



For Immediate Release ASX Announcement

6 November 2017

Company Presentation Material

Australis is pleased to release an updated Corporate presentation including updates to the Tuscaloosa Marine Shale (TMS) land renewal and acquisition activities and the Company's financial position based on the 3rd quarter 2017 results. The Australis land program has increased net core TMS leasehold acreage to over 95,000 net acres within Mississippi and Louisiana with 80% having an expiry beyond January 2020 or held by production.

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Australis Oil & Gas Limited



November 2017
Investor Presentation

***Large strategic acreage position in one of the few
emerging oil shale basins in the USA***

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Investment Highlights



Positioned for significant value accretion

Operator of Quality Assets	<ul style="list-style-type: none">▪ Largest acreage holder in the ‘core’ of the Tuscaloosa Marine Shale (TMS)▪ TMS oil production per well similar to the best areas within US shale such as Eagle Ford▪ Large acreage holder onshore Portugal, licensed for 6 years
Significant Upside	<ul style="list-style-type: none">▪ 5 million bbls (valued at US\$95MM NPV10) of Proved Developed Producing Reserves in TMS¹▪ 2C Contingent Resource: TMS of 107 million bbls oil¹ and Portugal of 458 Bcf²▪ Equates to 291 future economic net TMS well locations @ 250 acre well spacing assessed on 81,000 net acres as at 1 February 2017▪ TMS resource upside with additional acreage/resources acquired (15,000 net acres / additional 60 well locations), well downspacing and well production improvement – current spacing and EUR is only an 8% oil recovery
Proven Execution Capability	<ul style="list-style-type: none">▪ Board and management were the founders and key executives of Aurora Oil & Gas▪ Experienced in identifying, developing, funding and monetising oil & gas assets▪ Proven track record in building shareholder value (Aurora A\$0.20/share to A\$4.20/share)
Disciplined Capital Management	<ul style="list-style-type: none">▪ Operatorship provides control and flexibility over capital deployment▪ Primary focus on strong liquidity and balance sheet▪ Current net working capital of US\$19 million and positive field cashflow▪ Development optionality – seek to use large leasehold ownership (>95,000 net acres) to fund development
Pathway to Shareholder Value	<ul style="list-style-type: none">▪ TMS is a proven oil shale, ATS owns a large strategic acreage in the productive core with >110 million bbls of recoverable oil¹ in ground which is economic to develop at current oil price (LLS achieves premium to WTI)▪ Portugal acreage contains large discovered and tested gas accumulations in a country importing 100% of its oil and gas needs

Company Snapshot



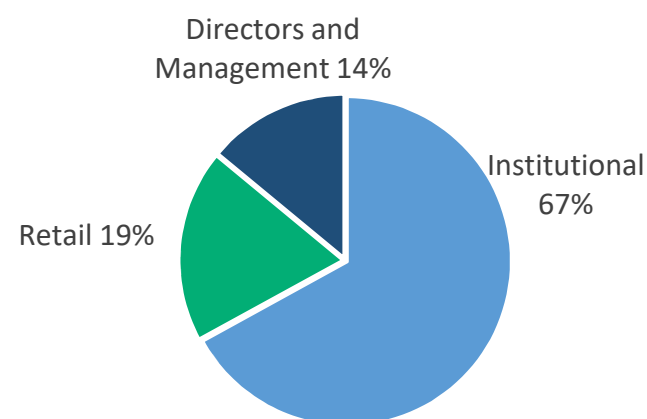
Australis has existing reserves, production and revenue, no debt and a strong institutionally dominated register with significant contribution from Board & Management

- Listed on the ASX in July 2016
- Executing on strategy of securing an inventory of future well locations, at an accretive purchase price, which have strong economics and upside
- Built a material position in the TMS through two acquisitions in Jan 2016 and Apr 2017 and ongoing land program
 - Q3 net production of 1,450 bbl/day oil
 - PDP of 5 mmbbls¹
 - 2C Contingent Resources of 107 mmbbls¹ with significant upside potential
- Gas discovery in Portugal - 458 Bcf 2C Contingent Resource²
- Strong balance sheet and cash flow
 - Net cash of US\$21 million
 - Free cash flow from production and discretionary capex
- Focus for next 12 months
 - Consolidate land position – acreage and term
 - Source partners to fund initial well program to:
 - 1) Demonstrate TMS economics and add to HBP position
 - 2) Appraise and test gas discovery in Portugal

