better seismic detail before drilling. A new 3D seismic survey over the whole area of PL 2 would resolve and de-risk further drilling opportunities.

Surat Basin Gas Development

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

Location: Surat, Queensland



Bounty has the reserves and now infrastructure to re-commence gas production at Downlands PL 441. When shut in due to lack of pipeline access the field was producing around 2 million cubic feet of gas and 15 bbl of liquids per month.

2021/22 Operations

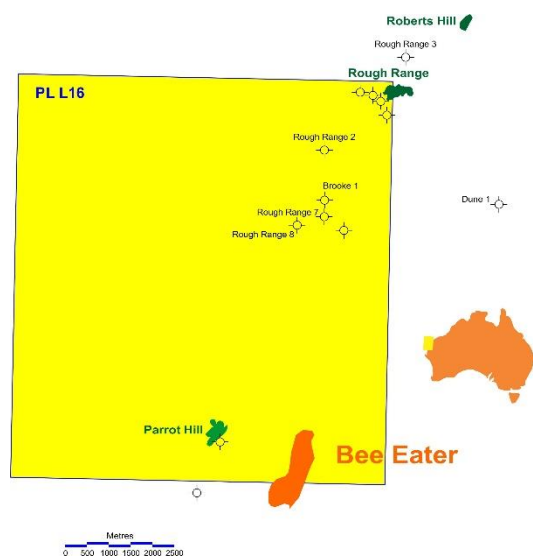
Work is underway on taking the gas wells and plant out of care and maintenance and bringing the field back to production. During 2022 it is intended to produce the field and evaluate the potential gas and oil reserves. The Downlands gas field occurs in sands overlying a basement high. Ringing the high where the sands abutt 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.

In a similar situation to the oil leg at Downlands, Tinowan Formation sands abutting a basement high contain oil in tight formation southeast of PL 441 at PCA 159 Spring Grove Joint Venture where Bounty has a 24.75% interest.

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, and was 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 the younger 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.

Bounty conducted well integrity monitoring on the Rough Range 1B well in Petroleum Licence L 16 and other remediation at the Rough Range Oilfield.

Future Work

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

Bounty continues to review 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.

CORPORATE GOVERNANCE STATEMENT

Bounty Oil and Gas NL's Corporate Governance Statement is on its website 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 2021.

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 \$2.9 million (see comparative details below).

| | Consolidated 2021 | Consolidated 2020 |
|--|------------------------------|------------------------------|
| | \$ million | \$ million |
| Profit/(loss) from ordinary activities before income tax | (2.9) | (3.1) |
| Income tax attributable to loss | - | - |
| Net profit/(loss) after income tax | (2.9) | (3.1) |

Revenue from continuing operations for the period was \$1.47 million down 49% on the previous year (2020: \$2.9 million) primarily due to a sharp decline in crude oil prices as a result of the Covid-19 induced economic slowdown.

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

- Petroleum revenue; (primarily from crude oil sales) of \$1.47 million
- Direct petroleum operating expenses of \$0.94 million
- Employee benefits expense of \$0.68 million
- Non-cash expenses for:
 - Impairment charge to oil and gas assets of \$2.0 million
 - Amortisation and depreciation expenses of \$0.45 million

Details of drilling activity, exploration and development operations and cash flows for the year ended 30 June 2021 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 2021, 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: -

| Naccowlah Block Bounty Share (2% interest) | 2021 | 2020 |
|---|----------------|----------------|
| Totals | | |
| Revenue \$ | \$1.47 million | \$2.91 million |
| Production boe | 18,585 | 27,286 |

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 and Petroleum Leases:

Bounty's Naccowlah Block reserves and resources at 31 December 2020 were:

- 2P developed reserves (producing and contingent): 3.513 mmbbls or Bounty at 2%: 70,200 bbls. Additional volumes are waiting for tie in.
- Naccowlah Block held Bounty's oil revenue to \$1.47 million for the full-year.
- Bounty's 3P developed reserves at Naccowlah were 113,000 bbls.

Bounty has continued to invest in Naccowlah Block in the year ended 30 June 2021 with no new drills but an emphasis on production optimisation, infrastructure and compliance. Development drilling was delayed in 2021 due to Covid 19 related delays and lower crude prices however Bounty expects to drill one well later this year. Although oil volumes have been lower we await tie in of new reserves and oil price increases to USD\$70/bbl (A\$ 102) have provided confidence for new drills.

Several new oil wells drilled and cased in prior periods were either tied-in or remained cased pending completions.

Additional Later Development and Environmental Authority Plans for the Naccowlah Block were lodged with the Queensland regulators and a number of lease applications and renewals are pending.

Surat Basin; Eastern Queensland***Petroleum Lease 2 Alton***

- During the period Bounty completed a comprehensive Well Integrity Management System and undertook compliance monitoring. This required “historic” research and scan of voluminous paper records to build the system for the Alton wells. In terms of oil reserves and resources PL 2 Alton is considered to be valued far in excess of the net value.
- Further planning was continued to develop the PL 2 Alton oil reserves in 2020/2021 initially by producing oil from Alton Oilfield.
- At Alton Oilfield Bounty group holds; 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.
- There is 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.
- Low oil prices curtailed commencement of production in 2021 however in 2021/2022 Bounty will continue development of these resources as much stronger oil prices are evident.

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):

- ATP 2028P covered the southern section of former ATP 754P.
- Applications to convert ATP 2028 to four potential commercial area titles were declined and the group fully impaired ATP 2028 incurring a permanent impairment expense of \$2.0 million.

Carnarvon Basin, Western Australia***Petroleum Licence L 16 Rough Range***

- During the period the group continued 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 continued a full seismic and geological review at L16 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 and Bounty have co-operated to advance to a drill test of the previously well-defined Baleen Prospect. The well will be named Seablue 1. 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.

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, South Australia and Western Australia. Bounty is actively seeking additional material projects.

Corporate – Share Issues

During the year ended 30 June 2021 on 23 September 2020 the company issued 143 million fully paid ordinary shares at \$0.01 per share to raise \$1.43 million before issue expenses. No other share issues were completed during the period.

Dividends Paid or Recommended

No dividends have been paid or declared for payment for the year ended 30 June 2021 and no dividend is recommended.

Financial Position

At 30 June 2021 current assets were \$1.75 million including cash of \$1.4 million.

During the financial year the company invested: -

- \$ 0.34 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.
- \$ 0.10 million in petroleum exploration projects and acquisitions in Australia as summarised in the Review of Operations above.

