ASX Announcement
For Immediate Release

2 May 2023

Chairman's Address and Company Presentation Material 2023 Annual General Meeting

Please find attached to this document a copy of the Chairman's address and the presentation that will be provided by Australis Oil & Gas Limited today at its Annual General Meeting.

This ASX announcement was authorised for release by the Australis Disclosure Committee.

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Chairman's Address – 2023 Annual General Meeting

Thank you very much to those of you in attendance today at the AGM of Australis Oil & Gas and thank you to those listening and or watching online.

The timeframe for delivery of the returns we seek for investors has been longer than we anticipated. We have discussed previously the influencers in this regard. The key question today is can we deliver value going forward? Our response is unequivocally yes! We believe our assets of currently producing reserves and a large undeveloped onshore USA oil position are valuable and very much required in a market with reducing quality inventory. We currently see improving demand for assets with strong economic fundamentals, an attractive location and short lead time for development.

Improved oil prices during the past year or so have not seen the historic response from the industry in terms of commitment to exploration and new project evaluation. Rather, investor driven demand for returns of cash from oil companies have seen low levels of new capital committed to oil exploration. The result has and will be a tightening of inventory available for future drilling.

The invasion of the Ukraine by Russia, the prolonged war and the consequent sanctions and dislocation have added to supply concerns and delivery complications. Oil demand has improved and as a result we have reasonable oil prices and, expectation of higher oil prices for longer. We expect that higher levels of confidence in future oil pricing and reducing inventory levels will translate to increased demand for quality development opportunities with ready inventory of oil, such as that which we hold.

Maintenance of our ownership and control of our key asset has remained your Board's focus with a view to securing third party engagement. This third-party engagement is likely to take several shapes over the next period to generate additional activity within our acreage and the broader play. We have continued to discuss cooperation scenarios with several third-parties and will continue to report progress as and when appropriate.

We are grateful for your patience in the realisation of our objectives and urge you to stay the course. We will continue to work hard to deliver the value we see in our asset base.

On behalf of the Board and shareholders, I would also like to thank our management and employees both in Australia and the US who have again shown considerable commitment, professionalism and skill during the past year. The executive team and staff have continued to execute operations efficiently and safely.

We remain optimistic that the coming year will be one of material progress.

Thank you

Jon Stewart
Chairman

ASX: ATS

2023 AGM Presentation

02 May 2023

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Monetary values: Unless otherwise stated, all dollar values are in United States Dollars (US$). The information in this presentation remains subject to change without notice.

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2022 ESG and Financial results

ESG summary - 2022

Australis reported another year of safe operations and reduced emissions

- Strong safety culture led by field operations resulted in another exemplary performance with no safety incidents over 4,832 workdays.
- Proactive Safety Observation Suggestion (SOS) program continues to operate effectively and the key tool to maintain culture.
- Another strong environmental performance, two small reportable oil leaks (1 bbl and 2.5 bbls) during the year with no volumes released off the production pads.
- Reported Scope 1 and Scope 2 emissions under TCFD framework in 2021 & 2022.
- Scope 1 emissions largely due to gas flaring – field total 0.79 mmscf/d over 20 separate locations.
- Piloting power generation for use during field development phase.
- Full field development offers opportunities to reduce gas emissions through export or onsite utilisation.

Employee Safety Performance

	2022	2021
Near Miss	0	0
First Aid	1	0
OSHA Reportable	0	0
Lost Time Incidents	0	0
Hours worked	38,657	40,501

Environmental Performance

	2022	2021
Non reportable spill[A]	4	1
Reportable spill[A]	2	1
Oil volume spilled within containment (bbls)	1.6	135
Oil volume spilled outside containment (bbls)	3.7	0.4
Produced water spilled (bbls)	0	0
Scope 1&2 emissions (mt CO_2e)[B]	27,300	31,100
Scope 1&2 intensity (mt CO_2e/boe)[B]	0.070	0.066

A. Reportable threshold > 1bbl oil and/or >5 bbls produced water
B. Minor change to Annual Report based on final EPA submission

AUSTRALIS OIL & GAS

Fiscal summary 2022

Strong 2022 fiscal performance continues to support strategic objectives

- Strong fiscal results during 2022
- Net Debt reduced to $4.2 million at 31 December 2022
- Producing wells independent value YE22 US$82 million (NPV10)[2]
- 2022 field netback of US$12.1 million

Financial results

	Units	2022
Sales Volume	Bbls	347,000
Average Realised Price[A]	US$/bbl	96.6
Average Achieved Price[B]	US$/bbl	81.0
Sales Revenue (post hedges)	US$MM	28.4
EBITDA	US$MM	6.1
Cash Balance (period end)	US$MM	7.8
Total Debt (period end)	US$MM	12

- Conservative hedge position converting to WTI collars giving more exposure to upside whilst continuing to protect downside.

Hedge Position from end Q1 2023

	WTI Swaps		WTI Collars		
	Volume (Mbbls)	Swap Price (US$/bbl)	Volume (Mbbls)	Protected Price (US$/bbl)	Ceiling Price (US$/bbl)
Q2-Q4 2023	31	$66	54	$56	$78
2024	24	$67	38	$57	$83
2025	12	$65	17	$50	$80