Capital Structure

Ordinary Shares ⁽¹⁾	776 million
Share Price at 31 October 17	A\$0.21
Market Capitalization 31 October 17	A\$163 million
Total Cash (30 Sept 17) ⁽²⁾	A\$27 million
Total Debt	Nil
Enterprise Value	A\$136 million

Share Register Composition



(1) Excludes 103m options (an average strike price of A\$0.30)

(2) Exchange Rate \$0.77 AUD/USD

Directors & Management



Demonstrated track record in oil & gas

Jon Stewart – Non-Executive Chairman



- 25 years in the upstream oil and gas industry
- Founder and former Chairman and CEO of Aurora Oil & Gas
- Founder & Director of Dana Petroleum and EuroSov Petroleum PLC (CEO) (1999 merger with Sibir Energy PLC - MD)
- EY 2014 Australian Entrepreneur of the Year – Listed Company Category
- Qualified Chartered Accountant

Graham Dowland – CFO & Finance Director



- 25 years experience in the oil and gas industry
- Founding and former Finance Director of Aurora Oil & Gas
- Former Executive Director of Hardman Resources NL
- Former Finance Director of EuroSov Petroleum PLC and Sibir Energy PLC
- Qualified Chartered Accountant

Ian Lusted – Managing Director & CEO



- 24 years in the upstream oil & gas industry
- Former Technical Director of Aurora Oil & Gas
- Founder of Leading Edge Advantage, an advanced drilling project management consultancy
- Founder and Technical Director Cape Energy, a private equity backed oil and gas company
- Drilling engineer / supervisor at Shell International

Alan Watson – Non-Executive Director



- 30 years previous experience in international investment banking
- Former Non Exec Director of Aurora Oil & Gas
- Chairman of Pinnacle Investment Management Group Limited (ASX:PNI)

Michael Verm – Chief Operating Officer



- 36 years experience in the oil & gas industry
- Petroleum Engineer
- Former COO of Aurora Oil & Gas
- Former President and Managing Director of Kerr-McGee China Petroleum

Steve Scudamore – Non-Executive Director



- Over 3 decades experience in Corporate Finance with KPMG Australia, London and PNG
- Senior roles with KPMG include Chairman (WA) and National head of valuations
- Former Non Exec Director of Aquila Resources
- Non Executive Director at Altona Mining

Aurora Value Creation Curve



The Australis management team created significant shareholder value at Aurora

Aurora Share Price Performance – 1 January 2005 to 13 May 2014



Source: Company filings, IRESS.
Note: As at 12-Jun-14.

Corporate History



A considered strategy and a disciplined approach to shareholder capital

Strategy to
maximise
shareholder
value

- Australis formed in late 2014 following sale of Aurora – the same team
- Strategy set during 2014/15 as oil prices fell:
 - Secure an inventory of future oil and drilling locations with top tier productivity at compelling purchase prices and economics
 - Retain control of capital expenditure requirements
 - Maintain technical discipline and patience
- Maintained private status until mid 2016 waiting for the market to readjust on price expectation; increased our technical knowledge on other plays
- First asset secured (late 2015) in Portugal – a valuable strategic asset
- Second asset acquired (2016) was our initial position in the TMS. Acreage secured entirely within delineated core of play
- Established institutional shareholder base at IPO in mid 2016 based on belief that larger transformational acquisition was now more likely
- Completed acquisition of Encana TMS assets in April 2017

The TMS Delivers on Early Phases of Strategy



TMS is one of the few remaining undeveloped US onshore resource plays

Execution of
strategy

- The TMS represents a very significant opportunity for Australis, arising principally due to timing and quirks of history
- The two acquisitions and ongoing lease work has created a low cost entry whilst maintaining strict technical and financial discipline
- Australis has the largest operated acreage exposure to the production delineated core area of the TMS
- Large inventory of future well locations – each 95% oil
- Production revenue to fund the planned land program and 2018 operations
- Land strategy generates a very flexible forward program – timing and capex commitments
- Conservative assumptions, based on historical activity, generates positive NPV(10) well economics at \$50/oil, upside to oil price and evolution of the play
- De-risked platform for significant value growth for shareholders