The net assets of the group reduced by \$1.49 million in the year ended to 30 June 2021 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 | \$2.010 million. |
| ○ Amortisation of production assets | \$0.356 million. |
| ○ Exploration write offs | \$ nil |

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 of this report, there were no contingent assets or liabilities except that a local government authority claimed \$458,511 rates and levies for prior and current periods from one controlled entity of the group. That amount has been recognised in current liabilities.

There was no litigation against or involving the parent entity Bounty Oil & Gas N.L.

Events after the Reporting Period

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 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 laws 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 2021, are:-

| | | |
|---------------------------|---|---|
| Graham Reveleigh | — | <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 Fellow of the Australasian Institute of Mining and Metallurgy. He was appointed a director and chairman in 2005. |
| Special responsibilities: | | Chairman of the company; geotechnical advice. |

| | | |
|---------------------------|---|--|
| Charles Ross | — | <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 a subsidiary of ASX Listed Drillsearch Energy Limited from 1992 until 2008 involved in most aspects of petroleum exploration, development and production operations in the Western Canada Basin and Australian areas. He was appointed a director in 2005. |
| Special responsibilities: | | Audit reviews; corporate strategy. |

| | | |
|------------------|---|--|
| Roy Payne | — | <i>Non-Executive Director</i> |
| Qualifications | — | Solicitor Queensland. |
| Experience | — | Mr Payne is a commercial lawyer with over 35 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 was until recently chairman of the board 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., Halio 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 | - |
| Mr R. Payne | - | - |

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 | 10 | 10 |
| Mr C. Ross | 10 | 10 |
| Mr R. Payne | 10 | 10 |

The company does not have separate audit or remuneration committees.

Indemnifying Officers or Auditor

During the financial year ended 30 June 2021 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.

Share Options

No options were issued during the year ending 30 June 2021 or have since been issued up to the date of this report.

Accordingly at balance date on 30 June 2021 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 2021.

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 (see in the following pages).

Extension of Auditors Tenure

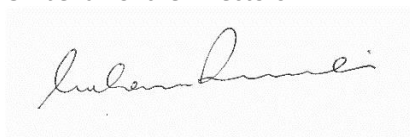
The Directors advise that under the provisions of Sec 324DAA of the Corporations Act 2001, approval was given for William Murray Moyes, auditor of the company and partner of Moyes Yong & Co, Chartered Accountants, to be granted an extension on the term of his appointment for a further two years. The directors are satisfied that the approved extension is consistent with maintaining the quality of the audit provided to the company and will not give rise to any conflict of interest situation as defined in Sec 324CD of the Corporations Act 2001. The Directors have been satisfied with the quality of the audit services provided to date and have no reason to believe that the quality of service to be provided in the next two years will be impaired as a result of approving this extension. The Directors also believe that the introduction of a new service provider at this time would cause unnecessary disruption and would not provide any additional benefit to the company.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on Page 28.

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.

A handwritten signature in black ink, appearing to read 'Graham Reveleigh', is written over a light grey rectangular background.

GRAHAM REVELEIGH
Chairman

Dated: 30 September 2021

REMUNERATION REPORT

This remuneration report forms part of the Directors Report for the year ended 30 June 2021 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 2021.

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 \$320,000 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 | | | | | | |
|---|------------------------------|--------------------------------------|-------------------------|--------------------------|---------------------|---------|
| 2021 | | | | | | |
| 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 | |
| | \$ | | | | | |
| Non-Executive Directors | | | | | | |
| Mr G. Reveleigh (1) | 55,000 | - | - | - | - | 55,000 |
| Mr C. Ross (1) | 10,804 | - | - | - | - | 10,804 |
| Mr R. Payne | 14,666 | - | - | 3,000 | - | 17,666 |
| Other Key Management Personnel – Chief Executive officer | | | | | | |
| Mr P.F. Kelso (1) | 320,000 | - | 8,400 | - | - | 328,400 |

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

| 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 | |
| | \$ | | | | | |
| Non-Executive Directors | | | | | | |
| 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 |
| Other Key Management Personnel – Chief Executive officer | | | | | | |
| Mr P.F. Kelso (1) | 398,000 | - | 4,200 | - | - | 402,200 |

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

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 2021 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 2021 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 2021 and no loans were outstanding at the end of the prior period. During the year the Company repaid \$106,000 (net), being part of short-term interest free loan advanced by related entities of the CEO in previous years. At 30 June 2021 loans outstanding to related entities of the CEO were approximately \$162,000 inclusive of accrued interest charge at 10% p.a. on a \$62,000 portion of the advance, for the financial 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 2021 which was performance based was: Nil.

Employee Share Scheme

Bounty Oil & Gas N.L. 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 2021, 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 2021

**Consolidated statement of profit and loss and other comprehensive income
for the year ended 30 June 2021**

| | Notes | Year-ended | |
|---|-------|--------------------|--------------------|
| | | 30-Jun-21 \$ | 30-Jun-20 \$ |
| Petroleum revenue | 5 | 1,470,219 | 2,906,461 |
| Net Investment income | 5 | 12,786 | (32,009) |
| Other income | 5 | 106,697 | 50,848 |
| Direct petroleum operating expense | 5 | (937,896) | (1,507,931) |
| Changes in inventory | | (11,543) | (7,682) |
| Employee benefits and contractor expense | 6 | (676,176) | (747,588) |
| Depreciation expense | | (92,872) | (81,380) |
| Amortisation of oil producing assets | | (356,343) | (542,127) |
| Occupancy expense | | (91,318) | (99,064) |
| Corporate activity costs | | (128,803) | (44,202) |
| Rehabilitation finance costs | | (27,516) | (27,645) |
| Foreign exchange gain/(loss) | 5 | (52,478) | 26,073 |
| Impairment of oil and gas assets | 14 | (2,010,904) | (2,904,523) |
| General legal and professional costs | | (81,430) | (55,200) |
| Other expenses | | (29,998) | (36,623) |
| Loss before Tax | | (2,907,575) | (3,102,592) |
| Income tax expense | 7 | - | - |
| Loss for the period from continuing operations | | (2,907,575) | (3,102,592) |
| Loss for the year | | (2,907,575) | (3,102,592) |
| Other comprehensive income for the year, net of income tax | | - | - |
| Total Comprehensive loss for the period | | (2,907,575) | (3,102,592) |
| Total comprehensive income/(loss) attributable to owners of the parent | | (2,907,575) | (3,102,592) |
| Earnings/(loss) per share | | | |
| Basic (cents per share) | | (0.28) | (0.33) |
| Diluted (cents per share) | | (0.28) | (0.33) |