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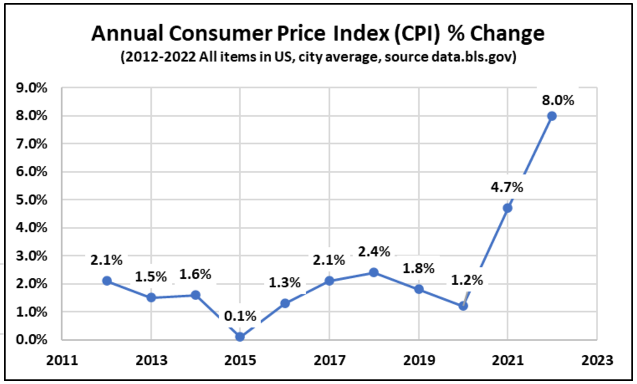
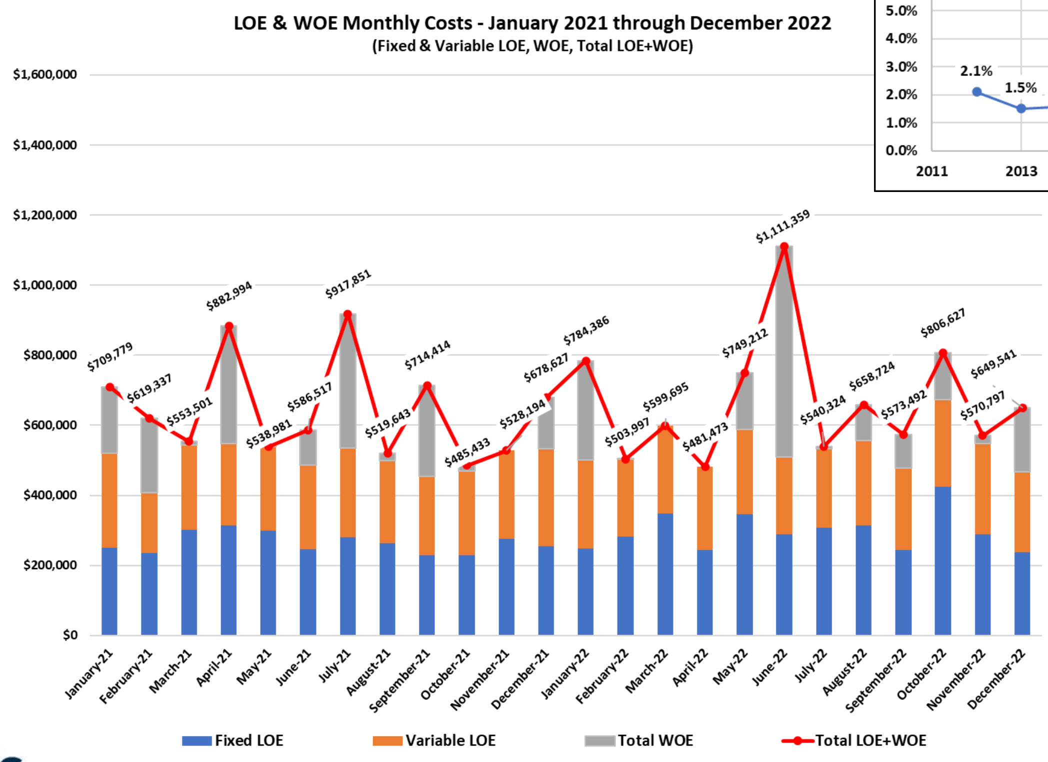
A. Average oil sales price realised by Australis
B. Average oil price achieved by Australis after the effects of hedging

2022 Operating Costs

Our focus has been on operated costs

- Australis as a small operator, active in an area remote to the major oil field service centers and with steeply rising industry costs – see CPI plot.
  - Overall Opex has been maintained through 2021 – 2022.
  - Reduction in workover frequency has been key, but also sought to minimize impact of industry costs.
  - Have increased inventory of critical path spares





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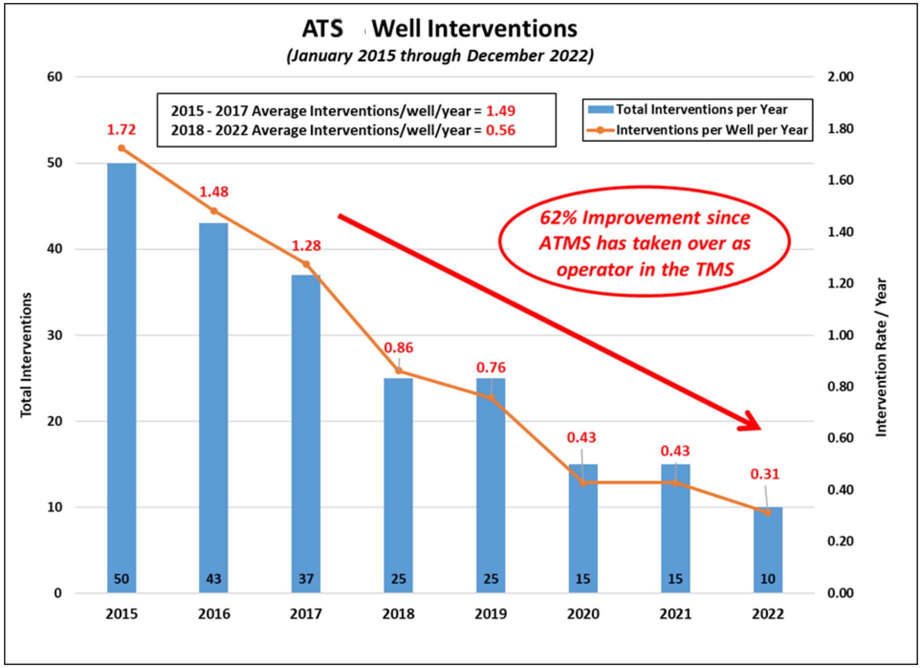
Driving down workover frequency

Driving down well workover frequency – key to extending field life and reducing operating costs

- Workover costs are a significant portion of the Australis operating budget
- Workover frequency has been a key focus for the operations team over past 6 years to extend completion run times before intervention is necessary, actions taken have included
  - Optimisation of chemical treatment program
  - Improved operating procedures to limit wear on completion equipment
  - Changes in completion design to promote both productivity and length of service
  - Improved workover procedures
- The results have been dramatic, as can be seen in the chart



TMS Asset Description

The Tuscaloosa Marine Shale (TMS)

Australis believes that the TMS is one of the last discovered, delineated but undeveloped quality unconventional oil play remaining in the Lower 48.