Tuscaloosa Marine Shale

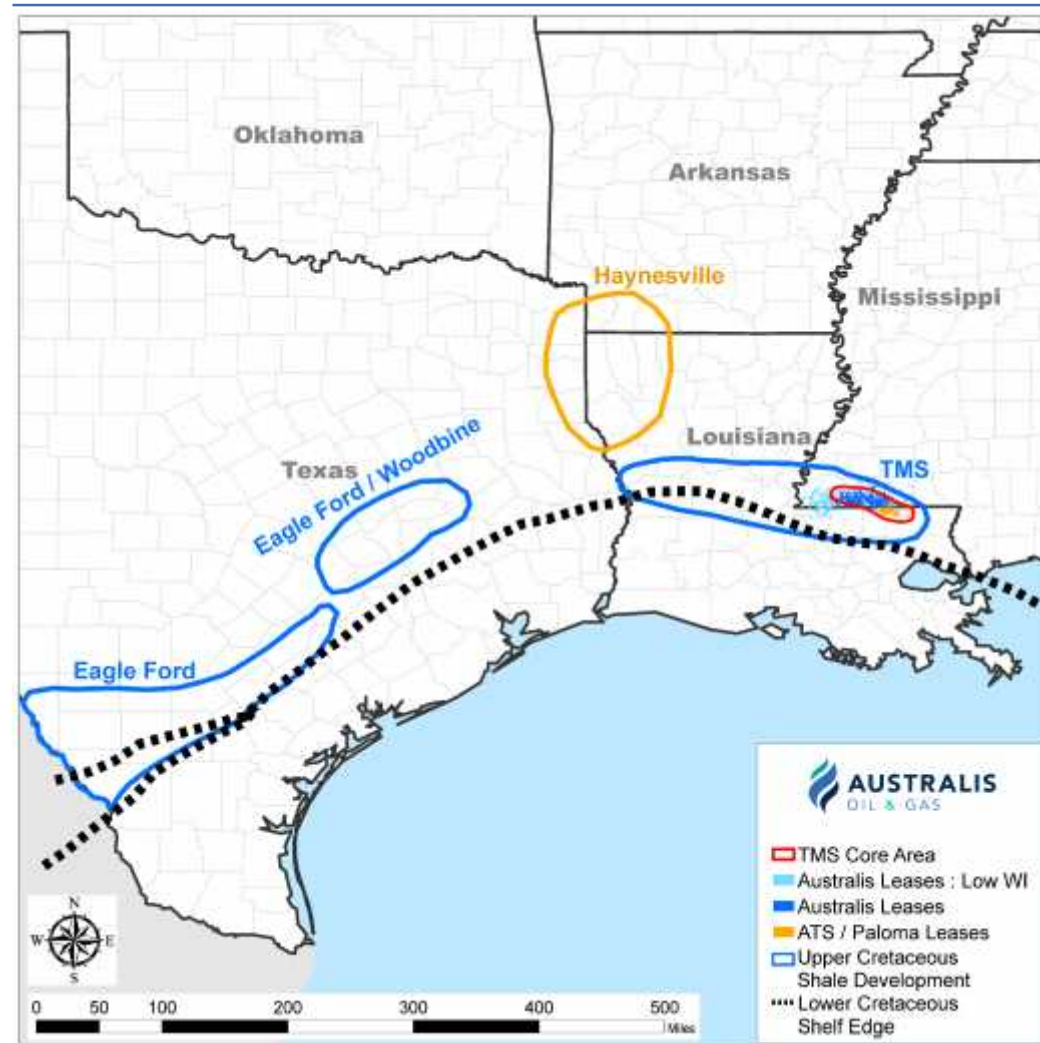
Tier 1 acreage in an emerging oil shale province

What is the TMS?

