



BOUNTY OIL & GAS NL

(ABN 82 090 625 353)

INTERIM FINANCIAL REPORT

Interim Financial Report for the half-year ended 31 December 2020
(Including Directors' Report and Financial Report)

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DIRECTOR'S REPORT

For the Half Year Ended 31 December 2020

The directors of Bounty Oil & Gas NL ("Bounty" or "the company") submit the interim financial report of Bounty and its subsidiaries ("the Group") for the half year ended 31 December 2020. The attached Bounty Interim Financial Report forms part of this report. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follow:

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

Graham Charles Reveleigh	<i>(Non-Executive Chairman)</i>
Roy Payne	<i>(Non-Executive Director)</i>
Charles Ross	<i>(Non-Executive Director)</i>

Mr Roy Payne was re-elected as a director of the company at the Annual General Meeting on 27 November 2020.

Review of Operations

For Bounty's schedule of permits, interests and acreages (see Bounty's 2020 Annual Report and Bounty's website: www.bountyoil.com).

1. Highlights

Group Petroleum Sales

- Petroleum revenue (mainly crude oil) for the half year to 31 December 2020 was \$0.70 million on sales of 10,840 barrels of crude oil.
- Petroleum revenue for 12 month calendar year to 31 December 2020 was: \$1.63 million.

Oil development

- Bounty expects steady to declining oil production volumes with stronger A\$ oil prices resulting in \$1.4 million sales for the year ended 30 June 2021.
- Oil appraisal drilling was deferred at Naccowlah Block, South-west Queensland.
- A further five (5) appraisal wells are programmed for 2021.
- Naccowlah drilling will increase oil reserves.

Oil/Gas exploration

- Planning for 2021 commencement of Surat Basin oil and gas production at PL 2 Alton and PL 441 Downlands.
- During the period Bounty maintained its 15% interest in the Offshore Sydney Basin Exploration Permit PEP 11 and was awaiting a decision from the National Offshore

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Petroleum Titles Authority to extend the permit beyond February 2021. A decision on this application is anticipated in the next 3 months.

- There were no exploration impairments during the period.

2. Overview

The principal activity of the group during the 6 months to 31 December 2020 was oil production and oil and gas exploration and development. Bounty's secondary activity is investment in listed securities. No significant change in the nature of these activities occurred during the financial half year.

During the period the economic entity made a net loss after tax of \$594,000 (31 December 2019 half year loss: \$2,865,000).

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

- Petroleum revenue of \$700,000
- Direct petroleum operating expenses of \$536,000
- All other general administration, expenses and employee benefits of \$502,000
- Group net loss before non-cash items of \$317,000.
- Non cash amortisation, rehabilitation and depreciation expenses of \$276,000.

Revenue from continuing operations for the period was \$700,000 (December 2019 HY: \$1,973,000).

Petroleum revenue for 12 month calendar year to 31 December 2020 was: \$1.63 million.

In the half year to 31 December 2020 Bounty invested total capital expenditure of \$163,000.

Details of exploration and development operations and cash flows for the half year ended 31 December, 2020 have been reported by the company to the Australian Securities Exchange in the Quarterly Activity Reports and Appendix 5B for each of the quarters ended 30 September and 31 December 2020 and in additional announcements on particular items.

3. Production Operations - ATP 1189P Naccowlah Block and Associated PL's; SW Queensland.

Revenue from production operations for the period was \$ 0.70 million down 65% on the previous half year (HY: December 2019: \$ 1.97 million). Revenue was derived only from crude oil produced from Bounty's production joint venture interest in ATP 1189 Naccowlah Block. At the end of the period Bounty's oil production averaged 58 bopd.

Oil Production

Revenue for the period was accrued from production of 10,485 bbls of oil and sales of 10,838 bbls.

Gas Production

There was no gas production in the period.

Production Facilities

During the period Bounty participated in installing pipelines and other production infrastructure in Naccowlah Block to lift oil from prior period discoveries and to transport produced oil to the transportation system.