- Large depositional area in Louisiana and Mississippi
- Historically well known as a source rock with multiple associated conventional development in area
- First tested as an unconventional opportunity in ~2010 with variable results
- Continued appraisal activity defined a relatively small part of the overall play where consistent results indicated oil productivity on par with the best parts of much more established plays
- Drilling activities showed clear progress in costs and execution efficiency
- Oil price drop in 2014 created opportunity for Australis with incumbent participants all requiring debt restructuring or bankruptcy filings
- Australis targeted TMS because
  - Core area results indicated tier 1 well productivity as good as established basins/plays
  - A low entry cost (due to an uncompetitive environment) equated to a minimal finding cost
  - Allowed a material contiguous position, entirely within the delineated core to be built
  - Not exploration, a low risk exposure with compelling base case economics and significant upside

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Australis TMS Asset

An attractive opportunity that is increasingly relevant to an evolving industry

Asset with key value attributes

- ✓ Key attributes ensure play attractive
  - ➢ Proved oil deliverability over a long-time frame to define decline curves
  - ➢ Proximity to infrastructure and markets
  - ➢ Proactive regulatory environment and consolidated acreage ideal for full field development
  - ➢ Low royalty rates improve well economics
  - ➢ Early in optimisation process provides multiple routes to further upside.
  - ➢ 120 MMbbls mid case recoverable estimate

Strategic opportunity for US Oil Sector

- ✓ A delineated but undeveloped quality oil play is very scarce onshore in the USA
- ✓ Existing established unconventional oil plays are increasingly mature – quality future drilling locations harder to find or tightly held
- ✓ Continuing low levels of capital investment by industry – supply constraints with recovering demand
- ✓ Record cash generation and low industry leverage
- ✓ Pressure increasing on executives to secure quality inventory to maintain production, cashflow and shareholder returns

Value & Monetisation

- ✓ Maintain TMS ownership, scale and control
- ✓ Field activity by Australis and others raising interest and profile
- ✓ Secure a partner to apply next phase of development capital to unlock value on Australis acreage

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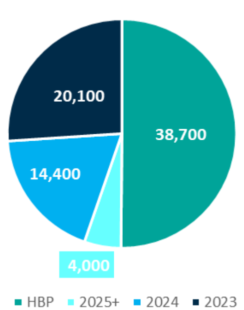
Strategic Position with Scale in TMS Core

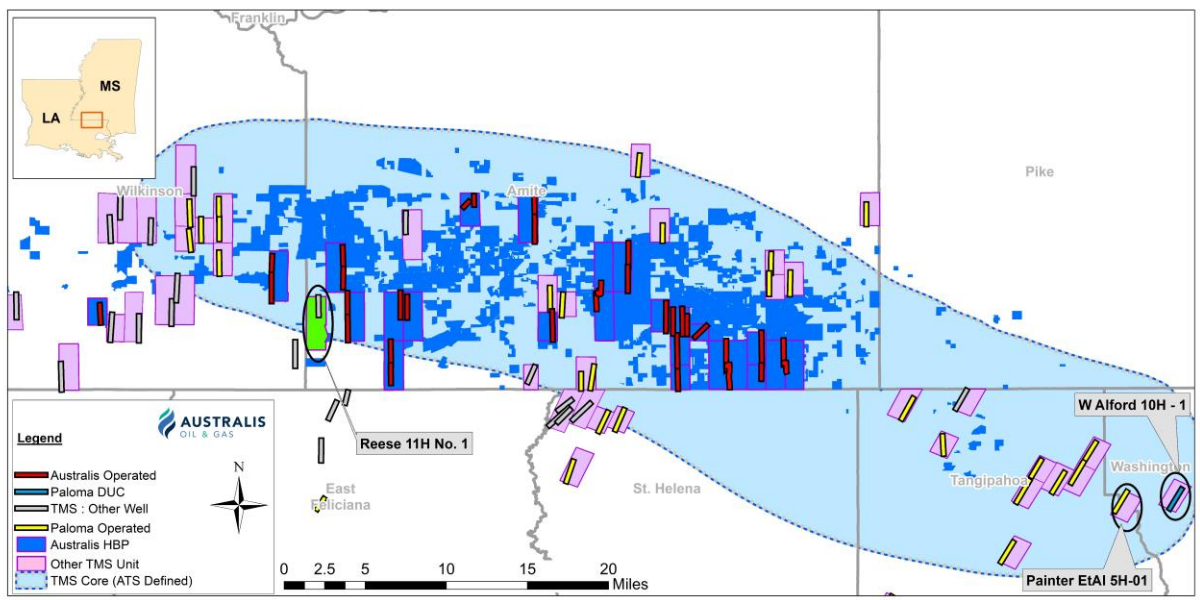
Australis controls the core area and is largest lease holder

- **Large contiguous land position** in the TMS Core with ~77,200 net acres (none on federal lands) providing strategic control and operational benefits
  - Limits new entrants acquiring large blocks in Core
  - ATS has unique experience in leasing and accumulated an invaluable land database
- **Ideal geography** in Gulf of Mexico, with proximity to midstream infrastructure and refineries (<50 miles)
- **Development flexibility –** large production units, favourable field rules and opportunity to take new 5 year leases
- **Significant inventory -** 280 net well locations
- **Opportunity to grow acreage position -** additional 100,000 acres has been identified; Australis positioned to act swiftly to implement a focused acquisition campaign

TMS Asset Profile Mississippi and Louisiana, USA	
Net Acres	~77,200 (38,700 HBP)
Producing Wells	31 operated 17 non-operated
Net well locations	~280

