



Australis Oil & Gas Limited

ABN 34 609 262 937

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

22 May 2025

Time of Meeting

11:00 AM (AWST)

Place of Meeting

REIWA Building, Conference Room 2, Level 1, 215 Hay Street, Subiaco,
Western Australia

A Proxy Form is enclosed or has otherwise been provided to you

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the Proxy Form in accordance with the specified directions.

2025 ANNUAL GENERAL MEETING

The 2025 Annual General Meeting of Australis Oil & Gas Limited is scheduled to be held on Thursday, 22 May 2025 at 11.00am (AWST) at REIWA Building, Conference Room 2 Level 1, 215 Hay Street, Subiaco WA 6008.

The Company will adopt a physical meeting format.

All Resolutions will be voted upon by poll and conducted using either:

- the proxy instructions received from Shareholders in advance of the Meeting; or
- the personalised poll form issued to Shareholders in attendance immediately prior to the Meeting (**Poll Form**).

The Company encourages all Shareholders to participate in the Meeting by reading the Notice carefully and:

- a) voting by proxy following the instructions set out in this Notice and in the Proxy Form and returning it to the Company no later than 11.00am (AWST) on Tuesday, 20 May 2025; or
- b) attending the Meeting in person to participate and vote. The personalised Poll Form must be completed and returned to the Company during the Meeting after the poll has been called and prior to the close of polling. During the Meeting the Chair will notify you when and how you are to complete the personalised Poll Form.

AUSTRALIS OIL & GAS LIMITED

ABN 34 609 262 937

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 31 December 2024, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor by the Company in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's Annual Report for the year ending 31 December 2024 be adopted. The Remuneration Report is set out in the Company's Annual Report for the year ending 31 December 2024 and is also available on the Company's website (www.australisoil.com).

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**) to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was

approved by the Board, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 31 December 2023 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 14 May 2024. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity-based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions in relation to the Remuneration Report.

Voting

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 – RE-ELECTION OF MR JONATHAN STEWART AS A DIRECTOR

Pursuant to Clause 6.1(f) of the Company's Constitution, Mr Stewart, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

If the Resolution is passed, Mr Stewart will be re-elected and will continue to act as a Director. If the Resolution is not passed, Mr Stewart will not be re-elected and will cease to act as a Director.

Mr Stewart was appointed to the Board on 12 November 2015 and is the Non-Executive Chair of Australis.

Previously, Mr Stewart was a founding director of Aurora and held the position of Chair of Aurora from November 2010 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd in June 2014. Mr Stewart also held the position of CEO of Aurora. He has over 30 years corporate finance and management experience in the oil and gas industry having previously held director, senior management or advisory positions in Australian, Canadian and UK-listed companies with operations in various jurisdictions worldwide.

Mr Stewart is a member of the Australis Audit and Risk Management Committee and member of the Remuneration and Nomination Committee.

Mr Stewart does not hold any other material directorship positions.

Based on Mr Stewart's relevant experience and qualifications, the members of the Board (in the absence of Mr Stewart) support the re-election of Mr Stewart as a Director of the Company.

RESOLUTION 3 – RE-ELECTION OF MR STEVE SCUDAMORE AM AS A DIRECTOR

Pursuant to Clause 6.1(f) of the Company's Constitution, Mr Scudamore, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

If the Resolution is passed, Mr Scudamore will be re-elected and will continue to act as a Director. If the Resolution is not passed, Mr Scudamore will not be re-elected and will cease to act as a Director.

Mr Scudamore is an experienced Australian company director. His distinguished career includes more than three decades with KPMG, including senior roles in Australia, London and PNG including

Chairman of Partners WA, Head of Corporate Finance in WA and National Head of Valuations, KPMG Australia.

He is currently a non-executive director of Pilbara Minerals Limited and Regis Resources Limited and was previously non-executive director of Aquila Resources and Altona Mining Limited. Other than these directorships, Mr Scudamore does not hold any other material directorship positions.

Mr Scudamore is a Chartered Accountant with a Bachelor and Master of Arts from Oxford University, a Fellow of the Institute of Chartered Accountants, England, Wales and Australia (FCA), a Fellow of the Institute of Company Directors (FAICD) and a Senior Fellow of the Financial Services Institute of Australia (SF Fin) and Honorary Doctor of Curtin University (Hon D Univ). In January 2023 Mr Scudamore was awarded a Member of the Order of Australia for significant service to business and commerce.

Mr Scudamore was appointed to the Board on 30 November 2016 and is an independent non-executive director of Australis, Chair of the Audit and Risk Management Committee and member of the Remuneration and Nomination Committee. The Board considers that Mr Scudamore, if re-elected, will continue to be classified as an independent director.

Based on Mr Scudamore's relevant experience and qualifications, the members of the Board (in the absence of Mr Scudamore) support the re-election of Mr Scudamore as a Director of the Company.

RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO MR IAN LUSTED OR HIS NOMINEE(S) PURSUANT TO THE 2025 LTI AWARD UNDER THE PLAN

The Company proposes to issue up to 4,400,000 Performance Rights to Mr Lusted, or his nominee(s), pursuant to the 2025 LTI Award (each with an exercise price of nil and an expiry date of 31 January 2030) subject to the passing of Resolution 4.

The 2025 LTI Award is similar to prior years' annual LTI Awards and comprises the contractual annual long-term component of the 'at risk' remuneration for Mr Lusted which aligns with the longer-term objectives of Shareholder return.

The 2025 LTI Award will again take the form of the issuance of Performance Rights, which provide the holder the right to receive one Australis Share upon satisfaction of all Vesting Conditions. The number of Performance Rights proposed to be granted is based on the terms of the 2025 Remuneration Plan approved by the Board on 28 January 2025. At that time, the Board determined the 2025 LTI Award methodology would follow prior years' methodology subject to the changes set out below.

- Reinstatement of "service only" performance Vesting Condition for 20% of the Performance Rights. Accordingly, at each of the three annual vesting dates, 20% of the allocated Performance Rights for that annual tranche will vest based solely on continued service with the balance of Performance Rights for that annual tranche vesting subject to **both** continued service and the achievement of a performance hurdle measured by share price improvements. For the 2024 LTI Award, Mr Lusted voluntarily offered to remove the continuous service component, however, as a result of Mr Lusted's voluntary reduction in base pay for 2025 from A\$251,200 to A\$200,960 the Board deemed it appropriate to reinstate the continuous service component of the 2025 LTI Award.

