ASX Announcement
For Immediate Release

14 May 2024

Chairman's Address and Company Presentation Material
2024 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 – 2024 Annual General Meeting

Welcome to the 2024 AGM of Australis Oil & Gas. Thank you to those in attendance today whether in person or online.

Last year I referenced the timeframe for delivery of the returns we seek for investors as being longer than expected. Unfortunately, I have to repeat that message, albeit not for want of effort from our team. Our CEO Ian Lusted will address activities and business development in more detail in his presentation following the procedural elements of the AGM.

During the past year we have sought to balance the maintenance of our ownership and control of our key asset with strict management of finances, whilst strategically remaining focused on securing third party engagement.

The level and nature of third-party engagement during the past year has been broad and consistently encouraging yet ultimately frustrating. We continue to discuss cooperation scenarios with several third-parties and will report progress as and when appropriate.

We are grateful for your patience in the realisation of our objectives. 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 like to thank our management and employees both in Australia and the US who during the past year have continued to demonstrate their commitment, professionalism and skill. Further, many within our team have been prepared to sacrifice remuneration with a view to ultimate corporate success. This is much appreciated. Our executive team and staff, even with reduced numbers, have continued to execute operations efficiently and safely.

We remain optimistic that the coming year will be one of progress and I can assure you that we will continue to work diligently towards our objectives on your behalf.

Jon Stewart
Chairman

ASX: ATS

2024 AGM Presentation

14 May 2024

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2023 ESG and Financial results

ESG summary - 2023

Australis reported another year of safe operations and reduced emissions

- Strong safety culture for field operators resulted in another exemplary performance with no safety incidents over 4,194 workdays.
- Proactive Safety Observation Suggestion (SOS) program continues to operate effectively and the key tool to maintain culture.
- Another strong environmental performance, one small reportable oil leak (~1.2 bbl) during the year with no volumes released off the production pads.
- Reported Scope 1 and Scope 2 emissions under TCFD framework in 2022 & 2023.
- Scope 1 emissions largely due to gas flaring – field total 0.67 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

	2023	2022
Near Miss	1	0
First Aid	0	1
OSHA Reportable	0	0
Lost Time Incidents	0	0
Hours worked	33,550	38,657

Environmental Performance

	2023	2022
Non reportable spill[A]	4	4
Reportable spill[A]	1	2
Oil volume spilled within containment (bbls)	0	1.6
Oil volume spilled outside containment (bbls)	1.2	3.7
Produced water spilled (bbls)	6	0
Scope 1 emissions (mt CO_2e)	21,591	26,000
Scope 1 intensity (mt CO_2e/boe)	0.069	0.064

A. Reportable threshold > 1bbl oil and/or >5 bbls produced water

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Fiscal summary 2023

Solid 2023 fiscal performance continues to support strategic objectives

- Strong fiscal results during 2023
- Net Debt at $4.2 million at 31 December 2023
- Producing wells independent value YE23 US$47 million (NPV10)[2]
- 2023 field netback of US$7.5 million

Financial results

	Units	2023
Sales Volume	Bbls	277,000
Average Realised Price[A]	US$/bbl	78
Average Achieved Price[B]	US$/bbl	75
Sales Revenue (post hedges)	US$MM	20.7
EBITDA	US$MM	1.0
Cash Balance (period end)	US$MM	3.8
Total Debt (period end)	US$MM	8

- Conservative hedge position adopted in Q1 2024 for next 24 months in line with debt coverage.

Hedge Position from end Q1 2024

	WTI Swaps		WTI Collars		
	Volume (Mbbls)	Swap Price (US$/bbl)	Volume (Mbbls)	Protected Price (US$/bbl)	Ceiling Price (US$/bbl)
Q2-Q4 2024	71	$71	42	$55	$84
2025	69	$67	24	$49	$81
2026	18	$62	0	na	na