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

Consolidated statement of financial position
as at 30 June 2021

| | Notes | 30-Jun-21 \$ | 30-Jun-20 \$ |
|--|--------|-------------------|-------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 9 | 1,410,397 | 1,096,605 |
| Trade and other receivables | 10 | 258,792 | 273,125 |
| Inventories | 11 | 36,188 | 69,508 |
| Other current financial assets | 12 | 45,139 | 32,353 |
| Total current assets | | 1,750,516 | 1,471,591 |
| Non-current assets | | | |
| Other receivables | 10 | 25,850 | 40,850 |
| Exploration and evaluation assets | 14 (b) | 3,062,158 | 4,999,553 |
| Production and development assets | 14(a) | 5,604,161 | 5,243,330 |
| Property, plant and equipment | 13 | 892,097 | 878,923 |
| Total non-current assets | | 9,584,266 | 11,162,656 |
| Total assets | | 11,334,782 | 12,634,247 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 15 | 1,421,438 | 1,275,814 |
| Provisions | 16 | 88,043 | 61,335 |
| Total current liabilities | | 1,509,481 | 1,337,149 |
| Non-current liabilities | | | |
| Provisions | 16 | 1,369,963 | 1,354,185 |
| Total non-current liabilities | | 1,369,963 | 1,354,185 |
| Total liabilities | | 2,879,444 | 2,691,334 |
| Net assets | | 8,455,338 | 9,942,913 |
| Equity | | | |
| Issued capital | 17 | 44,860,163 | 43,440,163 |
| Reserves | | 201,600 | 201,600 |
| Retained losses | | (36,606,425) | (33,698,850) |
| Equity attributable to owners of the parent | | 8,455,338 | 9,942,913 |
| Total equity | | 8,455,338 | 9,942,913 |

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

Consolidated statement of changes in equity
for the year ended 30 June 2021

| | Notes | Ordinary share capital \$ | Option reserve \$ | Retained earnings/ (Accumulated losses) \$ | Total \$ |
|--|-------|------------------------------|----------------------|--|------------------|
| Balance at 1 July 2019 | | 43,440,163 | 201,600 | (30,596,258) | 13,045,505 |
| (Loss) for the year | | - | - | (3,102,592) | (3,102,592) |
| Other comprehensive income for the period | | - | - | - | - |
| Total comprehensive income for the period | | - | - | (3,102,592) | (3,102,592) |
| Shares issued during the period | 17 | - | - | - | - |
| Balance at 30 June 2020 | | 43,440,163 | 201,600 | (33,698,850) | 9,942,913 |
| Balance at 1 July 2020 | | 43,440,163 | 201,600 | (33,698,850) | 9,942,913 |
| Loss for the period | | - | - | (2,907,575) | (2,907,575) |
| Other comprehensive income for the period | | - | - | - | - |
| Total comprehensive income for the period | | - | - | (2,907,575) | (2,907,575) |
| Share issue transaction costs | | (10,000) | - | - | (10,000) |
| Shares issued during the period | 17 | 1,430,000 | - | - | 1,430,000 |
| Balance at 30 June 2021 | | 44,860,163 | 201,600 | (36,606,425) | 8,455,338 |

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

**Consolidated statement of cash flows
for the year ended 30 June 2021**

| | Notes | Year-ended | |
|--|-------|-------------|-------------|
| | | 30-Jun-21 | 30-Jun-20 |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from petroleum operations | | 1,643,043 | 3,475,484 |
| Payments to suppliers and employees | | (2,160,124) | (2,483,305) |
| Interest and dividend received | | 1,837 | 25,812 |
| Net cash generated by/(used in) operating activities | 18 | (515,244) | 1,017,991 |
| Cash flows from investing activities | | | |
| Payments for exploration and evaluation assets | | (103,139) | (60,808) |
| Payments for oil production & development assets | | (335,915) | (839,325) |
| Payments for property plant and equipment | | (49,327) | (14,877) |
| Other deposits | | (150,000) | 170,000 |
| Payment for available for sale financial assets | | - | (20,782) |
| Net cash (used in) investing activities | | (638,381) | (765,792) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 1,430,000 | - |
| Costs associated with issue of shares | | (10,000) | - |
| Net cash generated by/(used in) financing activities | | 1,420,000 | - |
| Net increase in cash and cash equivalents | | 266,375 | 252,199 |
| Cash and cash equivalents at the beginning of the period | | 1,096,605 | 813,870 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | | 47,417 | 30,536 |
| Cash and cash equivalents at the end of the period | 9 | 1,410,397 | 1,096,605 |

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
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16. Provisions
17. Issued capital
18. Reconciliation of cash flow from continuing operations
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21. Commitments
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23. Financial instruments
24. Controlled entities
25. Interest in joint operations
26. Parent entity information
27. Contingent liabilities and contingent assets
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30. Company details

Notes to the consolidated financial statements for the year ended 30 June 2021

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 2021. 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 2021.

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.

b. Adoption of new and amended Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The consolidated entity has adopted all the new, revised or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period beginning 1 July 2021.

The Directors have reviewed new accounting standards and interpretations that have been published that are not mandatory for 30 June 2021 reporting periods. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is likely to company accounting policies.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

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.

Notes to the consolidated financial statements for the year ended 30 June 2021

c. Basis of consolidation (continued)

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%), and Rough Range Pty Limited (100%).

(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 operations.

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.

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.

**Notes to the consolidated financial statements
for the year ended 30 June 2021****e. Income tax**

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

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.

f. Fair value measurement

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

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

- level 1: Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

-level 2: Measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

-level 3: Measurements based on unobservable inputs for the asset or liability.

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

**Notes to the consolidated financial statements
for the year ended 30 June 2021****g. 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 2021, the Group realised a net loss after tax of \$2,907,575 (2020: \$3,102,592). This was primarily due to non-cash impairment of \$2 million to oil and gas assets. The net cash spent on operating activities for the period ended 30 June 2021 was \$515,244 (2020: net cash generated \$1,017,991). The Group's net asset position at 30 June 2021 was \$8,455,338 (30 June 2020: \$9,942,913) and a cash balance of \$1,410,397 (30 June 2020: \$1,096,605).