Production optimisation is ongoing and contributes significantly to maintaining production. The pace of further development drilling is reviewed in the light of oil price movements.

4. Oil Development Drilling Operations

Any drilling or production optimisation / well workover expenses have been classified under production operations. During the period, Bounty also expended \$58,000 (December 2019 HY: \$63,000) on other development operations.

In the period from July 2020 to the end of the reporting period Bounty had 5 wells from prior period drilling awaiting tie-in.

Wells from the financial year ended 30 June 2020 were progressively placed on production during the period.

Subject to oil price and recommendations from the Block operator; Santos Limited; Bounty will in 2021 participate in 5 Birkhead Zone development and appraisal wells at Natan, Bolan and Corella Fields and installing new production infrastructure.

During the period Bounty held 100% of the Alton Block JV (including the Alton Oilfield) Surat Basin, SE Queensland and an 81.75% interest in the surrounding PL 2 Alton Kooroon JV Blocks A and B. It held other development and exploration permits in the Surat Basin and is undertaking reservoir studies and well integrity work as a prelude to preparing to commence oil production from PL 2 Alton in the next period – 2021.

5. Exploration and Evaluation Operations

During the period, Bounty expended \$29,000 on exploration and evaluation in connection with its other wholly owned and joint venture interests located in Queensland, New South Wales and Western Australia, both onshore and offshore.

Corporate and Equity Issues

On 23 September 2020, Bounty issued a further 143,000,000 ordinary shares via placement at \$0.01(1 cent). The shares were allotted pursuant to the Company's 15% placement capacity under ASX listing rule 7.1. As at 31 December 2020 Bounty had \$ 1.53 million cash and no debt. At 31 December 2020 the value of Bounty's listed investments on a mark to market basis was \$42,000.

Contingent liabilities and Contingent Assets

As at the date this report, there were no contingent assets or liabilities, other than those exploration commitments set out in Note 12 of the Financial Statements.

There was no litigation involving Bounty Oil & Gas NL during the half-year or subsequently.

Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year ended 31 December 2020 which have significantly affected or may significantly affect the operations of the company or its subsidiaries, the results of those operations, or the state of affairs of the company or its subsidiaries in future financial years.

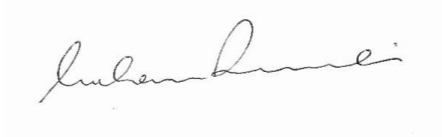
Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the review for the half year ended 31 December 2020 is attached.

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This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Graham Reveleigh', is centered on a light gray rectangular background.

Graham Reveleigh
Chairman

Dated: 12 March 2021

For further details of the activities of the Group, see the Bounty Oil & Gas N.L. website www.bountyoil.com.

For abbreviations of technical terms see the last page of the Interim Financial Report.

AUDITOR'S INDEPENDENCE DECLARATION

To the directors of Bounty Oil & Gas NL

In accordance with section 307C of the Corporations Act 2001, as lead audit partner for the review of the financial statements of Bounty Oil & Gas NL and its controlled entities for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Moyes Yong & Co Partnership

Chartered Accountants

William M Moyes – Partner

Dated: 12 March 2021

**Consolidated statement of profit and loss and other comprehensive income
for the half-year ended 31 December 2020**

	Notes	Half-year ended	
		31-Dec-20 \$	31-Dec-19 \$
Revenue	4	700,164	1,973,184
Net Investment income	4	10,067	(4,958)
Other income	4	90,400	2,762
Direct petroleum operating expenses		(536,300)	(985,260)
Changes in inventories		(1,612)	(11,298)
Employee benefits and contractor expense		(312,068)	(401,606)
Depreciation expense		(45,548)	(40,666)
Amortisation of oil producing assets		(217,021)	(321,629)
Occupancy expense		(58,196)	(48,447)
Corporate activity costs		(93,168)	(37,651)
Rehabilitation expense		(13,784)	(13,861)
Foreign exchange gain/(loss)		(79,139)	(14,468)
Impairment of oil and gas assets	11	-	(2,904,523)
General legal and professional costs		(24,210)	(35,240)
Other expenses		(13,333)	(12,029)
Loss before Tax		(593,748)	(2,855,690)
Income tax expense		-	-
Loss for the period from continuing operations		(593,748)	(2,855,690)
Loss for the period		(593,748)	(2,855,690)
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive loss for the period		(593,748)	(2,855,690)
Total comprehensive loss attributable to owners of the parent		(593,748)	(2,855,690)
Earnings per share			
Basic (cents per share)		(0.05)	(0.30)
Diluted (cents per share)		(0.05)	(0.30)