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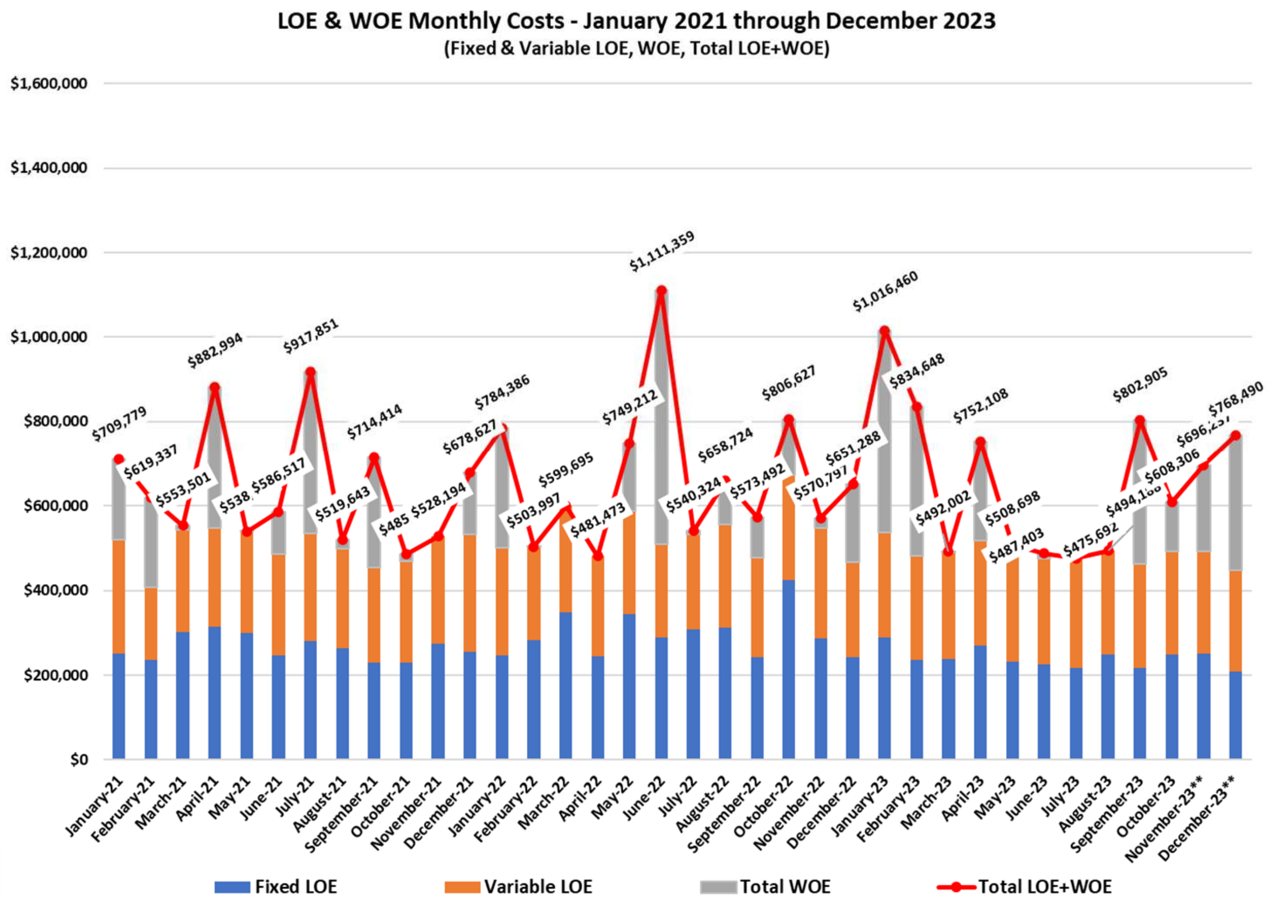
A. Average oil sales price realised by Australis
B. Average oil price achieved by Australis after the effects of hedging