Acreage Expiry Profile
31 Mar 2023

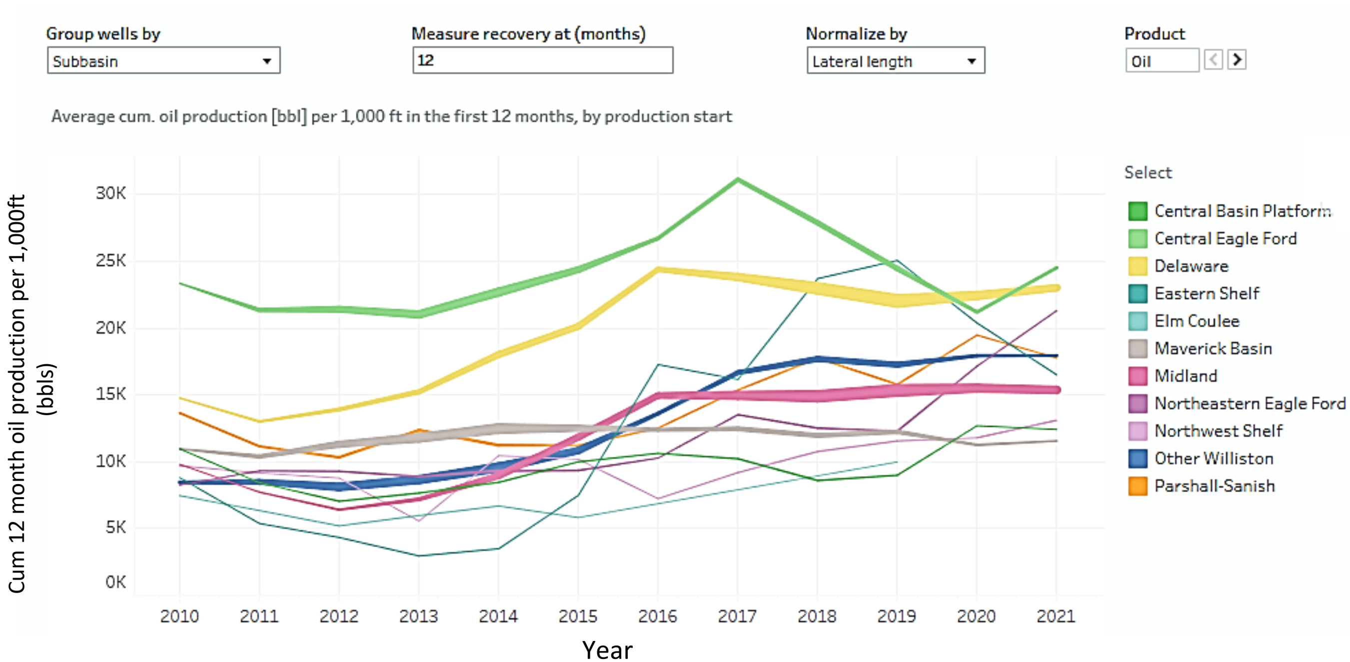




How does the TMS compare?

NoviLabs play comparison chart

The three key oil plays have seen improvements in recovery over time although productivity has varied



- Data taken from the three US tight oil basis, each producing over 0.5 mmbbls/d. They account for almost 85% of the US tight oil production with over 85,000 wells on production
- Chart above shows well productivity over time in various sub-areas of the three key basins, line thickness is a measure of well count
- The Delaware and Midland have had the most wells drilled since 2016 and can be seen as having plateaued
- The Eagle Ford peaked in 2017 but has now reduced to similar performance to the Delaware, but the well count is lower
- The next thickest line is the Williston, similarly to the primary Permian this too has been flat since 2017
- Several smaller and discrete areas have had fluctuations, but the well count in these areas is low

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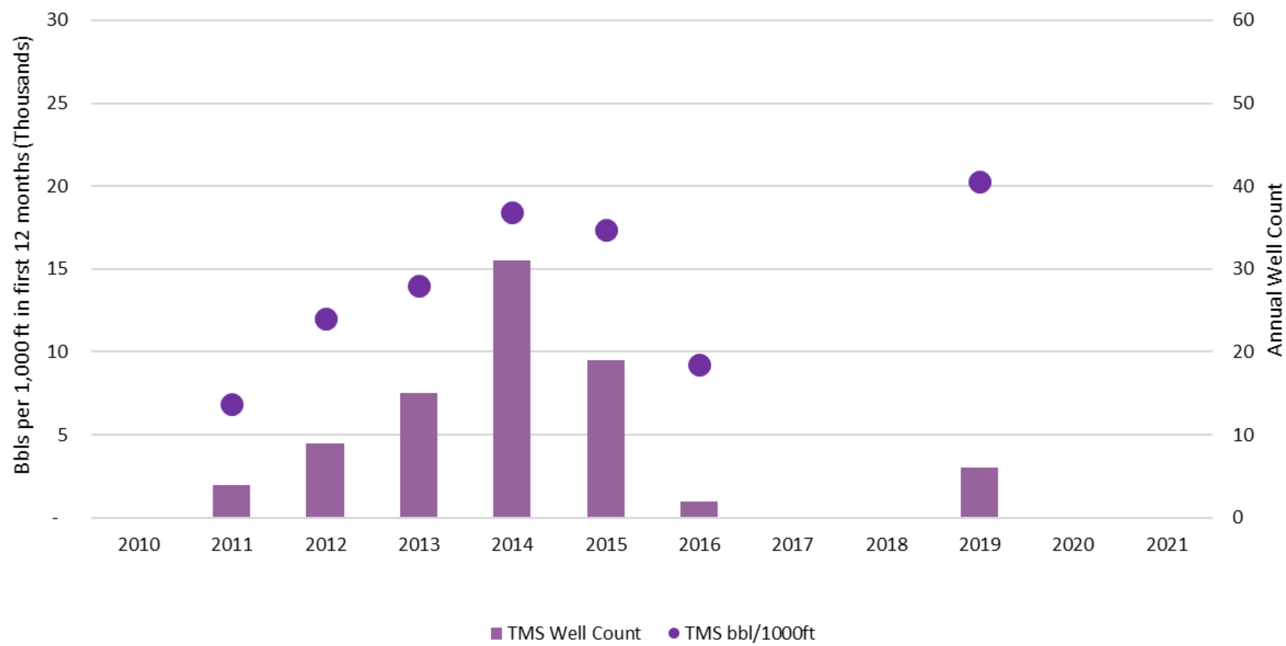
Source: Novilabs report "The State of the Shale Oil & Gas. The Permian, Eagle Ford and Williston Q3 2022" published October 2022

TMS Development and Performance

TMS development activity level is much lower but if represented in a similar way would look as follows