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 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

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.

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

Notes to the consolidated financial statements for the year ended 30 June 2021

j. Depreciation (continued)

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 2021****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

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 2021

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 2021

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 2021

s. Employee benefits

Wages, salaries, and 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 2021

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 any 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.

Covid-19

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements

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 2021

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 a review of its petroleum exploration properties. The review led to the recognition of an impairment loss of \$2 million on ATP 2028P Queensland Onshore. 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 (See note 4).

4. Segment Information

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-21 | 30-Jun-20 | 30-Jun-21 | 30-Jun-20 |
| | \$ | \$ | \$ | \$ |
| Core Oil & Gas Segment | | | | |
| Production projects | 1,470,219 | 2,906,461 | 101,777 | 801,713 |
| Exploration projects | - | - | (2,010,904) | (2,904,523) |
| Secondary Segment | | | | |
| Listed securities | 12,786 | (32,009) | 12,786 | (32,009) |
| Total from continuing operations | 1,483,005 | 2,874,452 | (1,896,341) | (2,134,819) |
| Other revenue | | | 54,219 | 76,921 |
| Central admin costs and directors remuneration | | | (1,065,453) | (1,044,694) |
| Loss before tax | | | (2,907,575) | (3,102,592) |

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 \$1.47 million (2020: \$2.90 million) are revenues of approximately \$0.98 million (2020: \$1.93 million) which arose from sales to the Group's largest customer. The revenue from the Group's second largest customer was approximately \$0.49 million (2020: \$0.97 million). No other single customer contributed 10% or more to the Groups revenue for both 2021 and 2020.

Other segment information

| | Amortisation, depreciation & depletion | | Additions to non-current assets | |
|-----------------------------------|--|----------------|---------------------------------|----------------|
| | 30-Jun-21 | 30-Jun-20 | 30-Jun-21 | 30-Jun-20 |
| | \$ | \$ | \$ | \$ |
| Core Oil & Gas Segment | | | | |
| Production projects | 441,102 | 619,520 | 660,146 | 731,285 |
| Development projects | - | - | 112,131 | 112,733 |
| Exploration projects | - | - | 73,509 | 32,795 |
| Other | 8,113 | 3,987 | 49,327 | 1,203 |
| Total | 449,215 | 623,507 | 895,113 | 878,016 |

**Notes to the consolidated financial statements
for the year ended 30 June 2021**

4. Segment Information (continued)

| | Impairment losses (expenses) | |
|-----------------------------------|---------------------------------|-----------|
| | 30-Jun-21 | 30-Jun-20 |
| | \$ | \$ |
| Core Oil & Gas Segment | | |
| Exploration projects | 2,010,904 | 2,904,523 |
| Total | 2,010,904 | 2,904,523 |

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-21 | 30-Jun-20 | 30-Jun-21 | 30-Jun-20 |
| | \$ | \$ | \$ | \$ |
| Core Oil & Gas Segment | | | | |
| Production projects | 4,954,629 | 4,649,336 | 2,075,596 | 2,055,104 |
| Development projects | 1,769,690 | 1,657,559 | 71,171 | 68,163 |
| Exploration projects | 3,062,158 | 4,999,553 | 88,531 | 76,855 |
| Secondary Segment | | | | |
| Listed securities | 45,139 | 32,353 | - | - |
| Unallocated | 1,503,166 | 1,295,446 | 644,146 | 491,212 |
| Total | 11,334,782 | 12,634,247 | 2,879,444 | 2,691,334 |

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-21 | 30-Jun-20 | 30-Jun-21 | 30-Jun-20 |
| | \$ | \$ | \$ | \$ |
| Australia | 1,537,224 | 2,951,373 | 9,584,266 | 11,162,656 |
| Total | 1,537,224 | 2,951,373 | 9,584,266 | 11,162,656 |

5. Revenue and other income

| | 30-Jun-21 | 30-Jun-20 |
|---|------------------|-----------|
| | \$ | \$ |
| Sales revenue: | | |
| Oil and gas sales | 1,446,058 | 2,879,482 |
| Revenue from tariffs | 24,161 | 26,979 |
| Total sales revenue | 1,470,219 | 2,906,461 |
| Investment income: | | |
| Investment income from financial assets at fair value through Profit and loss (held for trading listed shares) | | |
| Unrealised gain/(loss) | 12,786 | (32,009) |
| Total investment income | 12,786 | (32,009) |
| Other income: | | |
| Interest and dividend income | 2,265 | 5,497 |
| Gains/(losses) on foreign currency | (52,478) | 26,073 |
| Government Assistance – COVID-19 related (i) | 104,432 | 45,351 |
| Total other revenue | 54,219 | 76,921 |
| Total revenue | 1,537,224 | 2,951,373 |

(i) The Company was eligible for, applied for and received COVID-19 related grants from the Commonwealth of Australia due to a significant reduction in petroleum revenues during the financial year.

**Notes to the consolidated financial statements
for the year ended 30 June 2021**

6. Employee benefit expense

| | 30-Jun-21 | 30-Jun-20 |
|---------------------------------------|------------------|-----------|
| | \$ | \$ |
| Directors fees | 83,471 | 87,412 |
| Consultancy fees - Internal | 320,000 | 398,000 |
| Wages & salaries | 219,817 | 215,867 |
| Other employee benefit expenses | 52,888 | 46,309 |
| Total Employee benefit expense | 676,176 | 747,588 |

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 26% (2020 27.5%)

| | \$ | \$ |
|---|------------------|-----------|
| Consolidated group | (755,970) | (853,213) |
| Add: tax effect of non deductible expenses | 725,116 | 988,980 |
| Less: tax effect of expenditure claimed as deduction | (156,613) | (109,605) |
| Tax effect of Unused tax losses not recognised as deferred tax asset | (187,467) | 26,162 |
| Income tax expense attributable to loss from ordinary activities | - | - |

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) | (0.28) | (0.33) |
| Diluted earnings/(loss) per share (cents per share) | (0.28) | (0.33) |
| Net (loss)/profit used in the calculation of basic and diluted earnings/(loss) per share | (2,907,575) | (3,102,592) |

Weighted average number of ordinary shares for the purposes of basic and diluted EPS

| No. of Shares | No. of Shares |
|---------------|---------------|
| ##### | 953,400,982 |

9. Cash and cash equivalents

| | \$ | \$ |
|--|------------------|-----------|
| Deposits on call | 66,112 | 65,323 |
| Cash at bank | 1,344,285 | 1,031,282 |
| Total Cash and cash equivalents | 1,410,397 | 1,096,605 |