2023 Operating Costs

Our focus has been on operated costs

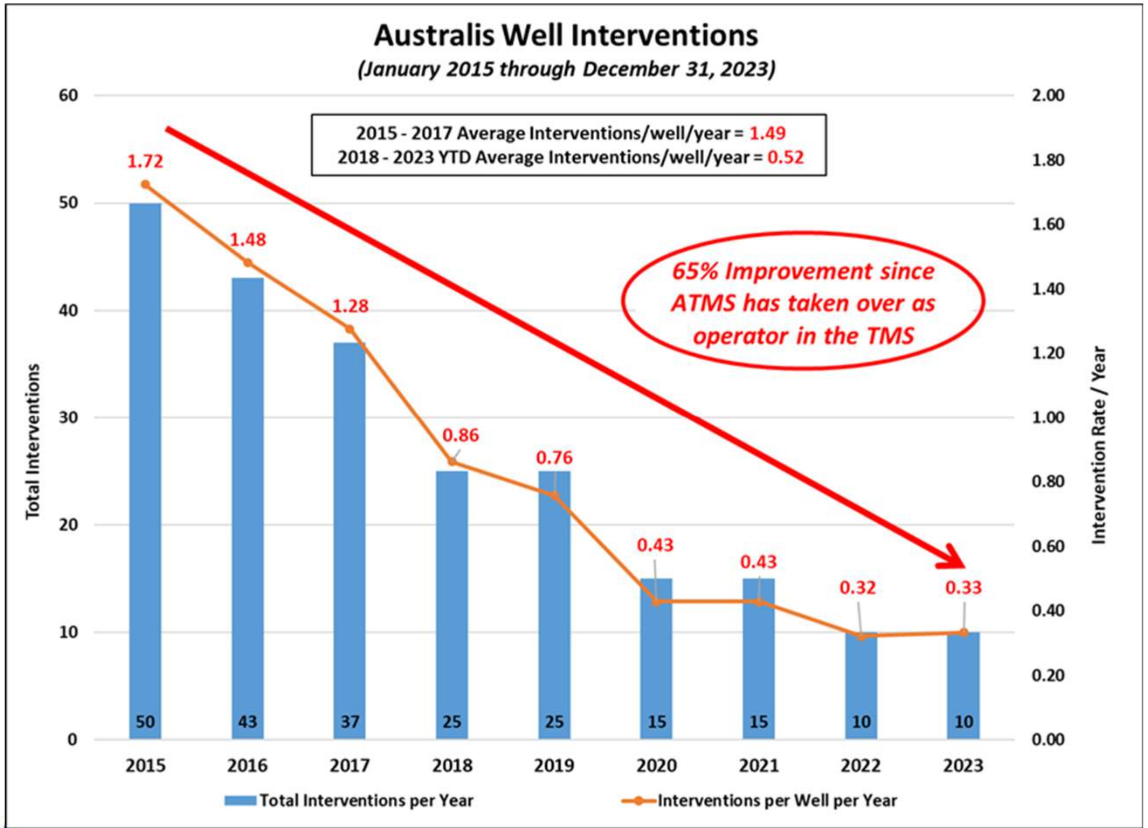
- Australis as a small operator, active in an area that remote to the major oil field service centers. Access to services and longer lead times can add to cost price pressure.
  - Overall Opex has been maintained through 2021 – 2023.
  - Fixed costs were reduced but variable costs (primarily third party) increased across the industry.
  - Workover frequency maintained



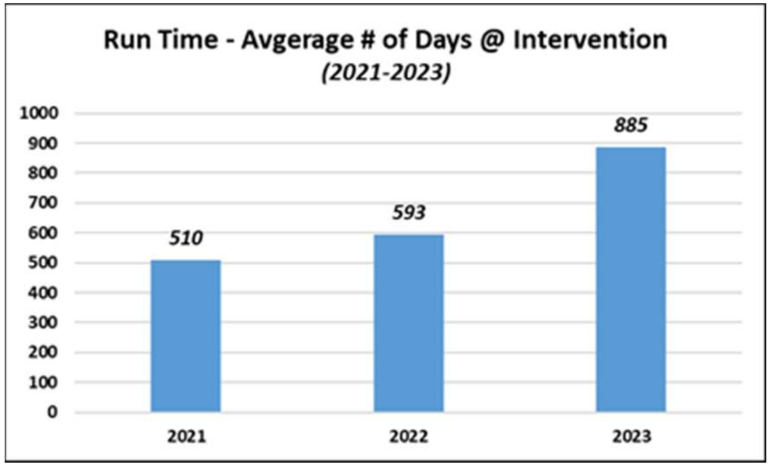
Driving down workover frequency

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

- Workover costs are a significant portion of Australis operating budget.
- Workover frequency has been a key focus for the operations team over past 7 years to extend completion run times before intervention is necessary
- The results have been dramatic, as can be seen in the chart



In 2023 the average time since the last intervention on the 10 wells worked over was 885 days.



TMS Asset Description

The Tuscaloosa Marine Shale History & entry case

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 developments 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 – by 2019 D&C $/ft were on par with the Delaware Basin
- 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
  - A low entry cost (due to an uncompetitive environment) equated to a minimal finding cost
  - Lack of competition and field rules 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 layered upside

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Australis TMS Asset

The TMS has all of the key attributes necessary for an attractive full field development

- 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
- Key attributes ensure play attractive
  - Proved oil deliverability over a long-time frame to define decline curves on par with established plays.
  - 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.
  - 89 MMbbls mid case recoverable estimate from existing position.
  - Ability to rapidly scale this position and first mover advantage.