- A total of 90 wells have been drilled in the TMS, highest activity levels in 2014 when 31 wells were brought on to production
- The chart shows all 90 wells, some of which were in the wrong area, wrong horizon and include various completion designs
- 2011 – 2014 saw a clear improvement in well productivity as TMS Core was identified and well/completion design optimised
- 2015 included 6 wells completed by Goodrich using 1st generation dissolvable plugs for the frac, poor isolation led to inefficient stimulation and lower productivity on these wells. Despite 1/3rd of the completed wells in this period being affected, the average productivity was effectively flat
- 2016 consisted of just 2 Halcon DUC wells, completed whilst the company was in Chapter 11. Smaller low cost fracs were deployed
- 2019 data is from the Australis operations, which utilized the 2014 Encana frac design and encountered some operational challenges yet exceeded the 2014 performance

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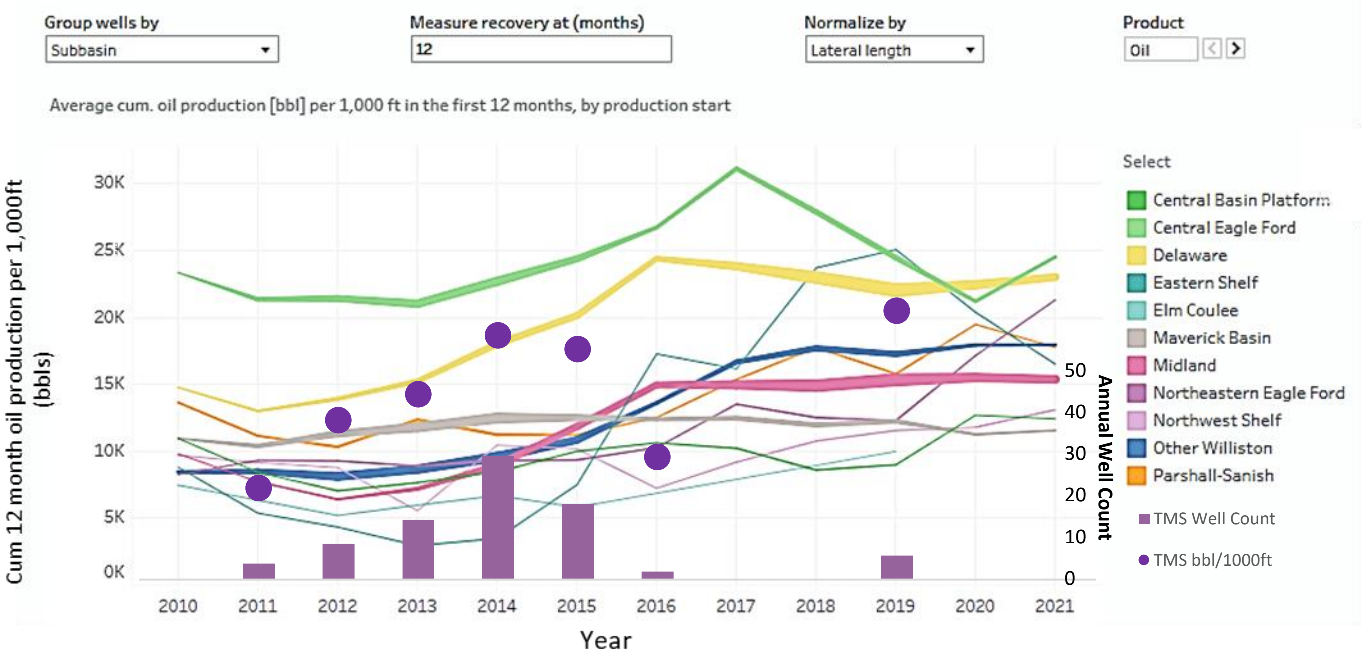
Source: Novilabs report "The State of the Shale Oil & Gas. The Permian, Eagle Ford and Williston Q3 2022" published October 2022

NoviLabs comparison chart with the TMS

Compare TMS to NoviLab analysis of other plays – TMS is Tier 1 productivity!



- Overlay of two charts – note this is still the data for all 90 TMS wells drilled to date (including wells outside the now known TMS Core)
- Between 2012 – 2015 TMS was in the top 3 areas in US lower 48
- The DUCs in 2016 were anomalies – small fracs and one was outside the TMS Core
- 2019 ATS wells, despite challenges associated with an initial drilling program, were on par with Delaware and comfortably the 3rd best performing area in the US – note this is still using the 2014 frac design
- Note that Novilabs have actually split the three key oil plays into 11 areas. The TMS also has a clearly defined TMS Core which is the sole focus of Australis's acreage position