The methodology for calculation of the amount of Performance Rights issued pursuant to 2025 LTI Award included:

- each 2025 LTI Award being a percentage of the eligible employee's 2025 commencing contractual base salary converted to Performance Rights using the Australis share trading VWAP for the month of December 2024; and

- application of a scaling factor to reduce the total 2025 LTI Award such that the total number of Performance Rights being issued pursuant thereto are no greater than 4% of issued share capital. The scaling factor applied for eligible employees was varied and increased based on a number of factors including job group and seniority.

Such Performance Rights will vest over three years, subject to continuous employment during each vesting period and, for a portion of the award (which increases with seniority), subject to both continuous employment and the achievement of a share price performance hurdle.

For Mr Lusted the Performance Rights vest annually over three years (see table 1) with 20% subject to continuous employment only and 80% subject to both continuous employment and the achievement of a share price performance hurdle as set out below.

“Absolute Total Shareholder Return” Performance Hurdle: In order for Performance Rights subject to a performance hurdle to vest, the Australis Share price must achieve a minimum increase (20%) from the December 2024 VWAP of A\$0.0086, and the number of Performance Rights that vest increases with the increase in Share price (up to the total awarded number of Performance Rights). The maximum vesting for this portion of the Performance Rights occurs at a 300% increase in the Share price over the performance period.

The terms of the Performance Rights (including the performance hurdle and their application to the vesting of Performance Rights) proposed to be issued to Mr Lusted are set out in full in Annexure C.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Lusted is a related party of the Company as he is a Director of the Company. Resolution 4 relates to the proposed issue of Performance Rights to Mr Lusted (or his nominee(s)), which are financial benefits that require Shareholder approval for the purposes of section 208 of the Corporations Act, unless an exception applies.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company’s members; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board (in the absence of Mr Lusted) to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company’s and the related party’s circumstances.

Having considered the Company's circumstances and Mr Lusted's position with the Company, the Board (in the absence of Mr Lusted) is of the view the financial benefits conferred by the issue of the Performance Rights to Mr Lusted (or his nominee(s)) the subject of Resolution 4 are reasonable given:

- (a) the experience of Mr Lusted;
- (b) the 2025 LTI Award is based on similar awards provided in prior years under the Group-wide long-term incentives; and
- (c) the benefit derived from the proposed issue of the Performance Rights would otherwise be provided as a cash settled equivalent.

Therefore, the exception in section 211 applies.

Directors' recommendation

Mr Lusted declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Performance Rights to him or his nominee(s).

The remaining Directors (who have no interest in the outcome of the Resolution) recommend that Shareholders vote in favour of the Resolution. The Directors (other than Mr Lusted) are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Information Requirements– Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.2); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed issue of Performance Rights to Mr Lusted (or his nominee(s)) pursuant to the 2025 LTI Award under the Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolution 4 is passed, the Company will issue Performance Rights to Mr Lusted (or his nominee(s)) on the terms set out in Annexure C to this Explanatory Memorandum. If Resolution 4 is not passed, the Company will not issue Performance Rights to Mr Lusted (or his nominee(s)) and the Company may consider alternative ways to remunerate Mr Lusted, including by way of payments settled in cash based on similar performance hurdles.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Performance Rights will be issued to Mr Lusted or his nominee(s), as noted above and on the terms set out in Annexure C to this Explanatory Memorandum.
- (b) Mr Lusted is a related party of the Company for the purposes of Listing Rule 10.14.1 as he is a Director of the Company.
- (c) Mr Lusted is a Director of the Company and the issue of Performance Rights the subject of Resolution 4 is intended to remunerate and incentivise Mr Lusted, whose current total annual remuneration package as at the date of this Notice is as follows:

- base salary of A\$200,960 (excluding superannuation);
 - short-term incentive (**STI**) of up to 75% of achieved base salary for 2025 (paid during the year) excluding superannuation; and
 - long-term incentive (**LTI**) of up to 70% of base salary excluding superannuation as at 1 January 2025 equating to a notional 16.4 million Performance Rights. However as described above the Board applied a reduction (scaling factor) of 73.1% to this notional allocation such that the total of 4,400,000 Performance Rights are proposed to be granted and are the subject of Resolution 4.
- (d) up to 4,400,000 Performance Rights will be issued to Mr Lusted (or his nominee(s)) pursuant to the 2025 LTI Award under the Plan.
- (e) the full terms of the Performance Rights (including the performance hurdle) are contained in Annexure C to this Explanatory Memorandum. The proposed issue of Performance Rights to Mr Lusted (or his nominee(s)) in respect of the 2025 LTI Award will, subject to the satisfaction of the vesting conditions and performance hurdle (described in Annexure C), vest in 3 tranches over a 3-year period as follows:

2025 LTI Award Tranche	Vesting Period	Vesting Date	Number of Performance Rights vesting
Tranche 1	1 January 2025 to 31 December 2025	31 January 2026	Up to 1/7 th of total 2025 LTI Award Performance Rights
Tranche 2	1 January 2025 to 31 December 2026	31 January 2027	Up to 2/7 th of the total 2025 LTI Award Performance Rights
Tranche 3	1 January 2025 to 31 December 2027	31 January 2028	Up to 4/7 th of the total 2025 LTI Award Performance Rights

Table 1

Vesting of Performance Rights requires continued employment through to the vesting date and 80% for Mr Lusted of the Performance Rights in each tranche are subject to the “*Absolute total shareholder return*” (ATSR) performance minimum threshold and vesting schedule set out in Annexure C.