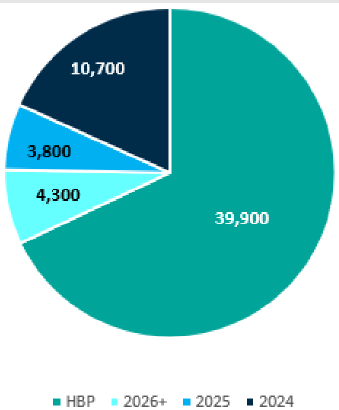
Strategic Position with Scale in TMS Core – Q1 2024

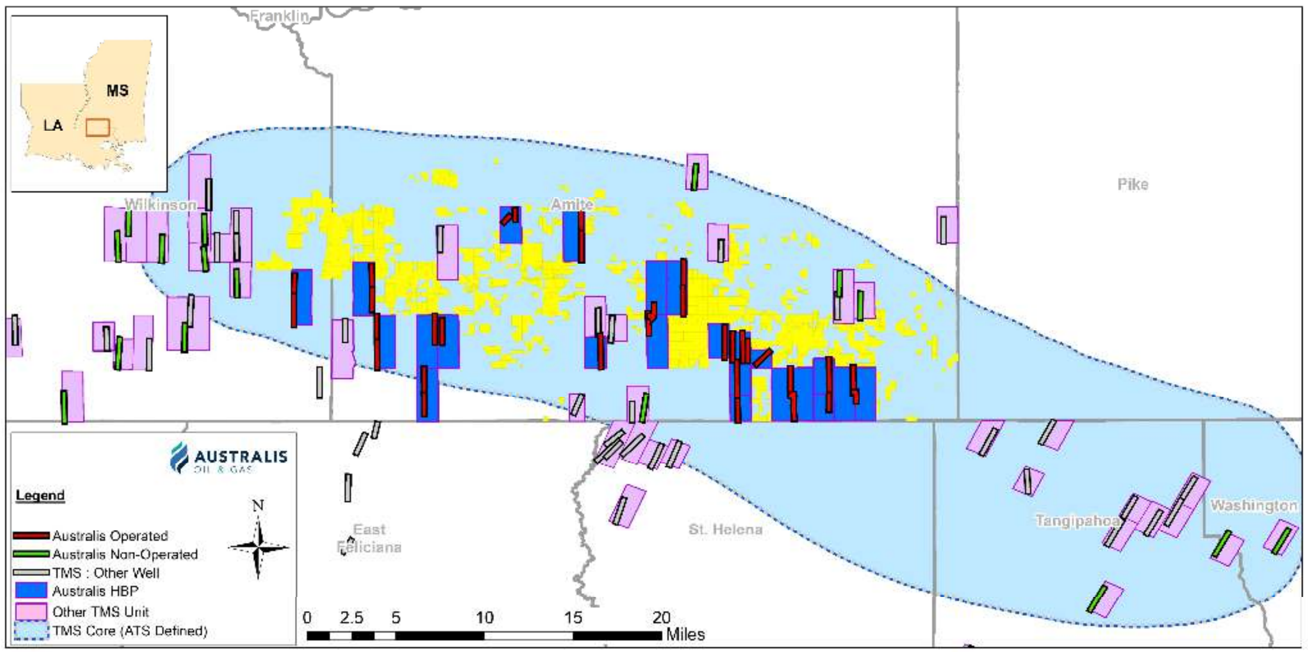
Australis controls the core area and is largest lease holder in the play

- **Large contiguous land position** in the TMS Core with ~58,700 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 -** 200 net well locations
- **Opportunity to grow acreage position -** additional 100,000 acres has been identified; Australis positioned to act swiftly to implement a focused leasing campaign

TMS Asset Profile Mississippi and Louisiana, USA	
Net Acres	~58,700 (39,900 HBP)
Producing Wells	31 operated 17 non-operated
Net well locations	~200

Acreage Expiry Profile
31 March 2024





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Industry Dynamics

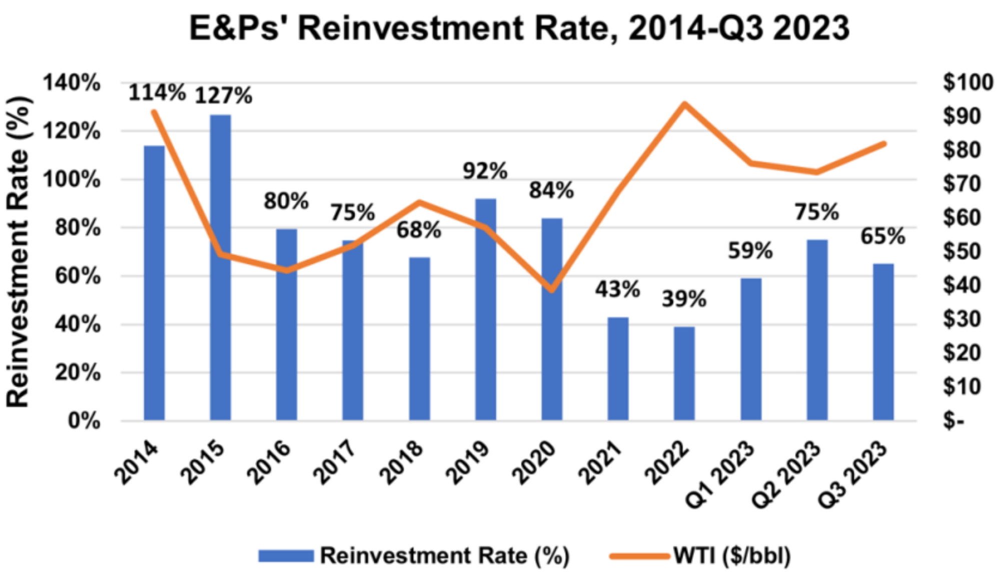
Recent Trends in US Onshore E&P

After a period of Capital Discipline and consolidation, when will US Operators look outside of their existing assets?