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

**Consolidated statement of financial position
for the half-year ended 31 December 2020**

	Notes	31-Dec-20 \$	30-Jun-20 \$
Assets			
Current assets			
Cash and cash equivalents		1,534,758	1,096,605
Trade and other receivables		235,300	273,125
Inventories		35,318	69,508
Other current financial assets	5	42,420	32,353
Total current assets		1,847,796	1,471,591
Non-current assets			
Other receivables		40,850	40,850
Exploration and evaluation assets	6	5,028,232	4,999,553
Production and development assets	6	5,163,081	5,243,330
Property, plant and equipment	7	875,267	878,923
Total non-current assets		11,107,430	11,162,656
Total assets		12,955,226	12,634,247
Liabilities			
Current liabilities			
Trade and other payables		755,950	1,275,814
Provisions		76,249	61,335
Total current liabilities		832,199	1,337,149
Non-current liabilities			
Provisions		1,353,862	1,354,185
Total non-current liabilities		1,353,862	1,354,185
Total liabilities		2,186,061	2,691,334
Net assets		10,769,165	9,942,913
Equity			
Issued capital	8	44,860,163	43,440,163
Reserves		201,600	201,600
Retained losses		(34,292,598)	(33,698,850)
Equity attributable to owners of the parent		10,769,165	9,942,913
Total equity		10,769,165	9,942,913

The statement of financial position is to be read in conjunction with the accompanying notes.

Bounty Oil and Gas N.L. - Interim Financial Report - 31 December 2020

**Consolidated statement of changes in equity
for the half-year ended 31 December 2020**

		Ordinary share capital	Option reserve	Accumulated losses	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2019		43,440,163	201,600	(30,596,258)	13,045,505
Loss for the period		-	-	(2,855,690)	(2,855,690)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(2,855,690)	(2,855,690)
Shares issued during the period	8	-	-	-	-
Share issue transaction costs		-	-	-	-
Balance at 31 December 2019		43,440,163	201,600	(33,451,948)	10,189,815
Balance at 1 July 2020		43,440,163	201,600	(33,698,850)	9,942,913
Loss for the period		-	-	(593,748)	(593,748)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(593,748)	(593,748)
Shares issued during the period	8	1,430,000	-	-	1,430,000
Share issue transaction costs		(10,000)	-	-	(10,000)
Balance at 31 December 2020		44,860,163	201,600	(34,292,598)	10,769,165

The statement of changes in equity is to be read in conjunction with the accompanying notes.

**Consolidated statement of cash flows
for the half-year ended 31 December 2020**

	Half-year ended	
	31-Dec-20	31-Dec-19
	\$	\$
Cash flows from operating activities		
Receipts from petroleum operations	796,536	2,366,241
Payments to suppliers and employees	(1,653,720)	(1,525,069)
Interest and dividend received	1,433	1,679
Net cash generated by/(used in) operating activities	<u>(855,751)</u>	<u>842,851</u>
Cash flows from investing activities		
Payments for exploration and evaluation assets	(42,728)	(49,518)
Payments for oil production & development assets	(143,085)	(415,189)
Payments for property plant and equipment	(12,653)	4,982
Payment for available for sale financial assets	-	(20,782)
Other deposits	-	20,000
Net cash used in investing activities	<u>(198,466)</u>	<u>(460,507)</u>
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	<u>1,420,000</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>365,783</u>	<u>382,344</u>
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	72,370	(11,618)
Cash and cash equivalents at the end of the period	<u>1,534,758</u>	<u>1,184,596</u>

The statement of cash flow is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements for the half-year ended 31 December 2020

1. Corporate Information

The financial report of Bounty Oil and Gas NL and its controlled entities ("the Group") for the Half-Year ended 31 December 2020 was authorised for the issue in accordance with a resolution of the Directors.

