Bridgeport ENERGY

QUARTERLY NEWSLETTER

31 MARCH 2010

CHAIRMAN & MANAGING DIRECTORS' REPORT

Welcome all shareholders to the second quarterly report covering the work activities of Bridgeport Energy Limited (Bridgeport Energy or the Company) and its affiliated companies. This edition covers not only our activities since last reported in December, but foreshadows a revised and accelerated development plan for the Utopia field and commencement of work in the exploration permit.

OVERVIEW OF ACTIVITIES

- Successful drilling of three new producers; Utopia 7, 8 and 9
- 50% increase in 2P reserves since acquisition
- Production near budget and heading towards 130bopd
- The potential of the eastern lobe increases

The name change from Newport Energy to Bridgeport Energy was completed on 12 February 2010 as planned. On that day, the Company, with a shareholder base of in excess of 60 members officially became a public unlisted entity.

During the March 2010 quarter, the Bridgeport team has been busy drilling, completing and hooking up to the production facility Utopia wells 7, 8 and 9. Drilling commenced on 5 December 2009 and continued through the holidays to completion on 20 January, 2010. While the net cost to the company was greater than budgeted, an extra production well (Utopia 9) was drilled and the well production rates are greater than expected due to the completion practices employed. The net result is that the payback for these wells is a little over 6 months, which is better than expected.

The information collected with the drilling of these wells, combined with continuing analysis of newly gathered data has convinced management that the 2P reserves on the Utopia field have increased significantly above the 1.2mmbbl originally estimated. In addition, the wells have shown that the undrilled eastern lobe of the field containing 3P reserves of up to 0.5mmbbl has become a compelling target for further appraisal work. Moreover, the efficient drilling operations carried out on the 3 new wells and improvements on existing facilities are producing a greater output of oil from each well and the field. The net results of our efforts give us confidence that the life of the field will be longer, the recovery rate greater and our cost per barrel better than forecast.

Since the acquisition of these assets on 31 August, 2009, the oil price has strengthened increasing the value of the Utopia field asset plus the recent successful drilling results have increased reserves, our production and therefore the overall value even further. Our current company valuation provides little consideration for the potential reserves of the larger exploration acreage held by the company, both within PL 214 and ATP 560 permits. Until we carry out further seismic surveys and exploratory drilling in these areas, we will not know the extent of any additional potential reserves, but our view remains that there is every chance of another Utopia sized field in our block areas. We expect further reserves to exist in PL214 due to its close proximity to the Utopia field and other producing oil fields in adjacent blocks to the west, which share a similar geological history in the Eromanga Basin.

Having completed Utopia wells 7 to 9 and with final tie-in and production ramp-up in progress at time of writing, a production rate of 130bopd is now expected for the field. Flooding conditions in SW Queensland has hampered total production capability and slowed the rate of full commissioning of the wells. Although we have not had to shut-in the field, at times the production has been restricted, particularly during February, while waiting for road conditions to improve and allow passage of the oil transport truck.

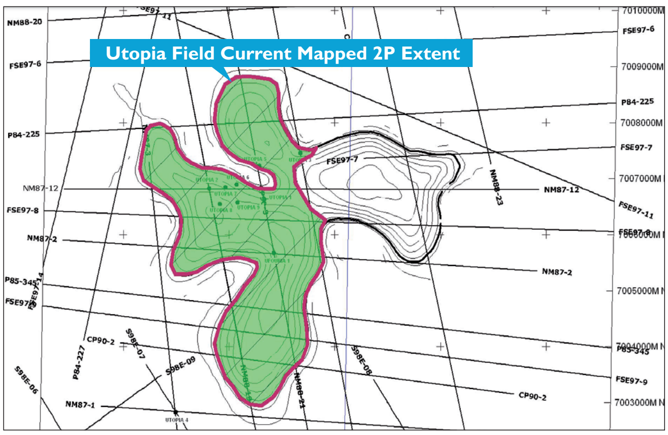
Despite delays due to weather and the holiday period, our teams have managed to deliver on the original plans with improved outcomes. I know I speak for the shareholders when I say we truly appreciate the efforts made to make Bridgeport a success.

PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES

- Utopia field production acceleration project proposed during 2010/11 to gain benefit of 50% increase in 2P reserves and achieve a production rate of ~700bopd by Y/E 2011.
- Appraisal of the eastern lobe of the field proposed to access additional 0.5mmbbl of 3P oil
- Utopia Field, PL214 project to comprise:
  - Q4, 2010 - drilling of further 6-8 production wells and , acquisition of 3D seismic over the field, appraisal well on the eastern lobe of the field
  - 1H 2011 - up to 10 more production wells in the field
- Exploration seismic and drilling in ATP560P during Q4, 2010

The reserves upgrade for the Utopia field, currently being verified with further analysis of the geological data acquired in the drilling programme, has encouraged Bridgeport and our joint venture partner Bounty Oil, to continue with and possibly accelerate the development of the field in 2010/11. At present we are analysing and planning an infield drilling programme to exploit the field at an accelerated rate for execution over the next two years. The objective of such a programme is to exploit the field to its full field potential production rate of ~700bopd.

Utopia Field 2P and 3P Reserves Map



Such a programme has several advantages notwithstanding improving the Net Present Value (NPV) of the original investment. By drilling additional wells in a concentrated time span, the per well cost can be reduced by 10-15% through leverage on materials purchased and drilling and completion optimisation. The net cash flow is substantially improved through the increase in overall production resulting in improved cash flow for exploration drilling as well as for possible future investments.

The planning required will take 3-4 months, including additional seismic, to ensure accurate placement of production wells. We will also take the opportunity to acquire seismic data in ATP 560P (exploration block) in anticipation of drilling during Q4, 2010. Ultimately, we anticipate drilling 6-8 wells this year, with further wells in 2011, upgrading the storage facilities and optimizing the production rate of each well. Drilling will commence later this year to complete sufficient wells to achieve full capacity of the production facility by mid to late 2011.

COMPANY FUNDING PROGRAMME

- Bridgeport Rights Issue under consideration to raise up to $8 million
- Production target of 700bopd in 2011

While such a work programme creates acceleration in production, it will require more financial resources than the company currently has. The original programme anticipated approximately 350bopd by year end 2011; however, this accelerated programme expects to increase production to +700bopd. The net result of these efforts will be an overall increase in the share value of the company.

We are flagging this opportunity now, as we will shortly present a detailed package inclusive of current financials, a revised Utopia field development plan, a projection of the new programme as compared to the original one with the implicit economics, as well as a discussion of the source and use of funds to be raised. At this time, we believe a Rights Issue is the most appropriate method of raising up to $8 million for this investment. In addition, we are contemplating a modest private placement to strategic, new, private investors who may facilitate larger capital/debt raisings in the future as the company grows.

We look forward to discussing our plans for Bridgeport with you and hope you will be as interested as we are about increasing the value of the company. We also recommend reading the attachments as they provide greater detail on our operations.

Should you have any questions at all about this report or the operations of your business, please feel free to contact either of us. Thank you very much for your interest in Bridgeport Energy.

Christopher Way

Chris Way
Managing Director/CEO

RP Handley

Pat Handley
Chairman

Figure 1. Australian Drilling Services Rig # 6 drilling ahead at Utopia-7

PRODUCTION, DEVELOPMENT AND EXPLORATION ACTIVITY REVIEW

PL 214 - UTOPIA FIELD PRODUCTION PERMIT

The principal operational focus during the March 2010 quarter was on the upgrade of the production facility for reasons of safety, new production facility upgrades, execution of the three well development drilling programme and production start up of the new wells.

Development drilling of Utopia 7, 8 and 9 commenced on 5 December 2009 and was completed on 20 January. The wells were drilled with no down time or lost time injuries, a commendable outcome for Bridgeport's first operated venture. The wells had a 100% success rate with excellent oil-bearing Murta sands intersected in each well. Three good reservoir intersections were encountered with a total of 31.5m of clean oil-bearing sands perforated with large diameter high shot density guns. The sand thicknesses were much greater than expected and the oil water contact (OWC) intersected lower than the prediction model used for the asset acquisition. The data is being assimilated into a geological and reservoir field model over the next quarter. Based upon the deeper intersection of the OWC the joint venture is estimating that reserves may have increased significantly.

Total fund expenditure net to Bridgeport was $2.4 million, with each well drilled to a final total depth of ~1,100m in less than the planned time. A significant amount of electric wireline logging data was gathered in each well with additional information comprising sidewall cores in Utopia 7, seismic data from Utopia 8 and pressure measurements in Utopia 9. All the data is being assimilated by the technical team at Bridgeport into a revised geological and reservoir model due for completion during Q2, 2010 which will benefit the full field development activities discussed further below.