- **Capital Discipline & Shareholder return** – the industry has successfully adopted this change in business strategy
- **Operators continue to maximise efficiencies within their existing Plays** through improved completion design, longer laterals, refrac techniques and EOR
- **Maturing plays & declining inventory** - this manifests itself as the decline in productivity of primary oil plays which in turn makes capital discipline harder to achieve
- **Consolidation is accelerating** – this addresses inventory issues and synergies to achieve incremental capital discipline. But this is a redistribution, not new inventory.
- **Operators starting to look at Exploration & New plays**
  - Step Out of same play – perceived as lower risk
  - Certain operators have commenced some limited exploration or revisiting passed over plays
  - But operators will not be initially rewarded by shareholders or the market

Capital Discipline – Reinvestment Rate vs F&D cost

Public companies focus solely on shareholder returns.

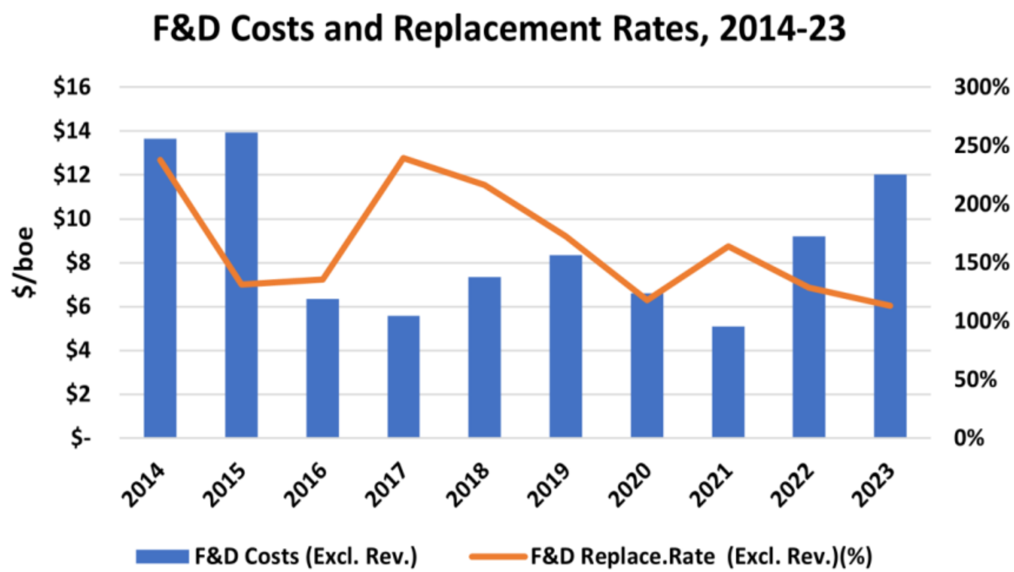


Reinvestment rates are lower

- Production maintenance at minimum cost.
- Maximise existing inventory and asset base (infill drilling , Tier 2 locations, utilize DUCs and EOR)
- Operational & cost efficiencies (longer laterals & completion design)

Finding & Development Costs are rising Reserve Replacement Rate is falling

- Inventory replacement driven by consolidation and technology improvement only.
- With no new quality inventory, industry F&D costs are rising.