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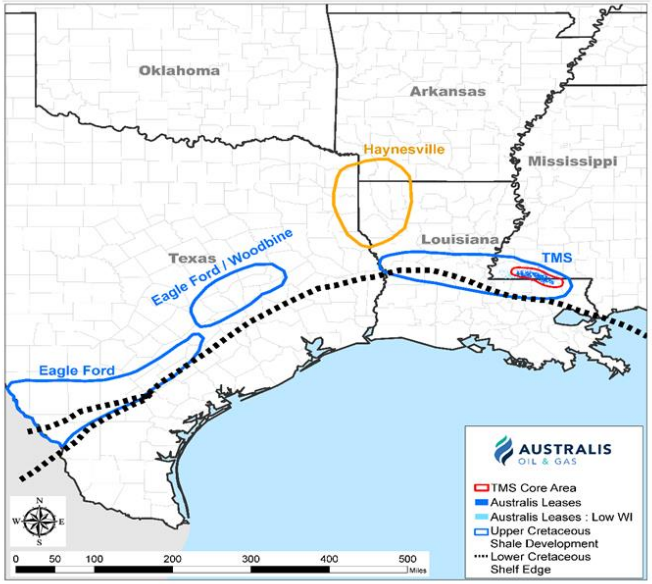
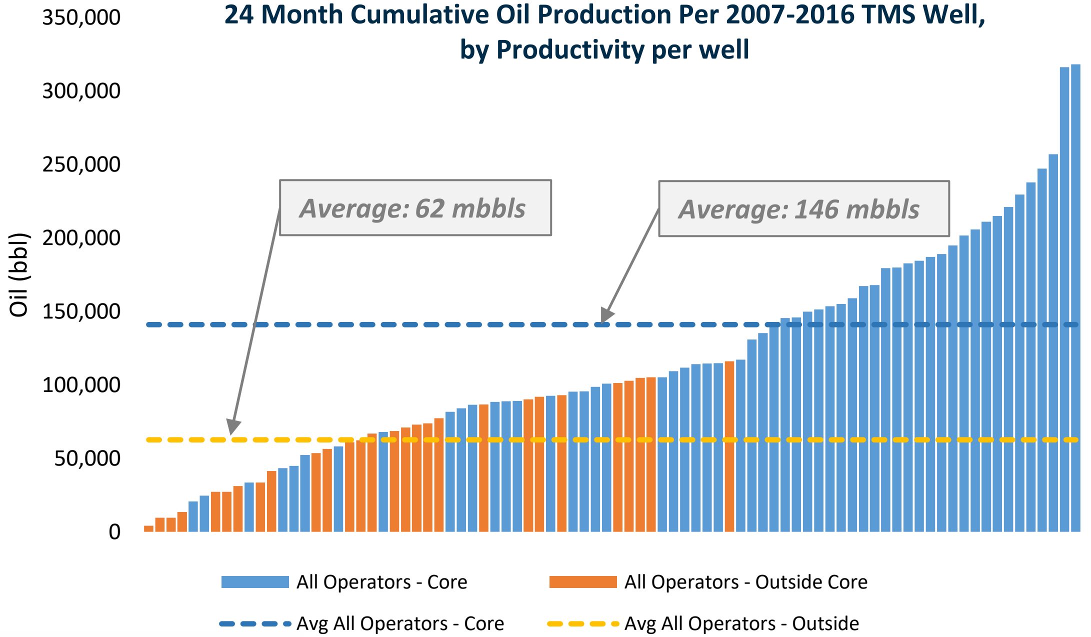
Source: Novilabs report "The State of the Shale Oil & Gas. The Permian, Eagle Ford and Williston Q3 2022" published October 2022

TMS Well Performance – Core vs Non Core

The TMS has a Tier 1 productivity defined Core area with significantly improved and consistent performance.

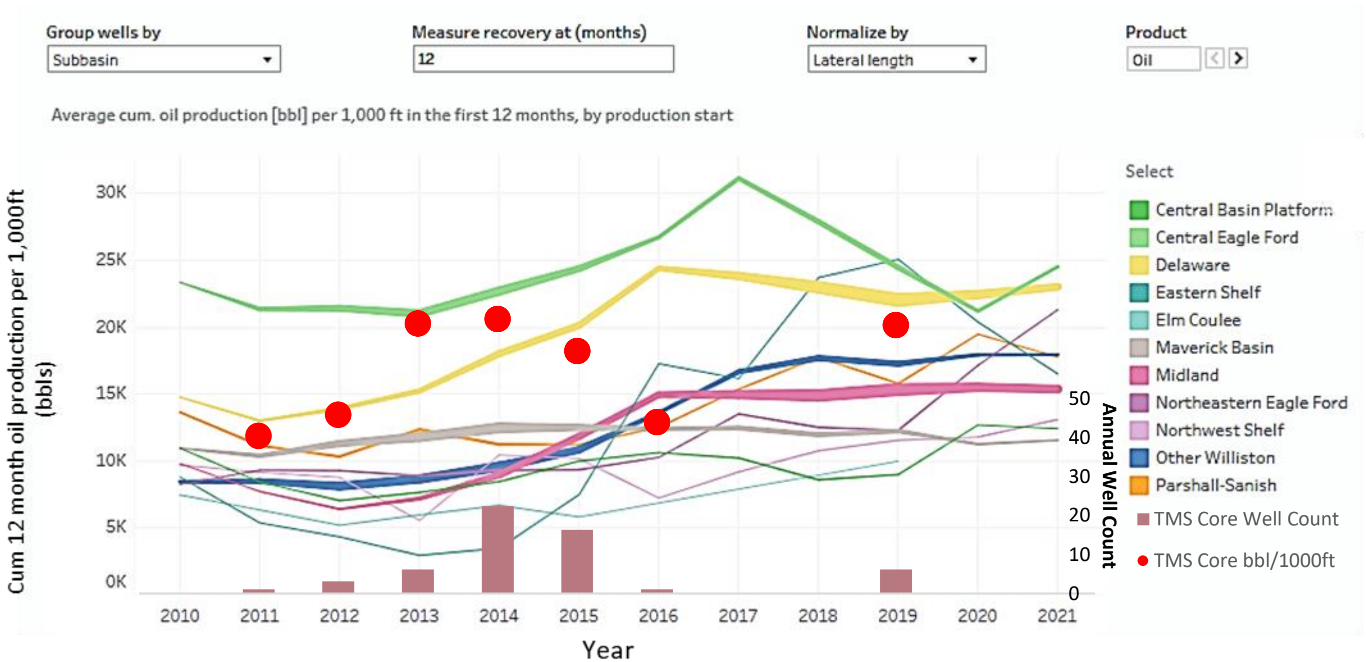
- Map on the right shows the full depositional areas of key gulf coast unconventional plays
- The TMS extends over 14 million acres in central Louisiana and SW Mississippi
- The TMS Core, shown by red oval, represents ~ 5% of greater TMS area
- Graph below shows the productivity of all wells drilled in greater TMS area and comparative performance (in blue) of those inside the TMS core





NoviLabs comparison chart with TMS Core area

Compare TMS Core to Novalaps' analysis of other plays



- Have now taken a subset of the TMS wells and compared to the Novalabs analysis
- This is the data for the 62 TMS Core wells
- All of the TMS well points have moved up, other than the 2019 ATS wells (as all targeted in the TMS Core)
- In 2013/14 the TMS Core wells were the second best performing play and if the 2015 Goodrich dissolvable plug wells were removed, then that year too would be in the same category
- The 2019 data utilized 2014 vintage frac design and is therefore not representative of the best practice evolution in the interim period. Note: The figure plotted is 20,262 bbls/1000ft in the first 12 months