**Notes to the consolidated financial statements
for the year ended 30 June 2021**

10. Trade and other receivables

| | 30-Jun-21 | 30-Jun-20 |
|--|------------------|-----------|
| | \$ | \$ |
| Current | | |
| Trade and other receivables | 244,000 | 269,199 |
| Prepayments | 14,792 | 3,926 |
| Non-current | | |
| Other receivables | 25,850 | 40,850 |
| Total trade and other receivables | 284,642 | 313,975 |

11. Inventories

| | \$ | \$ |
|-------------------------|---------------|--------|
| Oil and other inventory | 36,188 | 69,508 |
| | 36,188 | 69,508 |

12. Other current financial assets

| | \$ | \$ |
|--|---------------|--------|
| Financial assets at fair value through profit and loss - shares in listed corporations | | |
| | 45,139 | 32,353 |
| Total current financial assets | 45,139 | 32,353 |

Note

23(d)

13. Property, plant and equipment

Plant and Equipment

| | \$ | \$ |
|--|------------------|-----------|
| Plant and equipment – at cost | 1,397,572 | 1,291,525 |
| Less accumulated depreciation | (505,475) | (412,602) |
| Total Property, plant and equipment | 892,097 | 878,923 |

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.

| | \$ | \$ |
|---|-----------------|----------|
| Opening Balance | 878,923 | 848,607 |
| Additions | 106,047 | 111,698 |
| Depreciation | (92,872) | (81,380) |
| Carrying amount at the end of the year | 892,097 | 878,923 |

**Notes to the consolidated financial statements
for the year ended 30 June 2021**

| 14. Non current assets | Note | 30-Jun-21 | 30-Jun-20 |
|--|-------------|--------------------|------------------|
| (a): Production and development assets | | \$ | \$ |
| SW Queensland | | | |
| Joint operation interest in ATP1189 Naccowlah Block – at cost | 25 | 3,688,794 | 3,602,977 |
| Less: Amortisation | | (2,325,277) | (2,003,868) |
| East Queensland - PL 441 (ex-PL119) Downlands – at cost | | | |
| Less: Depletion and amortisation | | (2,518,608) | (2,518,609) |
| Rehabilitation costs – all petroleum properties | | 599,716 | 633,033 |
| All other development assets | | 1,769,690 | 1,657,559 |
| Total production and development assets | | 5,604,161 | 5,243,330 |

Movement in carrying amounts of production & development assets:

| | \$ | \$ |
|---|------------------|-----------|
| Opening balance at the beginning of the year | 5,243,330 | 5,041,992 |
| Additions | 715,557 | 733,523 |
| Movement in rehabilitation | (33,317) | (33,317) |
| Impairment of production and development assets (see i below) | - | - |
| Amortisation of production assets | (321,409) | (498,868) |
| Carrying amount at the end of the year | 5,604,161 | 5,243,330 |

(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 2021, ATP 2028 Onshore Queensland permit 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.

Key assumptions used:

| | 2021-22 | 2023+ |
|---------------------------------|----------------|--------------|
| Crude oil price (US\$) | \$65.00 | \$60.00 |
| Average AUD:USD exchange rate | \$0.720 | \$0.70 |
| CPI (%) | 2.0% | 2.0% |
| Post-tax real discount rate (%) | 7.0% | 7.0% |

(b): Exploration and evaluation assets

| | | \$ | \$ |
|--|----|------------------|-----------|
| Exploration assets | 25 | 3,062,158 | 4,999,553 |
| Total exploration and evaluation assets | | 3,062,158 | 4,999,553 |

Movement in carrying amounts of exploration and evaluation assets:

| | \$ | \$ |
|--|--------------------|-------------|
| Opening balance at the beginning of the year | 4,999,553 | 7,871,281 |
| Additions | 73,509 | 32,795 |
| Impairment of Exploration and evaluation asset (see i above) | (2,010,904) | (2,904,523) |
| Carrying amount at the end of the year | 3,062,158 | 4,999,553 |

(c): Impairment of oil and gas properties

| | \$ | \$ |
|-------------------------|------------------|-----------|
| AC/P 32 Ashmore Cartier | - | 2,904,523 |
| ATP 2028 | 2,010,904 | - |

**Notes to the consolidated financial statements
for the year ended 30 June 2021**

| | 30-Jun-21 | 30-Jun-20 |
|---|------------------|------------------|
| | \$ | \$ |
| 15. Trade and other payables | | |
| Current | | |
| Trade payables | 915,869 | 393,646 |
| Amounts owing to Joint Operations | 464,366 | 843,104 |
| GST, FBT, PAYG & superannuation liability | 41,203 | 39,064 |
| Total trade and other payables | 1,421,438 | 1,275,814 |
| 16. Provisions | | |
| Current - Provision for employee entitlement | 88,043 | 61,335 |
| Non-current - Provision for employee entitlement | 31,817 | 28,424 |
| Non-current - Rehabilitation costs – petroleum properties | 1,338,146 | 1,325,761 |
| | 1,369,963 | 1,354,185 |
| Movement in provisions | | |
| Opening balance | 1,354,185 | 1,332,305 |
| Unwinding of discount on provision | 27,516 | 27,645 |
| Net provisions recognised/(expensed) | (11,738) | (5,765) |
| Balance at the end of the period | 1,369,963 | 1,354,185 |

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 2021 was 2%, broadly equivalent to the Australian Government 10 year bond rate. Long service leave is measured at the present value of benefits accumulated at 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

1,096,400,982 fully paid ordinary shares (2020: 953,400,982)

Nil options transferred to share option reserve on expiry (2020: Nil)

| | \$ | \$ |
|--|-------------------|-------------------|
| | 44,860,163 | 43,440,163 |
| | 201,600 | 201,600 |
| | 45,061,763 | 43,641,763 |

(a) Movement in fully paid ordinary shares

Balance at beginning of period

Balance at end of period

| | No. of Shares | No. of Shares |
|--|----------------------|--------------------|
| | 1,096,400,982 | 953,400,982 |
| | 1,096,400,982 | 953,400,982 |