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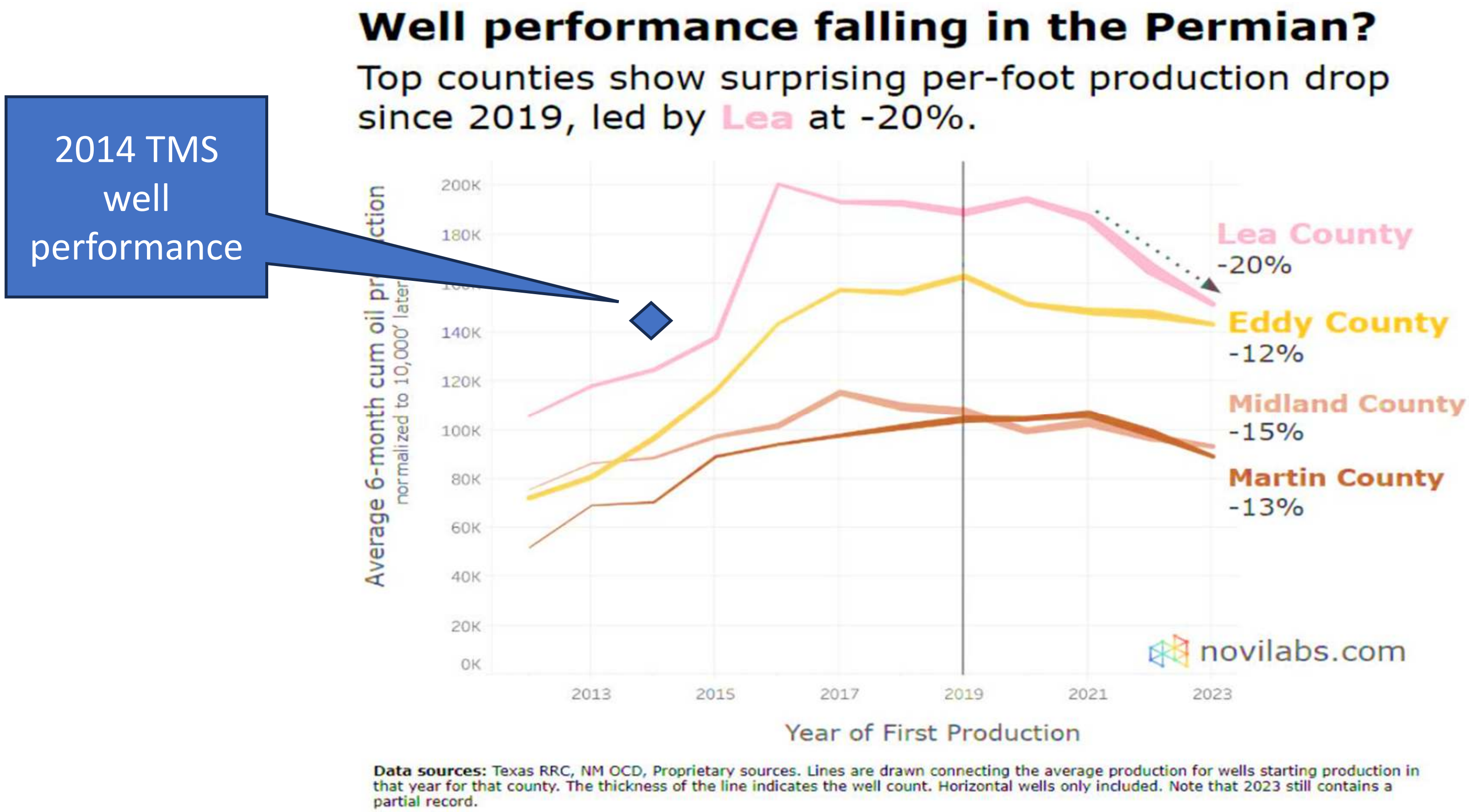
Source: RBN “E&P Shareholder Returns Stall Despite Higher Cash Flows As Caution Prevails” Aug 2023

Well Performance is declining

Average Well productivity is declining in the largest oil basin – The Permian (Delaware & Midland)



- Analysis from Novilabs shows productivity change in the two top counties of the Delaware Basin (Lea & Eddy) and the Midland Basin (Midland & Martin).
- All four counties have declined by between -12% and -20%.
- 2014 average TMS well performance was 143,000 bbls in the first 6 months.

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Source: Novilabs report

Consolidation Occurring in Established Basins

A very significant period of consolidation in the established onshore plays with over US$100bn in the Permian alone

Date	Acquiror	Target	Basin	US$Billion
Oct 2023	ExxonMobil	Pioneer Natural Resources	Permian	$64.5
Feb 2024	Diamondback Energy	Endeavor Energy Resources	Permian	$26.0
Dec 2023	Occidental Petroleum	CrownRock	Permian	$12.0
Jan 2024	Chesapeake Energy	Southwestern Energy	Haynesville/Marcellus	$11.5
Jan 2024	APA Corp	Callon Petroleum	Permian	$4.5
Aug 2023	Permian Resources	Earthstone Energy	Permian	$4.5
Feb 2024	Chord Energy	Enerplus	Bakken	$3.9

- Consolidation within the established plays motivated by
  - Adding to depleting drilling inventory
  - Materiality (Market Capitalisation & Production)
  - Generate operational efficiencies
- In most cases, post consolidation,
  - Capital budgets reduced (less than combined)
  - Development activity reduced & Production targets flat

