



28<sup>th</sup> July 2011.

## **ASX/MEDIA RELEASE**

### **Placement – Appendix 3B**

Bounty Oil & Gas NL (“Bounty”) is pleased to announce that it has agreed to a placement of up to 20,000,000 fully paid ordinary shares (“Shares”) to sophisticated and/or professional investors at a price of \$0.024 per share to raise up to \$480,000 before issue expenses.

Each Share issued will have an attached unlisted option to purchase one (1) fully paid ordinary share at an exercise price of \$0.032 per share to expire on 27 July 2014.

The Placement Price of \$0.024 per share represents a discount of 4% to the closing price for Bounty shares on the last days trade on ASX before the placement and an 8% discount to the five day volume weighted average price on the ASX.

Appendix 3(b) is attached.

*Bounty is an Australian ASX listed oil producer and explorer (ASX Code: BUY) Its core petroleum production and exploration assets are located in the Cooper/Eromanga Basins and in the Surat Basin in Queensland and South Australia. Its growth assets are spread over a number of high impact projects in Australia and Tanzania where it is exploring for oil and gas. In Australia it is a participant in PEP 11, Sydney Basin. There is up to a total 16 (TCF) gas potential in the whole permit.*

*Bounty has other permits including Tanzania where it is a participant in the Kiliwani North Gas Field and is exploring additional gas pools with up to 1 TCF potential.*

*Bounty has reserves and resources approaching 4 million barrels of oil equivalent.*

*Bounty's website: [www.bountyoil.com](http://www.bountyoil.com)*

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

BOUNTY OIL & GAS N.L.

ABN

82 090 625 353

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | <sup>+</sup> Class of <sup>+</sup> securities issued or to be issued   | (1) Fully Paid Ordinary (FP Ord) Shares<br>(2) Unlisted options  |
| 2 | Number of <sup>+</sup> securities issued or to be issued (if known) or maximum number which may be issued  | (1) 20,000,000 FP Ord Shares<br>(2) 20,000,000 unlisted options  |
| 3 | Principal terms of the <sup>+</sup> securities (eg, if options, exercise price and expiry date; if partly paid <sup>+</sup> securities, the amount outstanding and due dates for payment; if <sup>+</sup> convertible securities, the conversion price and dates for conversion) | (1) FP Ord Shares<br>(2) Each option is an option to subscribe for one FP Ord Share: <ul style="list-style-type: none"><li>• Grant date 28 July 2011</li><li>• Premium: Nil granted 1:1 to subscribers for the FP Ord Shares</li><li>• Exercise price: \$0.032</li><li>• Expiry date: 27 July 2014</li></ul> |

<sup>+</sup> See chapter 19 for defined terms.

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(1) Fully paid ordinary shares: Yes</p> <p>(2) Unlisted options: No</p> <ul style="list-style-type: none"> <li>• Options will not be quoted on ASX</li> <li>• No rights to participate in dividends or to vote until exercised.</li> <li>• Upon exercise of options the FP Ord Shares issued will rank equally with existing FP Ord Shares.</li> </ul>				
<p>5 Issue price or consideration</p>	<p>(1) \$0.024 per share. (2) Exercise price of \$0.032 per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Petroleum production, development and exploration in Australia and Tanzania and for working capital purposes.</p>				
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>(1) 1 August 2011 (2) 1 August 2011</p>				
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: left; padding: 2px;">772,150,982</td> <td style="text-align: left; padding: 2px;">Ordinary shares fully paid</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	772,150,982	Ordinary shares fully paid
Number	<sup>+</sup> Class				
772,150,982	Ordinary shares fully paid				

<sup>+</sup> See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	i. 16,000,000	Unlisted Options: Exercise price \$0.14.expire 23.12.2012
	ii. 20,000,000	Unlisted Options: Exercise price \$0.030.expire 28.07.2014
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same as for existing fully paid ordinary shares. New FP Ord Shares will rank equally with existing shares.	

## **Part 2 - Bonus issue or pro rata issue**

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has +security holders who will not be sent new issue documents	<p style="margin-left: 20px;">Note: Security holders must be told how their entitlements are to be dealt with.</p> <p style="margin-left: 20px;">Cross reference: rule 7.7.</p>
19 Closing date for receipt of acceptances or renunciations	

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+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders	
25	If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
33	<sup>+</sup> Despatch date	

### **Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(*tick one*)
- (a)  FP Ord Shares only described in Part 1. Options will not be listed.
- (b) Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

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+ See chapter 19 for defined terms.

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36 If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
  - the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
  - the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment
- 

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end of  
restriction period

(if issued upon conversion of  
another security, clearly identify that  
other security)

42 Number and +class of all +securities  
quoted on ASX (*including* the  
securities in clause 38)

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+ See chapter 19 for defined terms.

### Quotation agreement

- 1     <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
- 2     We warrant the following to ASX.
  - The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
  - An offer of the <sup>+</sup>securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- 3     Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the <sup>+</sup>securities to be quoted, it has been provided at the time that we request that the <sup>+</sup>securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
- 4     We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 5     We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before <sup>+</sup>quotation of the <sup>+</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:     ...."G Higginbotham".....     Date: 28 July 2011  
(Company Secretary)

Print name:     J GARY HIGGINBOTHAM

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<sup>+</sup> See chapter 19 for defined terms.