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

| | \$ | \$ |
|--|-------------|-------------|
| | (2,907,575) | (3,102,592) |

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

Depreciation and amortisation

Fair value movement in marketable financial assets

Foreign exchange differences

Movement in employee benefit obligation

Impairment and Write-off of exploration assets

Impairment of oil and gas assets

Accrued interest expense

Change in trade and other receivables

Change in inventory

Change in rehabilitation obligation

Change in trade & other payables

Net Cash from continuing operations

| | | |
|--|------------------|------------------|
| | 423,316 | 580,248 |
| | (12,786) | 32,009 |
| | (58,886) | (20,315) |
| | 42,486 | 21,289 |
| | 2,010,904 | - |
| | - | 2,904,523 |
| | 5,795 | 6,087 |
| | 40,802 | 278,377 |
| | 33,320 | (15,219) |
| | 27,516 | 70,904 |
| | (120,136) | 262,680 |
| | (515,244) | 1,017,991 |

Notes to the consolidated financial statements for the year ended 30 June 2021

19. Share based payments

No share based payment compensation was granted to directors or senior management during the financial year ended 30th June 2021 and there was Nil expensed (2020: 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-21 | 30-Jun-20 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short term employee benefits | 403,535 | 470,460 |
| Share based payments | - | - |
| Total | 403,535 | 470,460 |

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:

| | 2021 | Balance at Start of the Year | Purchases | Received on exercise of Options | Received other | Sales | Held at the end of Year |
|-------------------|------------|---------------------------------|-----------|---------------------------------------|----------------|------------|----------------------------|
| 2021 | | | | | | | |
| Directors | | | | | | | |
| G Reveleigh | 21,377,928 | 1,000,000 | - | - | - | 1,000,000 | 21,377,928 |
| R Payne | - | - | - | - | - | - | - |
| C Ross | 3,200,000 | - | - | - | - | - | 3,200,000 |
| Executives | | | | | | | |
| P Kelso | 37,987,492 | 300,000 | - | - | - | 4,000,000 | 34,287,492 |
| 2020 | | | | | | | |
| Directors | | | | | | | |
| G Reveleigh | 23,377,928 | - | - | - | - | 2,000,000 | 21,377,928 |
| R Payne | - | - | - | - | - | - | - |
| C Ross | 3,200,000 | - | - | - | - | - | 3,200,000 |
| Executives | | | | | | | |
| P Kelso | 56,135,175 | 1,352,317 | - | - | - | 19,500,000 | 37,987,492 |

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 2021 and no loans were outstanding at the end of the prior period. During the year the Company repaid \$106,000 (net), being part of short term interest free loan advanced by related entities of the CEO in previous years. At 30 June 2021 loans outstanding to related entities of the CEO were approximately \$162,000 inclusive of accrued interest charge at 10% p.a. on a \$62,000 portion of the advance, for the financial year.

Notes to the consolidated financial statements for the year ended 30 June 2021

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, \$8,400 liability was recognised for site management services, and \$17,137 was paid for office rent 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-21 | 30-Jun-20 |
|---|---------------|---------------|
| | \$ | \$ |
| Payment for acquisition of Rough Range Oil Pty Ltd. | - | 19,000 |
| Site management services for PL2 | 8,400 | 4,200 |
| Rent of office | 17,137 | - |
| | 25,537 | 23,200 |

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 | 842,000 | 1,037,000 |
| Longer than 1 year and not longer than 5 years | 1,852,400 | 2,851,750 |
| | 2,694,400 | 3,888,750 |

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 (2020: nil).

Notes to the consolidated financial statements for the year ended 30 June 2021

23. Financial instruments (continued)

| b) Categories of financial instruments: | Note | 30-Jun-21 | 30-Jun-20 |
|--|-----------|--------------------|-------------|
| Financial assets | | \$ | \$ |
| Cash and cash equivalents | | 1,410,397 | 1,096,605 |
| Loans deposits and receivables | | 284,642 | 313,975 |
| Available for sale financial assets designated as at FVTPL | 12 | 45,139 | 32,353 |
| Total financial assets | | 1,740,178 | 1,442,933 |
| Financial liabilities | | | |
| Other amortised cost - trade creditors | | (1,421,438) | (1,275,814) |
| Total financial liabilities | | (1,421,438) | (1,275,814) |

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-21 | 30-Jun-20 |
|-----------------------------|------------------|-----------|
| Carrying amount: | \$ | \$ |
| Cash and cash equivalents | 1,410,397 | 1,096,605 |
| Trade and other receivables | 284,642 | 313,975 |
| | 1,695,039 | 1,410,580 |

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-21 | | 30-Jun-20 | |
|--------------|-----------|------------|-----------|------------|
| | Gross \$ | Impairment | Gross \$ | Impairment |
| Past due | - | - | - | - |
| Not past due | 258,792 | - | 273,125 | - |

Commodity risk:

The sales revenue of the company is derived from sales of oil at the prevailing \$US TAPIS or Dated Brent oil price on the Singapore market. The Group does not trade in derivative contracts to manage price and exchange 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 2021

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-21 | 30-Jun-20 |
|--|--|----------------|---------------|
| | | \$ | \$ |
| Financial assets at fair value through profit or loss (see note 12) | Quoted bid prices in an active market | Level 1 | |
| | | 45,139 | 32,353 |

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-21 | 30-Jun-20 |
|---------------------------------|--------------------------|-----------------|----------------------|-----------|
| | | | 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. (2) | Australia | Ordinary | - | 100 |

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

(2) Voluntary deregistration of dormant subsidiary.

25. Interest in joint operations

Set out below are the joint arrangements of the Group as at 30 June 2021, 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 | Exploration | Proportionate | Brisbane, Australia | - | 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-21 | 30-Jun-20 |
|---|------------------|------------------|
| | \$ | \$ |
| Revenue from petroleum | 1,470,219 | 2,906,461 |
| Petroleum and all other expenses | (1,368,442) | (2,104,748) |
| Net Profit/(Loss) from joint operations | 101,777 | 801,713 |
| Current assets | | |
| Trade receivables | 244,040 | 266,317 |
| Inventories | 36,188 | 69,508 |
| Non current assets | | |
| Property, plant & equipment (net of accumulated depreciation) | 582,294 | 579,520 |
| Other non-current assets | 1,963,233 | 2,232,142 |
| Total assets in joint operations | 2,825,755 | 3,147,487 |
| Current liabilities - Trade and other payables | 464,366 | 843,104 |
| Non current liabilities - Provisions | 1,042,381 | 1,047,089 |
| Total liabilities in joint operations | 1,506,747 | 1,890,193 |
| Net interest in joint operations | 1,319,008 | 1,257,294 |

