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ASX/MEDIA RELEASE



Nyuni Island and Nyuni 1 Drilling

NYUNI-2 WELL, TANZANIA SUSPENDED

Bounty Oil & Gas NL ("Bounty") announces that the operator Aminex PLC has suspended further work on the Nyuni-2 exploration well in offshore Tanzania due to extreme drilling conditions.

As previously announced, the Nyuni-2 well had been drilled to 3,450 *MD BRT* and cased to 2,945 metres *MD BRT*. However, it was not possible to run a full suite of electric logging tools to total depth as a result of obstructions near the base of the well bore. Repeated attempts to drill out the obstructions were unsuccessful so a decision was made to cement off the lower section of the well bore and deviate around the obstructions using a side-track motor.

The sidetracking operation has also proved to be highly problematic and earlier this week the mud motor and drill bit became irretrievably jammed in the well bore. Engineering advice now indicates that a further side track attempt with the current rig would only have a limited chance of success. A decision has therefore now been taken to suspend the well.

Although geologically complex, the Nyuni prospect remains a prime gas exploration target and preliminary indications of gases from Neocomian and shallower Cretaceous sands have been encountered, suggesting the same active petroleum system, which was encountered in Nyuni-1. The Nyuni-2 well bore remains available for re-entry at a later date.

Bounty's CEO Philip Kelso commented:

"Bounty has now agreed with its partners that the high cost of continuing cannot be justified given the low probability of overcoming the technical difficulties in a timely and cost-efficient manner. The joint venture will now review both the geological information gained and possible solutions to the operating conditions encountered without incurring further drilling costs at this stage.

Some significant gas shows have been encountered in Nyuni2 but the main gas bearing sands encountered Nyuni 1 appear to have been downthrown east and therefore seem to be deeper in at this Nyuni 2 location. The well has however provided very significant data which will guide further seismic interpretation while the joint venture looks at engineering solutions prior to deepening the well most likely with a higher rated rig.

Elsewhere in the Nyuni Block work is proceeding prior to connecting the Kiliwani North-1 gas well to gas processing and transportation facilities on Songo-Songo Island."

Partners in the Nyuni Block are:-

Ndovu Resources Ltd (Aminex PLC)	65% (operator)
Rakgas Tanzania Ltd	25%
Bounty Oil& Gas NL	5%
Key Petroleum Ltd (KEY)	5%

Abbreviations:

MD BRT: well depth measured in metres below drilling rig rotary table

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