



17th June 2011.

ASX/MEDIA RELEASE



Nyuni 2 Well Spuds

Bounty Oil & Gas NL ("Bounty") is pleased to announce that the Nyuni 2 well in the Nyuni Block, Tanzania was expected to spud around mid day today East Australia Time.

Nyuni 2 Appraisal Well

Nyuni 2 is being drilled with the Caroil 6 drilling rig from the same lease location on Nyuni Island as the Nyuni 1 well drilled by the joint venture in 2004 (see photo). Nyuni Island lies approximately 30 kilometres off the mainland of Tanzania, to the south of the Rufiji River delta

The operator is Aminex PLC ("Aminex").

Nyuni-2 will be deviated to the south-east at an angle of 29 degrees (declination 61 degrees) from vertical to target a bottom-hole location approximately 1.200 metres away from the island. Total measured depth is likely to be 3,325 metres BRT and total vertical depth 2,964 metres subsea. It is estimated that drilling to target depth will take 9-10 weeks.

Nyuni 2 Objective:

Nyuni 2 will appraise a location updip from the gas discovered in the Nyuni 1 exploration well in Albian/Aptian (Late Lower Cretaceous age) sands as well as testing the underlying Neocomian (Earliest Lower Cretaceous age) sands. It will test a large 4 way dip closed anticline. Although Nyuni 1 established gas in the Albian/Aptian sands it did not test those sands at that location. The Nyuni 2 well is designed to now test those sands and the expected Neocomian sands nearer the anticlinal top above the gas water contact.

The Neocomian aged sands expected to be intersected by Nyuni 2 are the main reservoir sands at the Songo Songo Gas Field and at the Kiliwani North Gas Field (Bounty: 5% interest) located on Songo Songo Island 20 km south of Nyuni Island.

Success with Nyuni 2 will also lead to drilling of Fanjove North only 10 km further south from Songo Songo Island as part of the evaluation of the substantial prospect inventory within the Nyuni Block.

Further details of the Nyuni 2 objective and the Nyuni Block were released to ASX on 27th May 2011.

Drilling updates will be issued at least each 2 weeks during drilling or when there are material developments to report.

Partners in the well are:-

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

Abbreviations:

BCF: billion cubic feet of gas

BRT: well depth measure in metres below drilling rig rotary table

PSA: permit title held under a production sharing agreement

TCF: trillion cubic feet of gas

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

[Information in this release that relates to or refers to petroleum or hydrocarbon reserves or resources is based on information compiled 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 20 years. He is a member of the Petroleum Exploration Society of Australia and a Member of the Australasian Institute of Mining and Metallurgy. He has consented to the reporting of that information in the form and context in which it appears in this release.]