- (f) a summary of the material terms of the Plan are set out in Annexure A to this Explanatory Memorandum.
- (g) the proposed issue of Performance Rights under the Plan is designed to encourage Mr Lusted to have a continuing strong alignment with other Shareholders through increasing share ownership by way of a combination of the achievement of the Company’s objectives (and that progress being reflected in share price performance) and retention mechanisms to provide consistent long-term service. Under the Company’s current circumstances, the Directors consider (in the absence of Mr Lusted) that the incentives represented by the issue of Performance Rights are a cost effective and efficient means for the Company to provide a reward and incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.
- (h) the Company’s advisers, RSM Australia Pty Ltd, have valued the Performance Rights using the Analytical Model and a Monte-Carlo simulation model in the manner set out in Annexure B to this Explanatory Memorandum. Based on the assumptions set out at Annexure B to this Explanatory Memorandum, it is considered that the estimated average value of the

Performance Rights to be issued to Mr Lusted pursuant to each vesting condition for each tranche are as follows:

Valuation date	Award Type	Vesting Condition	Valuation methodology	Value per Performance Right
12 Mar 2025	Performance Rights -Tranche 1	Service condition	Analytical Model	A\$0.009
12 Mar 2025	Performance Rights – Tranche 1	Service condition and ATSR hurdle	Monte-Carlo	A\$0.0072
12 Mar 2025	Performance Rights -Tranche 2	Service condition	Analytical Model	A\$0.009
12 Mar 2025	Performance Rights – Tranche 2	Service condition and ATSR hurdle	Monte-Carlo	A\$0.0070
12 Mar 2025	Performance Rights -Tranche 3	Service condition	Analytical Model	A\$0.009
12 Mar 2025	Performance Rights – Tranche 3	Service condition and ATSR hurdle	Monte-Carlo	A\$0.0063

Estimated Value of the proposed 2025 LTI Award Performance Rights to Mr Lusted	A\$
Tranche 1	\$4,752
Tranche 2	\$9,303
Tranche 3	\$17,198
Total	\$31,253

- (i) the Performance Rights will be issued on a date which will be no later than 3 years after the date of this Meeting.
- (j) the Performance Rights will be issued for no cash consideration.
- (k) no funds will be raised from the issue of the Performance Rights.
- (l) there is no loan that will be made to Mr Lusted in relation to the acquisition of the Performance Rights.

- (m) the number of Performance Rights that have previously been issued to Mr Lusted (or his nominee(s)) under the Plan (including previous versions of the Plan) and the average acquisition price paid by Mr Lusted (or his nominee(s)) for those Performance Rights is set out in Annexure A to this Explanatory Memorandum.
- (n) details of any securities issued under the Plan have or will be published in the annual report of the Company for the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after these Resolutions are approved and who were not named in this Notice will not participate until approval is obtained under that rule.
- (p) a voting exclusion statement applies to these Resolutions as set out in the Notice.

If approval is given for the issue of the Performance Rights under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolution.

RESOLUTION 5 – ISSUE OF EQUITY SECURITIES UNDER THE PLAN

Resolution 5 seeks approval of Shareholders for the maximum number of equity securities that may be issued under the Australis Oil & Gas Limited Employee Equity Incentive Plan (**Plan**), the material terms of which are summarised in Annexure A to this Explanatory Memorandum under Exception 13(b) of Listing Rule 7.2.

No changes to the Plan, other than administrative changes, have been made since it was originally approved at the 2016 general meeting.

A previous version of the Plan was approved by Shareholders at the general meeting held on 27 June 2016 and re-approved by Shareholders at the annual general meetings held on 29 April 2019, 25 May 2022, 2 May 2023 and 14 May 2024 in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

A summary of the securities that have been issued, vested and lapsed under the Plan since inception can be found at Annexure A.

The Directors considered that it was desirable to establish an equity incentive plan under which employees, Directors and other persons providing services to a Group Company may be offered the opportunity to subscribe for Options, Performance Rights and Shares in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees.

The Plan is designed to provide incentives to the employees, Directors and other persons providing services to a Group Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the offer of equity incentives to these persons are a cost-effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses, retention payments, or increased remuneration. To enable the Company to secure and retain employees, Directors and service providers who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel.

The Plan is designed to encourage continued improvement in performance over time and to encourage personnel to acquire and retain significant shareholdings in the Company.

The purpose of the Plan is to:

- 1 assist in the reward, retention and motivation of eligible participants;
- 2 link the reward of eligible participants to performance and the creation of Shareholder value;
- 3 align the interests of eligible participants more closely with the interests of Shareholders by providing an opportunity for eligible participants to receive an equity interest in the form of Options, Performance Rights and Shares;
- 4 provide eligible participants with the opportunity to share in any future growth in value of the Company; and
- 5 provide greater incentive for eligible participants to focus on the Company's longer term goals.

Under the Plan, the Board may offer employees, Directors and other persons providing services to a Group Company the opportunity to subscribe for such number of Options, Performance Rights and Shares as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is contained in the Annexure A to this Explanatory Memorandum.

The specifics of any future incentives awarded pursuant to the Plan will be considered and approved by the Remuneration Committee and Board of Directors.

Shareholder approval is required if any issue of Options, Performance Rights and Shares pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 13(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue. Note, any proposed issue to Directors or a related party of the Company will still require Shareholder approval.

The maximum number of Options, Performance Rights and Shares that may be issued in the future under the Plan, in reliance on Listing Rule 7.2 Exception 13(b) following Shareholder approval, is expected to be less than 65,025,330 (5% of current issued share capital). Once this number is reached, the Company will need to seek fresh approval from Shareholders if the subsequent issue of Options, Performance Rights or Shares under the Plan is to fall within Listing Rule 7.2 Exception 13. However, Shareholders should note the Company has imposed its own maximum cap on the number of Performance Rights that may be issued under the 2025 LTI Award to 4% of the current issued capital.

If the Resolution is passed, the Company will be able to issue Options, Performance Rights and Shares under the Plan up to the maximum number set out in this Notice and those issues of Options, Performance Rights and Shares will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If the Resolution is not passed, the Company will be able to proceed to issue Options, Performance Rights and Shares under the Plan, however the issue of those Options, Performance Rights and Shares will not fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 and therefore effectively decreasing the number of Equity Securities which may be issued without Shareholder approval.

Information requirements under Listing Rule 7.2 Exception 13(b)

In accordance with the requirements of Listing Rule 7.2 Exception 13(b), the following information is provided to Shareholders:

- (a) a summary of the terms of the Plan is contained in Annexure A to this Explanatory Memorandum.
- (b) the Plan was previously approved by Shareholders on 14 May 2024.
- (c) a summary of the securities that have been issued, vested and lapsed under the Plan since the Plan was last approved can be found at Annexure A.
- (d) the maximum number of securities proposed to be issued under the Plan under Exception 13(b) to Listing Rule 7.2 following approval of this Resolution is 65,025,330 securities.
- (e) a voting exclusion statement has been included in the Notice for the purposes of this Resolution.

Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 6 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

Background

The Corporations Act permits a company to include in its constitution provisions (called **takeover approval provisions**) requiring that a proportional or partial takeover offer (ie an offer for less than 100% of the shares but for the same proportion of each shareholder's shares) be approved by a majority of shareholders, before it may proceed. In effect, the approval of Resolution 6 will enable the Company to refuse to register shares acquired under a proportional takeover bid unless than bid is approved by a majority of shareholders.

The Company's Constitution currently already contains provisions dealing with proportional takeover bids, however, these provisions have lapsed thereby the Directors are proposing renewal in accordance with this Resolution 6.

Section 648G of the Corporations Act

The following information is provided pursuant to section 648G of the Corporations Act.

(a) Operation of the proportional takeover provisions

If the proportional takeover provisions set out in Rule 14 of the Company's Constitution are renewed the registration of a transfer of Shares acquired under a proportional takeover offer will be prohibited unless an approving resolution is passed by Shareholders in the Company in the manner provided in Rule 14 of the Company's Constitution.

The proportional takeover provisions do not apply to a full takeover bid for all of the Shares of the Company.

If the Company's existing proportional takeover provisions are renewed and a proportional takeover offer is subsequently made for Shares in the Company, the Directors must seek Shareholder approval by a majority vote to register transfers under the proportional takeover bid. The Shareholder approval can be obtained at a general meeting of Shareholders.

In either case, those Shareholders who are entitled to vote at the general meeting are the Shareholders (other than the bidder and its associates) who are recorded on the register of members at the end of the day on which the first of the takeover offers under the proportional takeover bid is made.

The resolution must be voted on at least 14 days before the last day of the offer period under the proportional takeover bid. The resolution will be passed if more than 50 percent of eligible votes are cast in favour of the approval. If no such resolution has been voted on at least 14 days before the last day of the bid period then a resolution to approve the registration of transfers under the bid is taken to have been passed.

If the resolution is not passed by a majority of the shares voted, then the offer will be deemed to be withdrawn and registration of any transfer of shares resulting from the offer will be prohibited. Acceptances will be returned and any contracts formed by acceptance will be rescinded. If the resolution is approved, transfers of shares to the bidder will be registered provided they comply with the other provisions of the Constitution.

If renewed, Rule 14 of the Company's Constitution will have effect for a three year period commencing on 22 May 2025.

(b) Current acquisition proposals

As at the day on which this Notice and Explanatory Memorandum is prepared, none of the Directors of the Company is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Advantages of proportional takeover provisions to Shareholders

Potential advantages to Shareholders of the renewal of proportional takeover provisions in the Company's Constitution are set out below:

- (i) The takeover approval provisions may enable Shareholders to act together and so avoid the coercion of Shareholders that might otherwise arise where they believe a partial offer is inadequate, but nevertheless accept through concern that a significant number of other Shareholders will accept.
- (ii) The takeover approval provisions may provide Shareholders with protection against being coerced into accepting a partial bid at a high premium where the bidder indicates its intention to mount a subsequent bid for the remaining shares at a much reduced price. This puts pressure on Shareholders to accept the initial bid in order to maximise their returns.
- (iii) If a partial bid is made, the takeover approval provisions may make it more probable that a bidder will set its offer price at a level that will be attractive to at least a majority of Shareholders.
- (iv) The body of Shareholders may more effectively advise and guide the Directors' response to a partial bid, and knowing the view of the majority of Shareholders may assist individual Shareholders to assess the likely outcome of the proportional bid and decide whether or not to accept an offer under the bid.
- (v) The takeover approval provisions may make it more probable that any takeover offer will be a full bid for the whole shareholding of each Shareholder, so that Shareholders may have the opportunity of disposing of all their Shares rather than only a proportion.

(c) Disadvantages of the proportional takeover provisions to Shareholders

Potential disadvantages to Shareholders of the renewal of proportional takeover provisions in the Company's Constitution are set out below:

- (i) By placing obstacles in the way of partial offers, the proposal may tend to discourage partial offers, thus reducing the opportunity for Shareholders to sell a portion of their holding.
- (ii) It is possible that the existence of the takeover approval provisions might have an adverse effect on the market value of the Company's Shares by making a partial offer less likely thus reducing any takeover speculation element in the Share price.
- (iii) An individual Shareholder who wishes to accept a proportional offer will be unable to sell to the bidder unless a majority of Shareholders favour the proportional takeover scheme (which may be viewed as an additional restriction on the ability of individual Shareholders to deal freely in their Shares).
- (iv) If a proportional takeover offer is made, the Company will incur the cost of calling a meeting of Shareholders.

(d) Advantages and disadvantages of the proportional takeover provisions for the Directors

Potential advantages and disadvantages to the Directors of the renewal of proportional takeover provisions in the Company's Constitution are set out below:

- (i) If the Directors consider that a proportional bid should be opposed, they will be assisted in preventing the bidder from securing control of the Company as the bidder will need a majority of votes to be cast in its favour by the independent Shareholders, before the bidder can succeed.
- (ii) On the other hand, under the takeover approval provisions, if a proportional takeover offer is received, the Directors must call a meeting to seek the Shareholders' views. They must do so even if the Directors believe that the offer should be accepted.
- (iii) At present, it is only the Directors who express any formal view on the adequacy or otherwise of a takeover bid, on behalf of the Company. Under the takeover approval provisions the most effective view on a proportional bid will become the view expressed by the vote of the Shareholders themselves, at the meeting.
- (iv) The takeover approval provisions may make it easier for the Directors to discharge their fiduciary and statutory duties as directors in the event of a proportional takeover bid.

(e) Reasons for proposing the Resolution

Having considered the advantages and disadvantages to Shareholders and the Directors, the Directors have decided to put this Resolution to Shareholders, to give Shareholders an opportunity to take advantage of the protections which the takeover approval provisions offer, if a proportional takeover offer is made.

GLOSSARY

2025 LTI Award means the long term incentive awards proposed to be issued under the Plan for 2025.

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

Analytical Model has the meaning set out in Annexure B to this Explanatory Memorandum.

Annual Report means the annual report of the Company for the year ended 31 December 2024.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ATSR has the meaning set out in Annexure C to this Explanatory Memorandum.

Auditor means the Company's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Board of Directors.

Chair means the individual appointed under clause 5.5 of the Company's Constitution.

Change of Control has the meaning set out in Annexure D to this Explanatory Memorandum.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company or Australis means Australis Oil and Gas Limited ABN 34 609 262 937.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means *Corporations Regulations 2001* (Cth).