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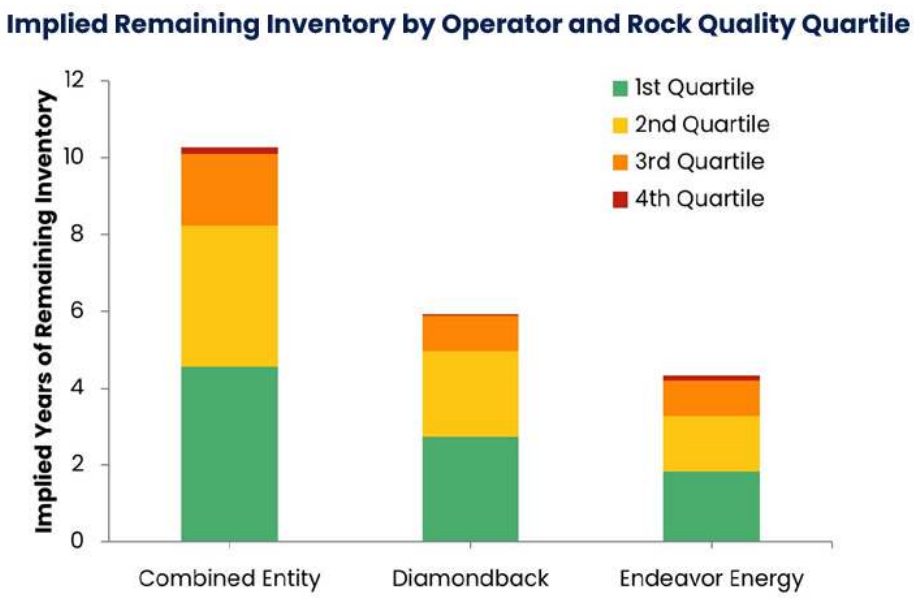
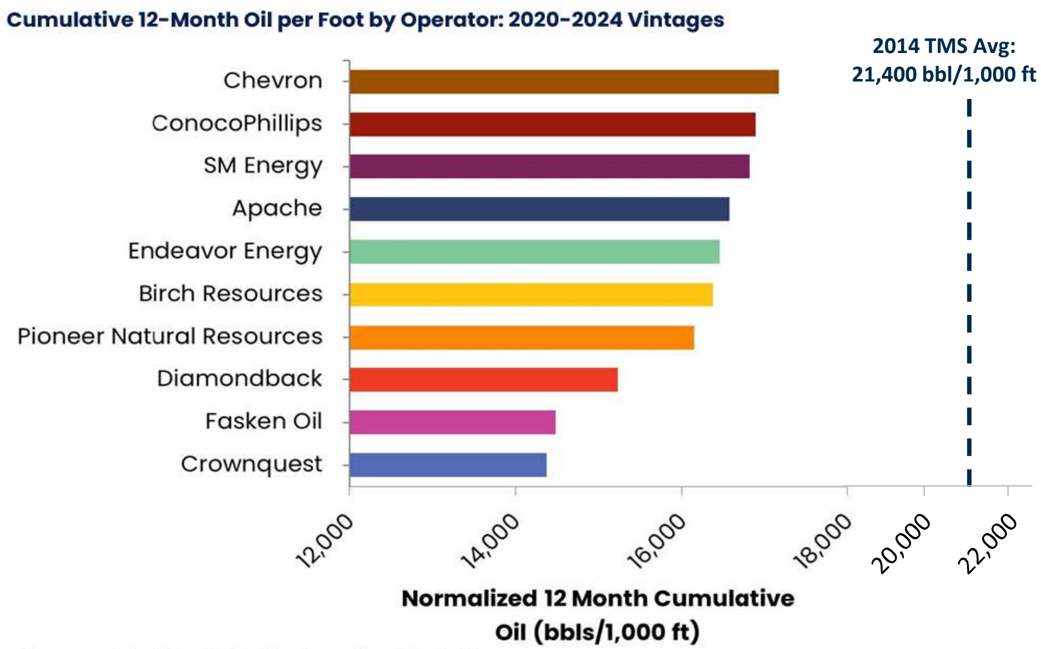
Source: Company announcements & Rystad Energy, April 2024

Consolidation Occurring in Established Basins

Example - Diamondback's $26 Billion acquisition of Endeavor Resources



Source: Novi Forecast Engine, Novi Intelligence. Note: Assumes current run rate by formation.