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Source: Novilabs report "The State of the Shale Oil & Gas. The Permian, Eagle Ford and Williston Q3 2022" published October 2022

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Update on Business Development & US Industry

Australis strategy

The business strategy for Australis has been consistent since IPO

Identify a target unconventional oil asset with key characteristics → Secure a material position in asset at a low entry price → Repackage asset to demonstrate underlying value → Secure a partner to fund further field activity → Seek to monetise value for shareholders

Step 1 | Step 2 | Step 3 | Step 4 | Step 5

Steps 1 – 3 have been successfully completed. Since COVID and the ensuing oil price recovery in 2021, Australis has been seeking to achieve Step 4, ie a partner for the play. The industry backdrop to these efforts has been driven by two conflicting themes

1. Shareholders have forced public companies to focus on returns rather than growth, which has led to a concentration on existing assets with M&A activity being almost exclusively limited to low risk, return accretive purchases in and around existing areas of operation
2. The US oil production growth and the associated positioning as the global swing producer has been entirely due to the unconventional industry. The asset base of that industry is increasingly mature with limited options for inventory replenishment from within the established lower risk plays

As reported in previous ASX communications, the ability of industry participants to adhere to theme #1 above is being compromised by theme #2 which will ultimately drive industry participants to consider earlier stage opportunities such as the TMS.

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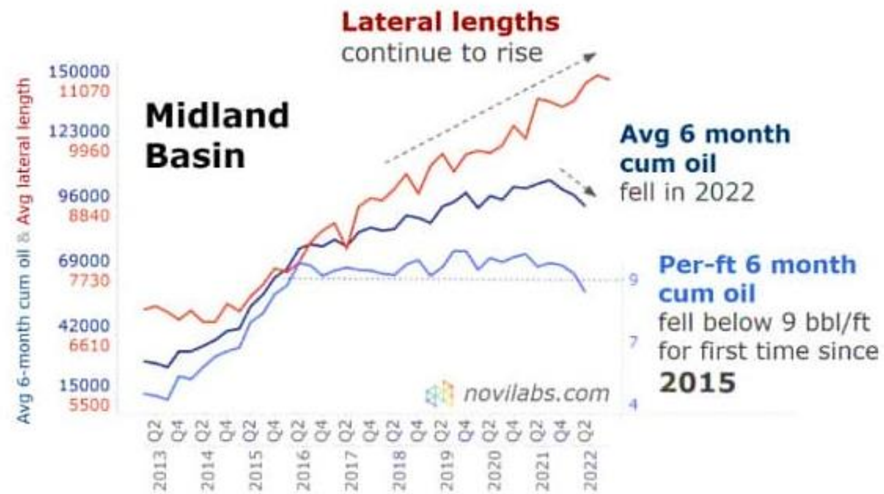
Diminishing well performance analysis of Permian (Midland) Basin

Even the very biggest plays are increasingly mature

- The chart opposite was generated by Novi labs.
- Shows the average performance of all wells drilled in the Midland Basin
- As can be seen, the average length of wells has increased year on year
- The cumulative 6 month oil production has increased on a lower trajectory, with a decline in 2022
- The cumulative 6 month oil production per foot has been flat since 2016 and has recently (18 months) started a downward slope



Graph courtesy of Novi Labs, Ted Cross

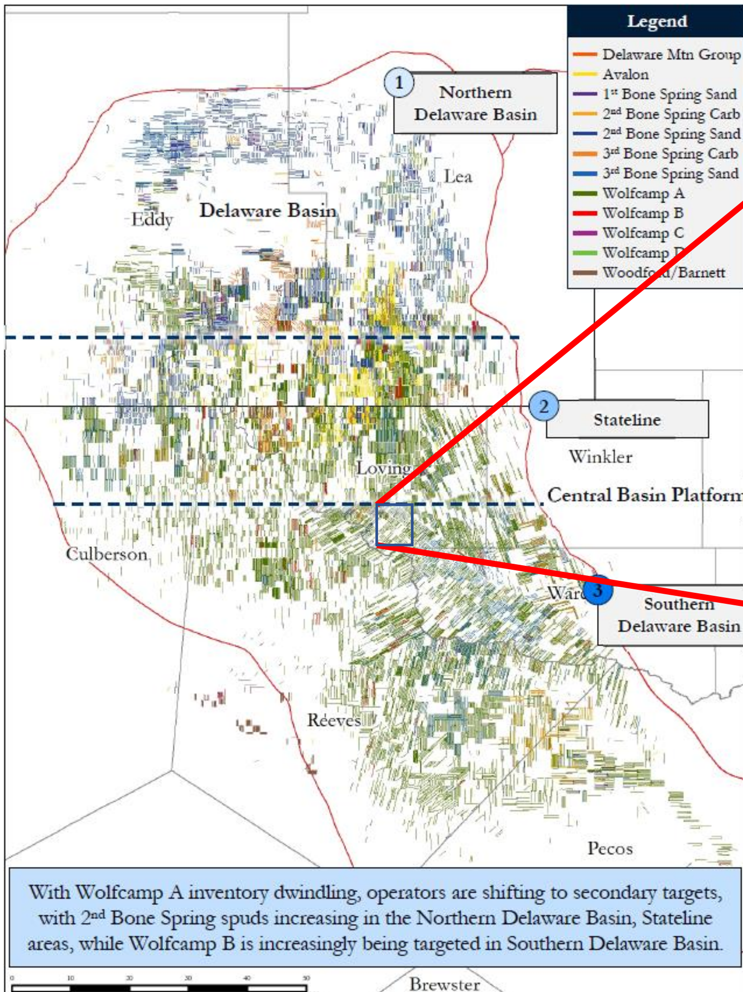
"Productivity hit a plateau from 2017 to 2019. Then in the first half 2022, underlying rates crystallized well below pre-pandemic levels at a rate more sudden than we had contemplated" Bob Brackett, Bernstein Research

"There's going to be a point at which the US needs to produce more because the market is going to demand it. That's probably when investor sentiment shifts to growth." Dan Pickering, CIO Pickering Energy Partners