Notes to the consolidated financial statements for the year ended 30 June 2021

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 2021, 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:

Statement of Financial Position

| | 30-Jun-21 | 30-Jun-20 |
|--------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Assets | | |
| Current assets | 1,670,459 | 1,376,654 |
| Non-current assets | 12,311,115 | 12,315,706 |
| Total Assets | 13,981,574 | 13,692,360 |
| Liabilities | | |
| Current liabilities | 938,756 | 1,230,577 |
| Non-current liabilities | 1,123,893 | 1,121,182 |
| Total Liabilities | 2,062,649 | 2,351,759 |
| Net Assets | 11,918,925 | 11,340,601 |
| Equity | | |
| Issued capital | 44,860,163 | 43,440,163 |
| Reserves | 201,600 | 201,600 |
| Retained earnings/Accumulated losses | (33,142,837) | (32,301,162) |
| Total Equity | 11,918,926 | 11,340,601 |

Statement of Profit and Loss and other Comprehensive Income

| | | |
|--|------------------|--------------------|
| Loss for the year | (841,675) | (3,050,349) |
| Other comprehensive income/(loss) | - | - |
| Total Comprehensive loss for the year | (841,675) | (3,050,349) |

Commitments for Capital Expenditure

| | | |
|--|------------------|------------------|
| No longer than 1 year | 730,000 | 894,000 |
| Longer than 1 year and not longer than 5 years | 1,606,000 | 2,458,500 |
| Total | 2,336,000 | 3,352,500 |

There are no operating lease commitments at the balance date.

**Notes to the consolidated financial statements
for the year ended 30 June 2021**

27. Contingent liabilities and contingent assets

As at the date of this report, there were no contingent assets or liabilities except that a local government authority claimed \$458,511 rates and levies for prior and current periods from one controlled entity of the group. That amount has been recognised in current liabilities.

There was no litigation against or involving the parent entity Bounty Oil & Gas N.L.

28. Events occurring after the reporting period

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
Total

| | 30-Jun-21 | 30-Jun-20 |
|--|------------------|-----------|
| | \$ | \$ |
| | 32,010 | 30,000 |
| | 32,010 | 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
Level 7, 283 George Street
Sydney, NSW, 2000, Australia
Tel: (02) 9299 7200

Principal place of business
Level 7, 283 George Street
Sydney, NSW, 2000, 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 2021 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 2021

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 2021, 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 2021 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 2021, the Group owned exploration and evaluation assets with a carrying value of approximately \$3 million and production and development assets with a carrying value of approximately \$5.6 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 year to 30 June 2021 the ATP 2028P was not renewed and four Potential Commercial Area applications to replace the ATP 2028 were not granted. Consequently, the Group made the decision to expense as a permanent impairment the whole investment in the value of almost \$2 million.</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"> • 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. • Assessing the currency of holding for all the Group's tenements and licences and review of documentation to substantiate the renewal of expired licences. • Evaluation of the valuation methodology and other relevant factors applied in determining the recoverable amount, the appropriate level of impairment and relevant impairment indicators. • 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. • Assessing the level of amortisation applied to production and development assets. |

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 2021 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. 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 2021. In our opinion, the remuneration report of Bounty Oil and Gas NL for the year ended 30 June 2021 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 2021



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 23 September 2021:

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

| No. of Securities | No. of Shareholders |
|-------------------|---------------------|
| 1 – 1,000 | 228 |
| 1,001 – 5,000 | 115 |
| 5,001 – 10,000 | 386 |
| 10,001 – 100,000 | 2,340 |
| 100,001 and above | 1,283 |
| | <u>4,352</u> |

- b) Twenty largest holders of quoted equity securities at 23 September 2021:

| | Ordinary Shareholders | Fully paid number | % |
|----|------------------------------------|---------------------------|----------------------|
| 1 | Robert A Hutchfield | 39,098,909 | 3.57% |
| 2 | Comadvance Pty Ltd. | 29,348,155 | 2.68% |
| 3 | David Alan McSeveny | 29,300,687 | 2.67% |
| 4 | Barry Sheedy & Associates Pty Ltd. | 27,893,700 | 2.54% |
| 5 | Red Kite Capital Inc. | 27,022,000 | 2.46% |
| 6 | Bang Vi Khanh | 21,600,000 | 1.97% |
| 7 | Zanamere Pty Ltd. | 21,377,928 | 1.95% |
| 8 | Tri-Ex Holdings Pty Ltd. | 19,177,778 | 1.75% |
| 9 | WH Ave LLC | 18,000,000 | 1.64% |
| 10 | Kestrel Petroleum Pty Ltd. | 15,175,000 | 1.38% |
| 11 | Jordan Vujic | 12,095,572 | 1.10% |
| 12 | GH Corporate Services Pty Ltd | 11,283,061 | 1.03% |
| 13 | Citicorp Nominees Pty Ltd. | 9,776,282 | 0.89% |
| 14 | Airen Youhanna | 8,930,000 | 0.81% |
| 15 | Milica Vujic | 7,642,888 | 0.70% |
| 16 | BNP Paribas Nominees Pty Ltd. | 7,504,591 | 0.68% |
| 17 | George Stilianos | 7,460,000 | 0.68% |
| 18 | William John Tyler & Sybil Tyler | 7,000,000 | 0.64% |
| 19 | Robert Cameron Galbraith | 6,300,000 | 0.57% |
| 20 | Christa Baiano | 6,171,548 | 0.56% |
| | Total Top 20 Holders | <u>332,158,099</u> | <u>30.30%</u> |

- c) Options as at 23 September 2021:

- 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 23 September 2021 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 23 September 2021 was 1,096,400,982.
- b) There were 1,912 holders of less than a marketable parcel of ordinary shares, totalling 28,375,269 shares being 2.59% 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 30.30% 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 – 23 September 2021

| Permit | Operator | Basin | Expires | Status | Interest | Gross Km ² | Net Km ² |
|---------------------------------------|--------------------------|-----------|------------|-------------------|----------|-----------------------|---------------------|
| Offshore Australia | | | | | | | |
| PEP-11 | Asset ² | Sydney | 12/02/2021 | Suspended | 15% | 4576.4 | 686.5 |
| Onshore Western Australia | | | | | | | |
| L 16 | Rough Range ³ | Carnarvon | 23/09/2031 | Granted | 10% | 79.5 | 8.0 |
| Onshore SW Queensland | | | | | | | |
| ATP 1189 N | Santos ⁴ | Cooper | 31/12/2022 | Granted | 2% | 314.3 | 6.3 |
| PL 1026 | Santos ⁴ | Cooper | 8/07/2024 | Granted | 2% | 18.3 | 0.4 |
| PL 1047 | Santos ⁴ | Eromanga | | Under Application | 2% | 31.8 | 0.6 |
| PL 1060 | Santos ⁴ | Eromanga | | Under Application | 2% | 127.8 | 2.6 |
| PL 1093 | Santos ⁴ | Cooper | | Under Application | 2% | 45.8 | 0.9 |
| PL 133/PL 1085 | Santos ⁴ | Eromanga | 15/12/2019 | Renewing | 2% | 12.2 | 0.2 |
| PL 149 | Santos ⁴ | Eromanga | 23/06/2049 | Granted | 2% | 12.2 | 0.2 |
| PL 175 | Santos ⁴ | Eromanga | 19/04/2025 | Granted | 2% | 27.5 | 0.6 |
| PL 181 | Santos ⁴ | Eromanga | 12/09/2024 | Granted | 2% | 18.3 | 0.4 |
| PL 182 | Santos ⁴ | Eromanga | 12/09/2024 | Granted | 2% | 27.5 | 0.6 |
| PL 23 | Santos ⁴ | Eromanga | 31/08/2028 | Granted | 2% | 234.6 | 4.7 |
| PL 24 | Santos ⁴ | Eromanga | 31/08/2028 | Granted | 2% | 200.9 | 4.0 |
| PL 25 | Santos ⁴ | Eromanga | 29/02/2020 | Renewing | 2% | 256 | 5.1 |
| PL 26 | Santos ⁴ | Eromanga | 29/02/2020 | Renewing | 2% | 256 | 5.1 |
| PL 287 | Santos ⁴ | Eromanga | 11/10/2027 | Granted | 2% | 12.2 | 0.2 |
| PL 302 | Santos ⁴ | Eromanga | 31/07/2031 | Granted | 2% | 12.2 | 0.2 |
| PL 35 | Santos ⁴ | Eromanga | 10/07/2028 | Granted | 2% | 136.5 | 2.7 |
| PL 36 | Santos ⁴ | Eromanga | 7/04/2023 | Granted | 2% | 60.9 | 1.2 |
| PL 495 | Santos ⁴ | Eromanga | 29/09/2024 | Granted | 2% | 9.2 | 0.2 |
| PL 496 | Santos ⁴ | Eromanga | 29/09/2024 | Granted | 2% | 12.2 | 0.2 |
| PL 62 | Santos ⁴ | Eromanga | 15/04/2022 | Granted | 2% | 64.7 | 1.3 |
| PL 76 | Santos ⁴ | Eromanga | 23/11/2022 | Granted | 2% | 39.5 | 0.8 |
| PL 77 | Santos ⁴ | Eromanga | 23/11/2028 | Granted | 2% | 12.2 | 0.2 |
| PL 78 | Santos ⁴ | Eromanga | 23/11/2022 | Granted | 2% | 12.1 | 0.2 |
| PL 79/PL 1078 | Santos ⁴ | Eromanga | 6/09/2020 | Renewing | 2% | 9.2 | 0.2 |
| PL 82/PL 1079 | Santos ⁴ | Eromanga | 6/09/2020 | Renewing | 2% | 18.3 | 0.4 |
| PL 87/PL 1080 | Santos ⁴ | Eromanga | 6/09/2020 | Renewing | 2% | 27.5 | 0.6 |
| Onshore Surat Basin Queensland | | | | | | | |
| PL 2 | Bounty ¹ | Surat | 31/12/2032 | Granted | 100% | 9.4 | 9.4 |
| PL 2A | Bounty ¹ | Surat | 31/12/2032 | Granted | 81.75% | 42.5 | 34.7 |
| PL 2 B | Bounty ¹ | Surat | 31/12/2032 | Granted | 81.75% | 45.6 | 37.3 |
| PL 2 C | Bounty ¹ | Surat | 31/12/2032 | Granted | 100% | 36.1 | 36.1 |
| PCA 159 | AGL ⁶ | Surat | 17/12/2022 | Granted | 24.748% | 15.3 | 3.8 |
| ATP 1190 SG | AGL ⁶ | Surat | 28/02/2023 | Granted | 24.748% | 15.3 | 3.8 |

| | | | | | | | |
|---|--------------------|--------|------------|---------|--------|--------|--------|
| PL 441 | Ausam ⁵ | Surat | 4/06/2031 | Granted | 100% | 21.4 | 21.4 |
| Onshore South Australia (Supra Permian JV) | | | | | | | |
| PRL 35 FO | Beach ⁷ | Cooper | 28/04/2024 | Granted | 23.28% | 90.2 | 21.0 |
| PRL 37 FO | Beach ⁷ | Cooper | 28/04/2024 | Granted | 23.28% | 97.5 | 22.7 |
| PRL 38 FO | Beach ⁷ | Cooper | 28/04/2024 | Granted | 23.28% | 99.5 | 23.2 |
| PRL 41 FO | Beach ⁷ | Cooper | 28/04/2024 | Granted | 23.28% | 91.3 | 21.3 |
| PRL 43 FO | Beach ⁷ | Cooper | 28/04/2024 | Granted | 23.28% | 96.9 | 22.6 |
| PRL 44 FO | Beach ⁷ | Cooper | 28/04/2024 | Granted | 23.28% | 99.1 | 23.1 |
| PRL 45 FO | Beach ⁷ | Cooper | 28/04/2024 | Granted | 23.28% | 90.2 | 21.0 |
| PRL 48 FO | Beach ⁷ | Cooper | 28/04/2024 | Granted | 23.28% | 96.9 | 22.6 |
| PRL 49 FO | Beach ⁷ | Cooper | 28/04/2024 | Granted | 23.28% | 97.4 | 22.7 |
| Total | | | | | | 7505.0 | 1077.0 |
| PPL58 ⁸ | Bounty | Surat | | | 100% | | |

Operators / Notes

1. Bounty Oil & Gas NL

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

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

4. Santos Limited group companies

5. Ausam Resources Pty Ltd - is a wholly owned subsidiary of Bounty Oil & Gas

6. AGL Gas Storage PL

7. Beach Energy Limited

8. Petroleum Pipeline Licence 58

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/mmcfgpd | 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 _{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

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