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.

2. Summary of significant accounting policies

The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The interim financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report. It is also recommended that this report be considered together with any public announcements made by the Group during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

a. Basis of preparation and accounting policies

The interim 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.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2020 and any public announcements made by the Group during the interim reporting period, in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies adopted in this interim financial report are the same as those policies applied in the 2020 Annual Report, except for the adoption of new standards and interpretations as of 1 July 2020, noted below:

New accounting standards and interpretations:

The Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020.

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 2020 Annual Report as a consequence of these amendments.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2020. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group are:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-5 Amendments to AAS- Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia

New accounting standards for application in subsequent period:

New, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

b. Basis of consolidation

The interim financial statements comprise the financial statements of Bounty Oil and Gas N.L. and its controlled subsidiaries ("the Group").

c. Interests in joint operations

The Group is involved 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;

Notes to the consolidated financial statements for the half-year ended 31 December 2020

c. Interests in joint operations (continued)

- 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.

d. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the full year financial report as at and for the year ended 30 June 2020.

e. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation of uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

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 the 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 half-year ended 31 December 2020**

3. Operating segment Information

Identification of Reportable Segments

Information reported to the Chief Operating Decision Maker, being the CEO, for the purposes of resource allocation and assessment of the performance is more specifically focused on the category of business units. The Group's reportable segments under AASB 8 Operating Segments are therefore as follows:

Core Petroleum Segment - Oil and gas exploration, development and production

Secondary Segment - Investment in listed shares and securities.

Segment revenue and results

	Segment revenue		Segment profit/(loss)	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	\$	\$	\$	\$
Core Oil & Gas Segment				
Production projects	700,164	1,973,184	(89,148)	624,985
Development projects	-	-		
Exploration projects	-	-	(14,000)	(2,918,523)
Secondary Segment				
Listed securities	10,067	(4,958)	10,067	(4,958)
Total from continuing operations	710,231	1,968,226	(93,081)	(2,298,496)
Other revenue			11,261	(11,706)
Central admin costs and directors remuneration			(511,928)	(545,488)
Loss before tax			(593,748)	(2,855,690)

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

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.

Information about major customers

Included in the revenue arising from direct sales of petroleum of \$700,164 (2019: \$1,973,000) is revenue of approximately \$466,309 (2019: \$1,314,141) which arose from sales to the Group's largest customer. Revenue from the Group's second largest customer was approximately \$233,855 (2019: \$399,000). No other single customer contributed 10% or more to the Groups revenue for both 2020 and 2019.

Other segment information	Amortisation, depreciation & depletion		Additions to non-current assets	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	\$	\$	\$	\$
Core Oil & Gas Segment				
Production projects	245,401	346,326	76,170	235,493
Development projects	-	-	57,891	62,769
Exploration projects	14,000	14,000	28,679	35,469
Secondary Segment				
Other	3,168	1,969	26,327	-
Total	262,569	362,295	189,067	333,731

**Notes to the consolidated financial statements
for the half-year ended 31 December 2020**
3. Segment Information (continued)

	Impairment losses(expenses)		Exploration write off	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	\$	\$	\$	\$
Core Oil & Gas Segment				
Production projects		-	-	-
Development projects	-	-	-	-
Exploration projects	-	2,904,523	-	-
Secondary Segment				
Total	-	2,904,523	-	-