Directors means the directors of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

First Exercise Date means the date specified in the Offer, or if no date is specified, the date of issue of the Performance Rights.

Group means the Company and its Related Bodies Corporate and **Group Company** means the Company or any of its Related Bodies Corporate.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Last Exercise Date means the date specified in the Offer, or if no date is specified, the date two years after the First Exercise Date.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Offer has the meaning set out in Annexure A to this Explanatory Memorandum.

Option means an option to acquire a Share.

Participant has the meaning set out in Annexure A to this Explanatory Memorandum.

Performance Rights means the performance rights issued under the Plan.

Plan means the Company's Employee Equity Incentive Plan as summarised in Annexure A to this Explanatory Memorandum.

Poll Form has the meaning set out on page 1.

Proxy Form means the proxy form accompanying the Notice by way of email where the Shareholder has elected to receive notices by email, or the personalised proxy form accompanying the postcard circulated by way of post where the Shareholder has not elected to receive notices by email.

Remuneration Report means the remuneration report set out in the 2024 Annual Report.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

RSM means RSM Australia Pty Ltd.

RTSR means relative total shareholder return and for prior grants of Performance Rights (up to 2023) has the meaning set out in each of the Company's Remuneration Reports for the years in which the RTSR performance hurdle was applied.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out on page 2.

Spill Resolution has the meaning set out on page 2.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Vesting Condition has the meaning set out in Annexure C to this Explanatory Memorandum.

Vesting Period has the meaning set out in Annexure C to this Explanatory Memorandum.

VWAP has the meaning set out in Annexure C of this Explanatory Memorandum.

AUSTRALIS OIL & GAS LIMITED

ABN 34 609 262 937

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2025 Annual General Meeting of Shareholders of Australis Oil & Gas Limited ABN 34 609 262 937 will be held on Thursday, 22 May 2025 at 11am AWST at the REIWA Building, Conference Room 2, Level 1, 215 Hay Street, Subiaco WA for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

The Company will update Shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at www.australisoil.com.

AGENDA

Financial Reports

To receive and consider the financial report of the Company for the year ended 31 December 2024, together with the Directors' Report and the Auditor's Report as set out in the Annual Report for the year ended 31 December 2024.

Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That the Remuneration Report for the year ended 31 December 2024 as set out in the Annual Report for the year ended 31 December 2024 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- a) the appointment specifies the way the proxy is to vote on the Resolution; or
- b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

Resolution 2 – Re-election of Mr Jonathan Stewart as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Mr Jonathan Stewart, who retires in accordance with clause 6.1(f) of the Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 3 – Re-election of Mr Steve Scudamore AM as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Mr Steve Scudamore, who retires in accordance with clause 6.1(f) of the Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 4 – Issue of Performance Rights to Mr Ian Lusted or his nominee(s) pursuant to the 2025 LTI Award under the Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 4,400,000 Performance Rights for no cash consideration, with each Performance Right having a nil exercise price and an expiry date of 31 January 2030, to Mr Ian Lusted, Director, or his nominee(s), pursuant to the 2025 LTI Award on the terms and conditions set out in the Explanatory Memorandum (including Annexures A to C to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a) Mr Ian Lusted and his nominee(s), and other persons referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- a) the appointment specifies the way the proxy is to vote on the Resolution; or
- b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

Resolution 5 – Issue of Equity Securities Under the Australis Oil & Gas Limited Employee Equity Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.2 Exception 13(b) and for all other purposes, Shareholders approve the Plan (a summary of the rules of which are set out in Annexure A to the Explanatory Memorandum) and the issue of up to a maximum of 65,025,330 securities under the Plan on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- a) *a person who is eligible to participate in the employee incentive plan; or*
- b) *an Associate of those persons.*

However, this does not apply to a vote cast in favour of the Resolution by:

- a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
 - (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

Resolution 6 – Renewal of proportional takeover provisions

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

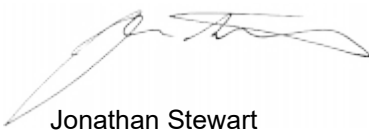
"That, pursuant to and in accordance with section 648G of the Corporations Act 2001 (Cth), the existing proportional takeover provisions in the form set out in Rule 14 of the Company's Constitution are renewed for a period of three years commencing on the date of the Meeting."

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Jonathan Stewart
Director

Dated: 11 April 2025

Voting

Subject to the voting instructions on page 1 Shareholders entitled to vote at the Meeting can vote in any of the following ways.

How to vote

Shareholders can vote by either:

- a) attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- b) appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

Voting in person (or by attorney) or by a Corporation

The Company and Board encourage all Shareholders to participate in general meetings such as this Meeting by attending and voting in person at the Meeting venue. This includes a Shareholder that is a corporation that has appointed an individual to act as its representative and vote in person at the Meeting.

Voting by proxy

The Board encourages all Shareholders to vote by proxy following the instructions set out in this Notice and the enclosed Proxy Form.

Shareholders are encouraged to carefully consider whom they appoint as their proxy.

If a proxy, other than the Chair, cannot attend or is not admitted to the Meeting, the Chair will become the proxy. In this circumstance, the Chair will be directed by the voting preferences (if any) provided in the Proxy Form.

Please refer to the Proxy Form for further details.

- a) A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- b) The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
- c) A proxy need not be a Shareholder.
- d) The proxy can be either an individual or a body corporate.
- e) If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 4, and 5 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and

the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- f) Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- g) If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- h) Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- i) To be effective, proxies must be received by 11:00 AM (AWST) on Tuesday, 20 May 2025. Proxies received after this time will be invalid.
- j) Proxies may be lodged using any of the following methods:
 - by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:

Australis Oil & Gas Limited
Ground Floor, 215 Hay Street, Subiaco,
Western Australia
 - or
 - by email to contact@australisoil.com
 - or
 - by faxing a completed Proxy Form to +61 (0) 8 9220 8799.

- k) The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or email to contact@australisoil.com or by facsimile, by 11:00 AM (AWST) on Tuesday, 20 May 2025. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00 PM (AWST) on Tuesday, 20 May 2025.