Figure 2. Utopia 7, 8 and 9 Time Depth Curves

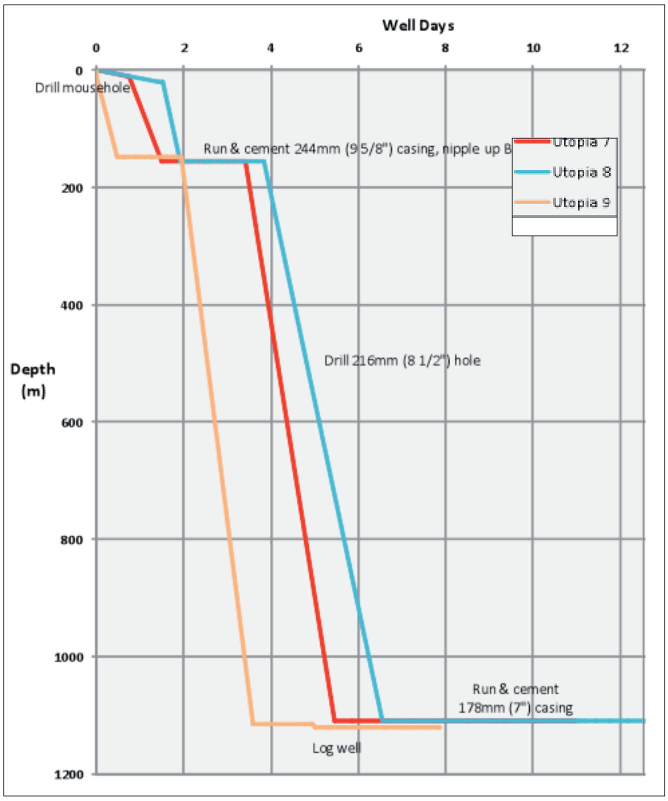
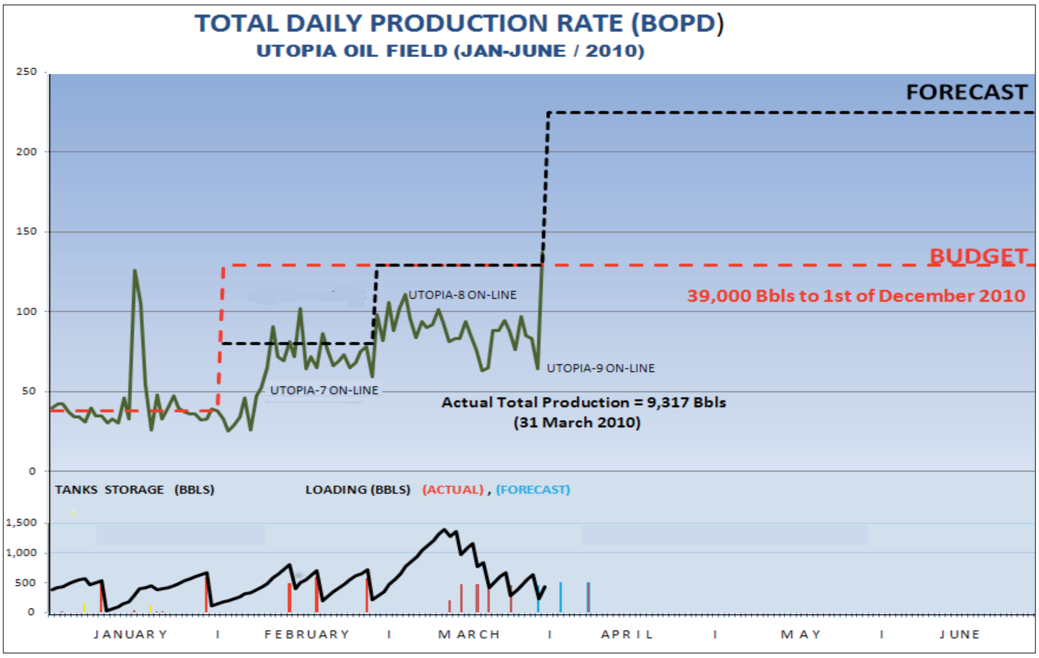


Figure 3. 2009-2010 Production to Date



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Production start-up of the new wells was hampered by the major flooding of SW Queensland during February. There were two major flood episodes which caused delays to the civil works and subsequent installation of the beam pump on each well. Throughout the quarter, however, base production was achieved from the existing wells in excess of budget, with Utopia 7 and 8 adding stabilised rates of 50bopd and 30bopd, respectively. Utopia 9 is expected on line prior to the end of March.