	Segment assets		Segment liabilities	
	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
	\$	\$	\$	\$
Core Oil & Gas Segment				
Production projects	4,246,303	4,649,336	1,438,264	2,055,104
Development projects	1,715,450	1,657,559	239,536	68,163
Exploration projects	5,266,232	4,999,553	107,069	76,855
Secondary Segment				
Listed securities	42,420	32,353	-	-
Unallocated	1,684,821	1,295,446	401,193	491,212
Total	12,955,226	12,634,247	2,186,061	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	
	31-Dec-20	31-Dec-19	31-Dec-20	30-Jun-20
	\$	\$	\$	\$
Australia	800,631	1,970,988	11,107,430	11,162,656
Total	800,631	1,970,988	11,107,430	11,162,656

4. Revenue and other income

	31-Dec-20	31-Dec-19
	\$	\$
Sales revenue:		
Oil and gas sales	688,488	1,959,942
Revenue from tariffs	11,676	13,242
Total sales revenue	700,164	1,973,184
Investment income:		
Investment income from financial assets at fair value through Profit and loss (held for trading listed shares)		
Net realised gain/(loss)	-	-
Net unrealised gain/(loss)	10,067	(4,958)
Total investment income	10,067	(4,958)
Other income:		
Interest and dividend received	1,439	2,762
Govt. assistance - Covid -19 related	88,961	-
Total other income	90,400	2,762
Total revenue	800,631	1,970,988

**Notes to the consolidated financial statements
for the half-year ended 31 December 2020**

5. Other non current financial assets	Note	31-Dec-20	30-Jun-20
		\$	\$
Financial assets at fair value through profit and loss - shares in listed corporations		42,420	32,353
Total non current financial assets		42,420	32,353
6. Non current assets			
(a) Production and development assets			
SW Queensland			
Joint operation interest in ATP1189 Naccowlah Block – at cost	13	3,669,641	3,602,977
Less: Amortisation		(2,202,614)	(2,003,868)
East Queensland			
PL 441 Downlands – at cost		3,882,838	3,872,238
Less: Depletion and amortisation		(2,518,608)	(2,518,609)
Rehabilitation costs – all petroleum properties		616,374	633,033
All other development assets		1,715,450	1,657,559
Total production and development assets		5,163,081	5,243,330
(b) Exploration and evaluation assets			
Exploration assets	13	5,028,232	4,999,553
Total exploration assets		5,028,232	4,999,553
7. Plant property and equipment			
Opening balance		878,923	848,607
Expenditure incurred during the period		26,327	111,696
Less: Depreciation expense		(31,548)	(81,380)
Balance carried forward		875,267	878,923
8. Issued capital			
(a) Share Capital			
		44,860,163	43,440,163
(b) Movement in fully paid ordinary shares			
Balance at beginning of period		953,400,982	953,400,982
Shares issued during the period		143,000,000	-
Balance at end of period		1,096,400,982	953,400,982

9. Controlled entities

Set out below are the Group's subsidiaries at 31 December 2020. The controlled entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each entity's country of incorporation or registration is also its principal place of business.

Name of entity	Country of Incorporation	Class of shares	Equity holding %	
			31-Dec-20	30-Jun-20
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. (deregistered since 30 June 2020)	Australia	Ordinary	-	100%

**Notes to the consolidated financial statements
for the half-year ended 31 December 2020**

10. Financial instruments

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described in note 2(g) above, and based on the lowest level input that is significant to the fair value measurement as a whole.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The financial assets and liabilities of the Group are recognised in the consolidated statement of financial position in accordance with the accounting policies set out in Note 2 of the 2020 Annual Report.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Trade and other receivables

The carrying value is a reasonable approximation of fair value due to the short-term nature of trade receivables.

Available for sale investments

The fair value of available for sale investments is determined by reference to their quoted market price on a prescribed equity stock exchange at the reporting date, and hence is a Level 1 fair value measurement.

Trade and other payables

The carrying value is a reasonable approximation of fair value due to the short-term nature of trade payables.

11. Impairment of oil and gas properties

During the half year impairments, if any, were made as follows:

	31-Dec-20	31-Dec-19
	\$	\$
ACP-32	-	2,904,523

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 31 December 2020, no impairment was deemed necessary. Further commentary on impairment is included in the Directors' Report.