Shareholders' Questions to the Chair and Board

- a) The Company strongly encourages Shareholders who would like to ask questions on the Resolutions of the Chair, Board or management to do so in writing before the Meeting.
- b) Any written questions to the Company should be sent to: contact@australisoil.com. Written questions that are sent to the Company must be received by no later than 11.00 AM (AWST) on 20 May 2025.
- c) Questions from Shareholders are important. Although the Board may not be able to reply to each question individually, the Board will respond to as many of the frequently asked questions as possible at the Meeting and those answers will be posted on the Company's website.

ANNEXURE A - SUMMARY OF THE PLAN

The Plan

The Plan was previously approved by Shareholders at the 2024 annual general meeting of Shareholders. There have been no changes to the Plan since the approval at the annual general meeting of the Company in 2024.

Under the Plan, the Board may offer eligible employees the opportunity to subscribe for such number of Options, Performance Rights and Shares as the Board may decide and on the terms and conditions set out in the rules of the Plan.

Summary of the Plan

- (a) Eligibility: The Board may provide an offer to an employee, Director or a person providing services to a Group Company to participate in the Plan (**Offer**). Where such person (or a nominee of such person approved by the Board) accepts the Offer, he or she will become a participant under the Plan (**Participant**).
- (b) Offer: The Board may make an Offer at any time. Where the Offer involves monetary consideration for the issue, sale, exercise or transfer of Options, Performance Rights or Shares, The Offer will include the following information:
 - (i) the name and address of the person to whom the Offer is being made to;
 - (ii) the date of the Offer;
 - (iii) the first date that the person can accept the Offer, which must be at least 14 days after receiving the Offer;
 - (iv) the final date that the person can accept the Offer;
 - (v) the number of Options, Performance Rights or Shares being offered;
 - (vi) the amount payable per Option, Performance Right or Share by the person on application for the Options, Performance Rights or Shares offered;
 - (vii) the conditions (if any) determined by the Board which are required to be satisfied, reached and met before an Option, Performance Right or Share will be issued, and whether not it is issued subject to further Vesting Conditions;
 - (viii) the Vesting Conditions attaching to the Options, Performance Rights or Shares (if applicable);
 - (ix) the First Exercise Date and Last Exercise Date of the Options, Performance Rights or Shares;
 - (x) the exercise price or the manner of determining the exercise price of the Options, Performance Rights or Shares;
 - (xi) the Vesting Period of the Options, Performance Rights or Shares;
 - (xii) any other specific terms and conditions applicable to the Offer;and to the extent required by applicable laws:
 - (xiii) a prominent statement to the effect that:
 - (A) any advice given by the Company in relation to Awards issued under the Plan, and Shares issued upon exercise of the Options or Performance Rights, does not take into account an Eligible Employee's objectives, financial situation and needs; and

- (B) the Eligible Employee should obtain their own financial product advice in respect of the Offer from a person who is licensed by ASIC to give such advice;
- (xiv) general information about the risks of acquiring and holding the Options and Performance Rights (and underlying Shares) or Shares the subject of the Offer;
- (xv) an explanation of how a Participant could, from time to time, ascertain the market price of the Shares underlying the Options or Performance Rights;
- (xvi) a statement that a person named in the Offer with their consent, the Directors and any proposed Director is not liable for any loss or damage suffered by a Participant if any of the matters set out in section 1100Z(3) of the Corporations Act apply;
- (xvii) the terms of any loan or contribution plan under which a Participant may obtain Shares, Options or Performance Rights (or else a summary of the terms of any loan or contribution plan and a statement that, on request, a copy of the terms of the loan or plan will be provided);
- (xviii) the trust deed of any trust that will hold Shares, Options or Performance Rights on trust (or else a summary of the trust deed and a statement that, on request, a copy of the full deed will be provided);
- (xix) a copy of any disclosure document prepared by the Company under Part 6D.2 of the Corporations Act, or a product disclosure statement prepared under Part 7.9 of the Corporations Act, in the 12 months before the date of the Offer (or else a statement directing to any such document).
- (xx) a copy of the Plan rules; and
- (xxi) any other information that is required by applicable laws.
- (c) Issue Price: The issue price in respect of the Options, Performance Rights or Shares granted under the Plan is as determined by the Board at its discretion.
- (d) Nominees: A Participant may, by notice in writing to the Board, nominate a nominee in whose favour the Participant wishes the Options, Performance Rights or Shares to be issued. The Board may, in its sole and absolute discretion, decide not to permit the Options, Performance Rights or Shares to be issued to a nominee.
- (e) Transferability: Options, Performance Rights or Shares may not be assigned or transferred except on the death of the Participant in limited circumstances or with the prior consent of the Board.
- (f) Vesting: An Option, Performance Right or Share will vest when the Vesting Conditions attaching to the Option, Performance Right or Share are met, or waived by the Board, or immediately upon:
 - (i) a takeover bid (as defined in the Corporations Act) becoming or being declared unconditional;
 - (ii) the Court sanctioning a compromise or arrangement relating to the Company under Part 5.1 of the Corporations Act;
 - (iii) any other merger, consolidation or amalgamation involving the Company occurring which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation;
 - (iv) any Group Company entering into agreements to sell in aggregate a majority in value of the businesses or assets of the Group to a person, or a number of persons, none of which are Group Companies; or
 - (v) the Board determining in its reasonable opinion that control of the Company has or is likely to change or pass to one or more persons.

- (g) Lapse of Option, Performance Right or Share: An Option, Performance Right or Share will not vest and will lapse on the earlier of:
- (i) the Board determining that the Vesting Conditions attaching to the Option, Performance Right or Share have not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
 - (ii) the day immediately following the Last Exercise Date; or
 - (iii) with respect of unvested Options, Performance Rights or Shares, the date the Participant ceases to be employed by the Company or ceases to hold office in the Company, including upon the death, permanent disability or redundancy of the Participant, subject to certain exceptions.
- (h) Issue of Shares on vesting of Options or Performance Rights: Upon determination that the Performance Rights have vested, the vested Performance Rights may be exercised and following exercise of the Options or Performance Rights, the Company will, subject to the terms of the Company's relevant policies, issue or transfer Shares to that Participant and apply for official quotation or listing of those Shares on the ASX if applicable. Unless and until the Options or Performance Rights have been exercised and the relevant Shares issued or transferred to that Participant as a result of that exercise, a Participant has no interest in those Shares.
- (i) Ranking of Shares: Shares issued upon exercise of the Options or Performance Right will rank equally in all respects with existing Shares.
- (j) Adjustment of Options or Performance Rights: If, prior to the vesting of an Option or Performance Right, there is a reorganisation of the issued share capital of the Company (including a consolidation, sub-division or reduction of capital or return of capital to Shareholders), the number of Shares the subject of the Options or Performance Rights will be adjusted in a manner required by the Listing Rules.
- (k) Amendments to the Plan: Subject to and in accordance with the Listing Rules while the Company is listed, the Board may amend the Plan (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company), provided that rights or entitlements in respect of any Option, Performance Right or Share granted before the date of the amendment shall not be reduced or adversely affected without the prior written consent of the Participant affected by the amendment.