Source: Novi Insight Engine, Novi Intelligence

With most of the consolidation being completed in mature oil basins like the Permian, Operators that need to add premium drilling inventory will start to look for other opportunities – the oil productivity of the TMS is undeniable

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Source: Novilabs "Diamondback-Endeavor Merger: Inventory Growth and Production Insights" Feb 2024 & Company announcements

Industry exploration and re-appraisal activity

There have been recent indications of some public companies either appraising the fringes of existing plays or reassessing areas that have been passed over historically

- Examples of publicly disclosed activities include
  - EOG and others announcing their large position in the oil window of the Utica shale
  - The testing & appraisal of deeper horizons in the Permian for additional development opportunities.
  - A number of companies evaluating the northern fringe of the Midland basin with mixed results to date.
  - Continental drilling exploration wells in deeper targets an effort to extend the southern Delaware with encouraging results.

"The Permian has been the focal point for M&A activity in recent times, but that focus is waning as available assets in the basin become scarce. But with the appetite still strong, deal hungry players are looking outside the basin for acquisitions. A power shift could be on the cards, with non-Permian assets taking centre stage in the future North American deals pipeline." **Atul Raina, VP upstream research, Rystad Energy, April 2024**.

"What we'll need in the future is what I'll say is Generation 3, That's to deal with the tough rock that contains a lot of things that heretofore we weren't able to produce, and also to get more out of the Generation 1 and 2 rock." **Harold Hamm, Executive Chairman Continental Resources, Nov 23**

"*Deals at the start of 2024 were driven by the same factors that led to last year's marathon of mergers, foremost among them a desire to lock up high-quality inventory when it is available,"* said **Andrew Dittmar, a principal analyst at Enverus, April 2024.**

Update on Business Development

Australis strategy

The business strategy for Australis has been consistent since IPO

2016 - 2019	2020 - present	
Secure a material position in a quality US unconventional oil play	Repackage asset and secure a partner to fund further field activity to demonstrate underlying value	Seek to monetise value for shareholders through development or an exit
Step 1	Step 2	Step 3

- Australis has had perhaps our busiest year since COVID with our BD efforts.
- The potential partners have ranged from large public E&P companies, to private companies typically PE backed or family owned and several financially orientated investment vehicles.
- We have executed a number of confidentiality agreements and on multiple occasions carried out detailed due diligence
- About 1/3 of these engagements have been revisits.
- The reasons given for not closing range from
  - Corporate portfolio issues
  - Timing
  - Risk/reward profile
  - There have been very few technical issues raised following diligence.

Summary

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

2023 Results

Fiscal	Production 277,000bbls	Netback $7.5mm	EBITDA $1.0mm
EHS	0 Lost Time Incidents	1 Minor Reportable Spills	0.067 mt CO2e/boe

Asset
- ~59,000 net acres (200 net locations) with material upside linked to Core acreage leasing
- Comparable Tier 1 productivity to the well established plays, despite early stage play status
- 89 MMbbl 2P+2C recoverable oil (39 – 41 API)
- Low royalties with supportive field rules for development
- Infrastructure capacity and access

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

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Footnotes

1. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2023 and generated for the Australis concessions to SPE standards. See ASX announcement released on 31 January 2024 titled “Activities Report and Tear End Reserves Update”. 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$47 million uses the PhDWin model created by Ryder Scott for the PDP year end 2023 estimates[1] with an oil price assumption based on the average price for the first day of the preceding 12 months of US$79.51, 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	Abbreviation	Description
TMS	Tuscaloosa Marine Shale	D, C & T	Drilling, Completion, Tie in and Artificial Lift
TMS Core	The Australis designated productive core area of the TMS delineated by production history	EBITDA	Net loss / profit for the period before income tax expense or benefit, finance costs, depreciation, depletion, amortisation and impairment provision
WI	Working Interest		
C	Contingent Resources – 1C/2C/3C – low/most likely/high	Net Acres	Working Interest before deduction of Royalty Interests
NRI	Net Revenue Interest (after royalty)	IP24	The peak oil production rate over 24 hours of production
Net	Working Interest after deduction of Royalty Interests	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.
NPV (10)	Net Present Value (discount rate), before income tax		
HBP	Held by Production (lease obligations met)		
EUR	Estimated Ultimate Recovery per well	IRR	Internal Rate of Return
WTI	West Texas Intermediate Oil Benchmark Price	NPT	Non Productive Time
LLS	Louisiana Light Sweet Oil Benchmark Price	Reinvestment Rate	Percentage of free cash flow used for asset development operations
Opex	Operating Costs		
Capex	Capital Costs	F&D Cost	The cost to find and develop a boe of reserve
PDP	Proved Developed Producing	Replacement Rate	Non M&A reserve replacement rate
PUD	Proved Undeveloped Producing		
2P	Proved plus Probable Reserves		
3P	Proved plus Probable plus Possible Reserves		
EOR	Enhanced Oil Recovery		
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.		

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