Key assumptions used for current period:

	2021-2022	2023+
Crude oil price (US\$)	\$60.00	\$65.00
Average AUD:USD exchange rate	\$0.70	\$0.75
CPI (%)	2.0%	2.0%
Pre-tax discount rate (%)	7.0%	6.0%

12. Contingencies and 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. There is no litigation against or involving Bounty Oil & Gas N.L. or its subsidiaries.

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

	31-Dec-20	30-Jun-20
	\$	\$
Payable		
Not longer than 1 year	1,122,000	1,037,000
Longer than 1 year and not longer than 5 years	5,049,000	2,851,750
	6,171,000	3,888,750

There are no lease commitments at the balance date, except short term office lease.

Notes to the consolidated financial statements for the half-year ended 31 December 2020

13. Interest in joint operations

Set out below are the joint arrangements of the Group as at 31 December 2020, which in the opinion of the directors are material to the Group:

Name of the joint arrangement	Principal activity	Measurement Method	Principal place of business	Ownership interest (%)	
				31-Dec-20	30-Jun-20
ATP 1189P Naccowlah block	Production	Proportionate	Adelaide, Australia	2%	2%
ATP 2028P (ex-ATP 754P)	Exploration	Proportionate	Sydney, Australia	50%	50%
PEP11	Exploration	Proportionate	Perth, Australia	15%	15%

The company holds 2% interest in various Petroleum Leases and part of ATP 1189P, Queensland and associated oil production tangibles and pipelines referred to as the Naccowlah Block.

The accounting policies adopted for the group's joint operations are consistent with those of the previous financial year and corresponding interim reporting period.

14. Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year ended 31 December 2020 that in the opinion of the directors has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the Group's state of affairs in future financial years.

15. Company details

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

Registered Office

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

Principal place of business

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

Abbreviations

Bbl(s): barrel(s) of oil
 mmbbl: million barrels of oil
 Boe: barrels of oil equivalent
 MMBOE: million barrels of oil equivalent
 BCF: billions of cubic feet of natural gas
 TCF: trillions of cubic feet of natural gas
 MMcf/d: millions of cubic feet of natural gas (/d per day)
 CSG: coal seam gas
 PSA: Production Sharing Agreement
 PSC: Production Sharing Contract
 PL: Petroleum production lease
 ATP: Authority to prospect for petroleum
 TPDC: Tanzania Petroleum Development Corporation
 Pmean: 50% probability of occurrence
 P90: 90% probability of occurrence
 P10: 10% probability of occurrence
 OOIP/GIIP: Oil or Gas initially in place
 Contingent Resources: discovered resources, not yet fully commercial
 Prospective Resources: undiscovered resources
 2D/3D: 2D seismic data creates a 2 dimensional cross section of data (either in time or depth) & 3D creates a 3 dimensional block of data
 AVO: amplitude versus offset processing of seismic data to reveal possible hydrocarbons.

DIRECTORS' DECLARATION

The directors of Bounty Oil and Gas N.L. declare that:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001 and:
- (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date
- b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Graham Reveleigh
Director

Dated: 12 March 2021



Moyes Yong + Co Partnership
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115 Pitt Street
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Sydney NSW 2001

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F: (02) 8256 1111

info@moyesyong.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bounty Oil & Gas NL and its controlled entities

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Bounty Oil & Gas NL and its controlled entities (the Group) which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bounty Oil & Gas NL and its Controlled Entities is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Responsibilities of the Directors for the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Bounty Oil & Gas NL and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

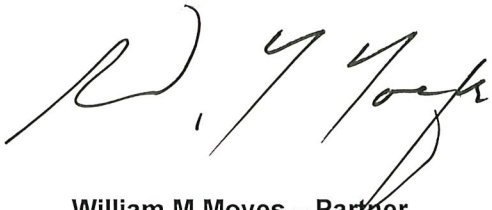
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



Moyes Yong & Co Partnership

Chartered Accountants



William M Moyes – Partner

Dated: 12 March 2021