Performance Rights issued under the Plan since the Plan was last approved by Shareholders

52,249,695 Performance Rights have been issued since the Plan was last approved by Shareholders in May 2024.

Shares issued under the Plan since the Plan was last approved by Shareholders

7,241,756 Shares have been issued under the Plan since its last approval in May 2024.

The Performance Rights, Fee Rights - B (in lieu of salary and other compensation) and Shares that have been approved and issued to Mr Lusted or his nominee(s) under the Plan since the establishment of the Plan in 2016 to date are set out below.

Director	Number of Performance Rights					Number of Fee Rights – B issued and vested	Number of Shares	Average Acquisition Price
	Issued	Vested	Lapsed	Unvested				
					% subject to share price thresholds (ATSR and RTSR)	Fee Rights issued in lieu of cash remuneration in 2020	Shares issued in settlement of 2021 Short-term incentive	
Ian Lusted (or his nominee(s))	27,706,096	5,458,230	11,264,703	10,983,164	91%	9,861,125	879,315	Nil

ANNEXURE B – MONTE-CARLO VALUATION METHOD

The Company's advisers, RSM Australia Pty Ltd (**RSM**), have valued the Performance Rights using the Monte-Carlo simulation model and the Hoadley's "Options 1" valuation model (**Analytical Model**).

The Analytical Model has been used to value those Performance Rights for which only service conditions exist. The Monte-Carlo simulation model has been used to value those Performance Rights subject to ATSR conditions in addition to service conditions.

The value of a Performance Right calculated by the Analytical Model and the Monte-Carlo Model is a function of a number of variables. The indicative valuation of the Performance Rights has been prepared using the following assumptions:

Variable	Tranche 1	Tranche 2	Tranche 3
Share price	\$0.009	\$0.009	\$0.009
Exercise price	Nil	Nil	Nil
Risk Free Interest Rate	3.92%	3.92%	3.92%
Volatility	100%	100%	100%
Time (years to expiry)	5	5	5
Dividend yield	Nil	Nil	Nil

RSM have calculated the value of each Performance Right based on the following assumptions:

- (a) the underlying value of each Share in the Company on the ASX using the closing price of A\$0.009 on the valuation date of 12 March 2025 utilised by RSM;
- (b) risk free rate of return – 3.92% for tranche 1, 2 and 3 (estimated, based on the five-year yield for Commonwealth bonds); and
- (c) volatility of the Share price of 100% as determined from the historical volatility in Share price over the last one, two and three year trading periods.

Based on the assumptions, it is considered that the estimated average value of each Performance Right to be issued to the Mr Lusted is as follows:

	Maximum Number of Performance Rights-under the 2025 LTI Award	Valuation per Performance Right
Tranche 1 – Service condition	125,714	A\$0.009
Tranche 1 – ATSR hurdle	502,857	A\$0.0072
Tranche 2 – Service condition	251,429	A\$0.009
Tranche 2 – ATSR hurdle	1,005,714	A\$0.0070
Tranche 3 – Service condition	502,857	A\$0.009
Tranche 3 – ATSR hurdle	2,011,429	A\$0.0063
Total	4,400,000	

Estimated Value of the proposed 2025 LTI Award Performance Rights	Ian Lusted (or his nominee(s)) A\$
Tranche 1	\$4,752
Tranche 2	\$9,303
Tranche 3	\$17,198
Total	\$31,253

Any change in the variables applied in the Analytical Model and the Monte Carlo calculation between the date of the valuation and the date the Performance Rights are issued would have an impact on their value.

ANNEXURE C – SUMMARY OF 2025 LTI AWARD AND TERMS OF THE PERFORMANCE RIGHTS

The 2025 LTI Award

Resolution 4 seeks Shareholder approval for the issue of the following Performance Rights to Mr Ian Lusted or his nominee(s) pursuant to the 2025 LTI Award:

Director	Number of Performance Rights
Ian Lusted (or his nominee(s))	4,400,000

The proposed issue of Performance Rights to Mr Ian Lusted or his nominee(s) in respect of the 2025 LTI Award will, subject to the satisfaction of the Vesting Conditions and performance hurdles (described below) vest in 3 tranches over a 3-year period as follows:

Tranche	Vesting Period	Vesting Date	Number of Performance Rights vesting
Tranche 1	1 January 2025 to 31 December 2025	31 January 2026	Up to 1/7 th of the total 2025 LTI Award Performance Rights
Tranche 2	1 January 2025 to 31 December 2026	31 January 2027	Up to 2/7 th of the total 2025 LTI Award Performance Rights
Tranche 3	1 January 2025 to 31 December 2027	31 January 2028	Up to 4/7 th of the total 2025 LTI Award Performance Rights

Service-based Vesting Condition

For the 2025 LTI Award the Board has determined that:

- Mr Lusted – Subject to Mr Lusted remaining in the employment of the Company throughout all Vesting Periods, 20% of the relevant tranche of a 2025 LTI Award will vest on the relevant vesting date and 80% of the relevant tranche of a 2025 LTI Award will vest on the relevant vesting date subject to the achievement of the performance hurdles set out below.

Performance hurdle

Absolute total shareholder return performance target

Up to 80% (for Mr Lusted) of the relevant tranche of the 2025 LTI Award will vest on the relevant vesting date subject to remaining in the employment of the Company throughout the relevant test period and subject to the Australis share price achieving an increase in accordance with the following vesting schedule dependent on the Company's absolute total shareholder return (**ATSR**) performance measure, being the increase from the Company's VWAP for December 2024, of A\$0.0086, to the Company's VWAP for the month of December prior to the vesting date for the relevant tranche.