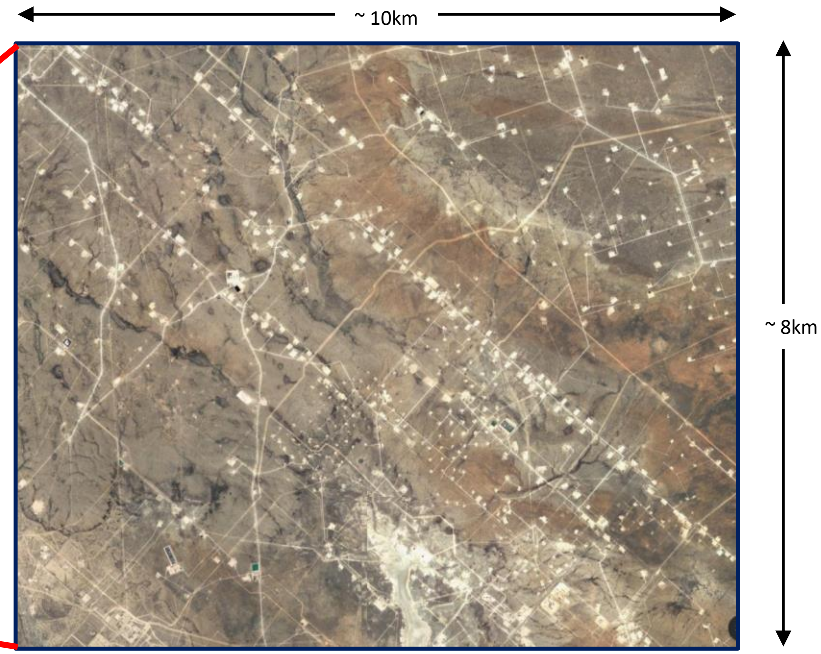
"I think it's one of the issues the U.S. is going to grapple with. The Permian probably does start to plateau later this decade." Ryan Lance, CEO ConocoPhillips

How developed are these mature plays?

Delaware Basin (Permian) development status



Courtesy of Detring Energy Advisors



Courtesy of Google Earth

- The map opposite is taken from an April 2023 presentation pack by Detring Energy Advisors.
- It shows the development status of the Delaware Basin
- For those not familiar with full field development then the Google Earth snapshot of a small part of the basin shows the density of wells and the strips of surface locations with horizontal wells drilled in between.

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Summary

Although it has taken patience as time frames have extended, Australis is in a unique position to create value

2022 Results

Fiscal

- Sales 347,000bbls
- Netback $12.1mm
- EBITDA $6.1mm
- Profit $2.0mm

EHS

- 0 Recordable Injuries
- 2 Minor Reportable Spills
- 0.070 mt CO2e/boe

Asset

- ~77,200 net acres (280 net locations) with material upside linked to Core acreage leasing
- Comparable Tier 1 productivity to the well established plays, despite early stage play status
- 120 MMbbl 2P+2C recoverable oil (39 – 41 API)
- Low royalties with supportive field rules for development
- Infrastructure capacity and access

Industry

- Increasing maturity of established plays
- Forcing inventory deficient companies to consider alternative early stage plays

Footnotes

1. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2022 and generated for the Australis concessions to SPE standards. See ASX announcement released on 9 February 2023 titled “Reserves and Resources Update Year End 2022”. Australis is not aware of any new information or data that materially affects the information included in the referenced announcement and all the material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. Ryder Scott generated their independent reserve and contingent resource estimates using a deterministic method which is based on a qualitative assessment of relative uncertainty using consistent interpretation guidelines. The independent engineers using a deterministic incremental (risk based) approach estimate the quantities at each level of uncertainty discretely and separately.
2. Updated PDP NPV(10) of US$82 million uses the PhDWin model created by Ryder Scott for the PDP year end 2022 estimates[1] with an oil price assumption based on the average price for the first day of the preceding 12 months of US$95.80, consistent with both SPE and ASX guidelines. Australis is not aware of any new information or data that materially affects them. The PDP NPV(10) reflects project economics only and does not include the effects of existing or future hedging.

Glossary

Unit	Measure	Unit	Measure
B	Prefix - Billions	bbl	Barrel of oil
MM or mm	Prefix - Millions	boe	Barrel of oil equivalent (1bbl = 6 mscf)
M or m	Prefix - Thousands	scf	Standard cubic foot of gas
/d	Suffix - per day	Bcf	Billion standard cubic foot of gas

Abbreviation	Description
TMS	Tuscaloosa Marine Shale
TMS Core	The Australis designated productive core area of the TMS delineated by production history
WI	Working Interest
C	Contingent Resources – 1C/2C/3C – low/most likely/high
NRI	Net Revenue Interest (after royalty)
Net	Working Interest after deduction of Royalty Interests
NPV (10)	Net Present Value (discount rate), before income tax
HBP	Held by Production (lease obligations met)
EUR	Estimated Ultimate Recovery per well
WTI	West Texas Intermediate Oil Benchmark Price
LLS	Louisiana Light Sweet Oil Benchmark Price
Opex	Operating Costs
Capex	Capital Costs
PDP	Proved Developed Producing
PUD	Proved Undeveloped Producing
2P	Proved plus Probable Reserves
3P	Proved plus Probable plus Possible Reserves
D, C & T	Drilling, Completion, Tie In and Artificial Lift
G&A	General & Administrative
Royalty Interest or Royalty	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
Field Netback	Oil and gas sales net of royalties, production and state taxes, inventory movements, field based production expenses, hedging gains or losses but excludes depletion and depreciation.
EBITDA	Net loss / profit for the period before income tax expense or benefit, finance costs, depreciation, depletion, amortisation and impairment provision
Net Acres	Working Interest before deduction of Royalty Interests
IP24	The peak oil production rate over 24 hours of production
TMS Type Curve	The history matched production performance of 14 wells drilled in the TMS by Encana in 2014. Corresponds to an average treated horizontal length of 7,200ft.
IRR	Internal Rate of Return
NPT	Non Productive Time

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