Well	Date on Line	Initial Rate	Anticipated Stabilised Rate
Utopia 7	2 Feb 2010	100bopd	50bopd
Utopia 8	24 Feb 2010	30bopd	30bopd
Utopia 9	On Line end March		

The field is currently producing approximately 100bopd with Utopia-9 due on line this month, providing an anticipated production rate of approximately 130bopd.

With additional production optimization on these wells (e.g. de-bottlenecking), it is estimated that production could be increased to approximately 200bopd.

The overall field production rate is shown in Figure 3 below, as compared to budget expectation. The field is performing slightly below prediction by our pre-acquisition modelling (budget line shown in red), primarily a result of record flooding conditions in SW Queensland and consequent delay in bringing the wells on line.

Delays were encountered during February and March with well hook up, commissioning and the facility upgrade. Flood conditions in SW Queensland during March restricted the civil works required to build foundations for the beam pumps and the separator upgrade at the production facility. This resulted in a delay of initial production from the new wells. The wet conditions also restricted truck access for hauling crude and caused restriction of production and therefore field cash flow during parts of the month.

Sales for the period 1 November, 2009 to 22 March, 2010 totalled 5,375 bbl of crude oil (by road tanker) to the Eromanga refinery. The permit gross revenue (ie 100% JV) for this period was A$429,831, representing an average realised price of approximately A$80/bbl (after transport costs).

Upgrades to the production facility and modifications for commencement of new wells and production planned for completion by mid year are making steady progress as shown below:

- a permanent water well delivering sufficient potable and drill water for ongoing work campaigns – *considering options*
- permanent on site, refurbished demountable buildings for production operations with office space and accommodation set-up – *in progress*
- modifications to the production facility to accommodate up to 8 wells with expansion capability; a new well testing tank arrangement; storage tanks swapped around for better efficiency and reconfigured loadout and transfer pump set-ups – *75% complete*
- upgraded safety standards at the facility with maintenance work around the production facility tanks; produced water reconfiguration to the interceptor pond; general upgrades to some of the wellhead areas and tank inspection and sandblasting – *80% complete*

There were no lost time injuries, major emergencies requiring activation of the emergency response plan or oil spills during the quarter.

ATP 560 EXPLORATION PERMIT

The work programme with renewal lodged with the QDME and which is pending formal determination, comprises 3 firm wells and 160km of seismic to be completed between 2010 and 2014, with 1 well and 60km of the seismic to be completed during 2010. The QDME has had departmental work delays and whilst Bridgeport has been advised verbally that our work programme amendment and renewal will be accepted, the company has yet to receive formal advice on the matter. Our understanding is that the timing for statutory relinquishment of block acreage required every four years is the remaining outstanding issue.

A contracting and execution plan is being put in place for the 60km 2D seismic work programme scheduled for commencement in Q4, 2010. This is likely to be done in parallel with the proposed seismic work on PL 214. The Bridgeport technical team has been working diligently through this past quarter to gather all the existing seismic data and generate a leads and prospects map over the two permits. By the end of Q2, 2010 we anticipate to be in a position to determine the commencement of additional seismic in preparation for the drilling of an exploration well during Q4, 2010. It is expected that the exploration well will be in the ATP560 area contiguous to the PL 214 permit and in which the interests are held 60% by Bridgeport and 40% by Bounty.

NEW VENTURES

Since acquisition of the Oilwells, Inc of Kentucky assets on 31 August 2009, the management team focus has been on the reserve values and opportunities in permits PL214 and ATP560. While the main focus of Bridgeport management has been on the continued exploitation of these core permits, we have also been in discussion with various parties regarding options to expand Bridgeport by ways which will complement our expertise. Primarily, this has been through the review of other acquisition opportunities which are aligned with our corporate operating strategy. The oil industry in Australia is undergoing change and available assets are beginning to appear as the larger operating oil companies progress to areas such as gas and LNG export terminals. This situation is opening up significant opportunities for Bridgeport.

CORPORATE INFORMATION

Bridgeport Energy Limited currently has the following capital structure:

Shares on Issue	74,697,167
Options	
$0.20 Options	22,500,000
$0.35 Options	7,500,000
Number of shareholders	63

Audited financial results of the company, for the year ending 30 June 2010, will be provided to shareholders later in the year.

For futher information or queries please email to: shareholder@bridgeport.net.au

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