ATS ATSR per share increase compared to December 2024 VWAP A\$0.0086	Dec 24 VWAP up to 120%	120% < 150%	150% to <200%	200% to <250%	250% to <300%	300%+
Vesting Date						
31 January 2026	0%	40%	60%	80%	100%	100%
31 January 2027	0%	20%	40%	80%	100%	100%
31 January 2028	0%	10%	20%	60%	80%	100%

Retest

The 2025 LTI Award incorporates a retest facility whereby any Performance Rights that do not vest on the tranche 1 and/or tranche 2 vesting dates pursuant to the ATSR performance target will be retested at the tranche 3 vesting date in accordance with the tranche 3 performance hurdles.

Change of Control

In the event of a change of control event all unvested Performance Rights vest.

Change of Control Event occurs where:

- (a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
- (a) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (b) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (c) any Group Company enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; or
- (d) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies.

Terms of the Performance Rights

The terms of the Performance Rights are as follows:

Issue price

- (a) Each Performance Right will be issued for nil cash consideration.

Rights

- (b) The Performance Rights do not carry any voting rights in the Company.
- (c) The Performance Rights do not entitle the holder to any dividends.
- (d) The Performance Rights do not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (e) The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) The Performance Rights do not confer the right to participate in new issues of securities such as entitlement issues. If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Performance Right before the record date for determining the entitlements to the bonus issue, the number of Shares which must be issued on the conversion of a Performance Right will be increased by the number of Shares which the holder would have received if the relevant Performance Right had converted before the record date for the bonus issue.
- (g) If at any time the issued capital of the Company is reorganised, the Performance Rights are to be treated in the manner set out in Listing Rule 7.2 (or other applicable Listing Rule), being that the number of Performance Rights or the conversion ratio or both will be reorganised so that the holder of the Performance Rights will not receive a benefit that holders of Shares do not receive and so that the holders of Shares will not receive a benefit that the holder of the Performance Rights does not receive.
- (h) The Performance Rights give the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

Vesting and exercise

- (i) Subject to these terms, once vested, each Performance Right may be exercised to convert into one Share. The Performance Rights may be exercised by the Participant delivering to the Company Secretary the certificate for the Performance Rights and a notice of exercise in a form approved by the Board signed by the Participant.
- (j) The Company must issue or transfer Shares into the name of the Participant (or its nominee(s)) within 15 days of delivery of the documents referred to in (i) above.
- (k) Each Share issued or transferred on exercise of a Performance Right will rank equally with a fully paid ordinary share in the capital of the Company.
- (l) The Performance Rights will not be quoted on any securities exchange and the Company will not make an application for quotation in respect of them. However, application will be made to ASX for official quotation of any Shares issued pursuant to the exercise of the Performance

Rights, to the extent required by Listing Rule 2.4 if the Company is listed on the ASX at the relevant time.

- (m) A vested Performance Right can be exercised either:
- a. during the 10 ASX Trading Days following the release of either:
 - i. The first or third quarters activities report,
 - ii. The half yearly financial report
 - iii. the annual audited financial statements
 - b. the 10 ASX Trading Days prior to the expiry date being 2 years from vesting, or
 - c. within 10 ASX Trading Days of receiving approval from the Chair.

Expiry

- (n) If a Vesting Condition is not satisfied on or before 31 January 2028, the relevant Performance Rights will immediately and automatically lapse. If a vested Performance Right is not exercised on or before 31 January 2030, the relevant Performance Right will immediately and automatically lapse.

Transferability

- (o) The Performance Rights are not transferable. The Board has determined that no approval for the transfer of the Performance Rights will be granted.

Compliance with Corporations Act, Listing Rules and Constitution

- (p) Despite anything else contained in these terms and conditions, if the Corporations Act, Listing Rules or Constitution prohibits an act being done, that act must not be done.
- (q) Nothing contained in these terms and conditions prevents an act being done that the Corporations Act, Listing Rules or Constitution require to be done.
- (r) If the Corporations Act, Listing Rules or Constitution conflict with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.
- (s) The terms of the Performance Rights may be amended as necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms, provided that rights and entitlements in respect of any Performance Rights issued before the date of the amendment shall not be reduced or adversely affected without the prior written approval from the affected Participant.

PROXY FORM

AUSTRALIS OIL & GAS LIMITED
ABN 34 609 262 937

Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse side of this page. I/We _____ of _____, being a Shareholder/Shareholders of Australis Oil & Gas Limited, pursuant to my/our right to appoint not more than two proxies, appoint:



The Chair of the Meeting
 (mark with an "X")

OR

Write here the name of the person you are appointing if this person is someone other than the Chair of the Meeting.

Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (or if no proxy is specified above), the Chair of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held at REIWA Building, Conference Room 2, Level 1, 215 Hay Street, Subiaco, Western Australia 6008 and at any adjournment of that Meeting.

This proxy is to be used in respect of _____% of the ordinary Shares I/we hold.

Voting directions to your Proxy

Important for Resolutions 1, 4, and 5– If the Chair of the Meeting is your proxy or is appointed as your proxy by default.

Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolutions **1, 4 and 5** (except where I/we have indicated a different voting intention) even though Resolutions **1, 4 and 5** are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair of the Meeting.

The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolutions 1 to 6 (inclusive).

RESOLUTION	For	Against	Abstain*
1. Non-binding Resolution to adopt Remuneration Report The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Jonathan Stewart as a Director The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Steve Scudamore AM as a Director The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Performance Rights to Mr Ian Lusted or his nominee(s) The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Equity Securities Under the Australis Oil and Gas Limited Employee Equity Incentive Plan The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Renewal of proportional takeover provisions The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

**If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

If executed by a company, executed in accordance with section 127 of the *Corporations Act 2001* (Cth):

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director/Company Secretary

Date: _____ / _____ 2025

_____ **Contact Name**

_____ **Contact Business Telephone/Mobile**

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. If a proxy, other than the Chair, cannot attend or is not admitted to the Meeting, the Chair will become the proxy. In this circumstance, the Chair will be directed by the voting preferences (if any) provided in the Proxy Form.
2. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder’s voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a Shareholder of the Company.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.
5. Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

6. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of Attorney: If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this Proxy Form must be signed by that person.

If the company (pursuant to section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this Proxy Form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

7. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 11:00 AM (AWST) on 20 May 2025 (48 hours before the commencement of the Meeting). Any Proxy Form received after that time will not be valid for the scheduled Meeting.

By mail: Ground Floor, 215 Hay Street, Subiaco, Western Australia

By fax +61 (0) 8 9220 8799

By email contact@australisoil.com