The TMS is an emerging shale play. The “Core” is comparable with other prolific shale plays in the US

- Onshore basin - Louisiana and Mississippi
- On trend with Eagle Ford Basin in Texas, similar depositional history and age
- 80 horizontal wells have been drilled 2010 to 2014 and have delineated the Core Area
- Performance from the early drilled wells was variable and unusually binary. Either in or outside of the core area
- The most recent wells have been drilled in the core of the TMS (within Australis’ acreage) in 2014. They have demonstrated consistently high oil productivity and downward trending well costs

TMS Location

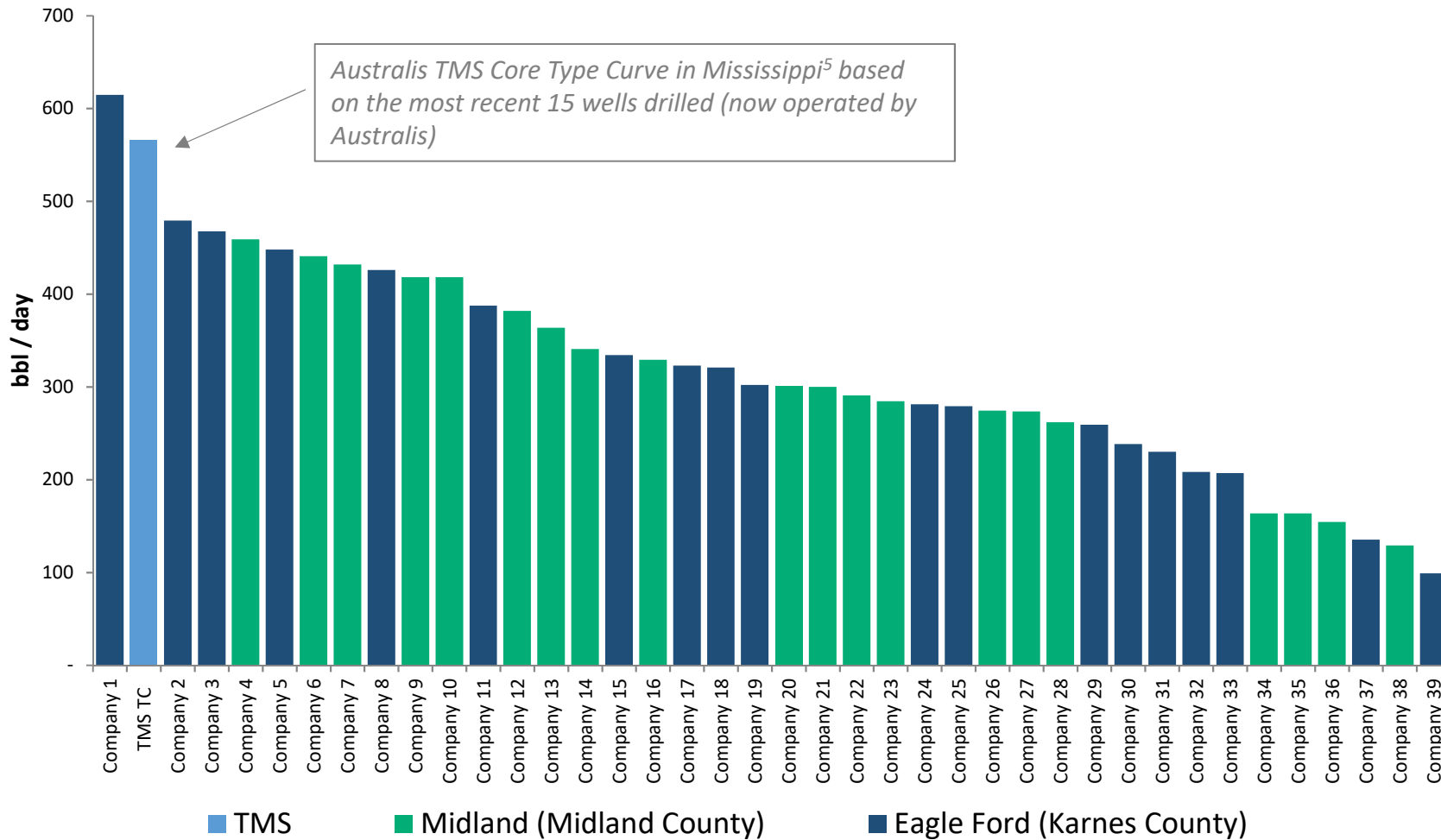


TMS Oil Productivity vs Other Major Plays



TMS core productivity is very strong when compared to the Eagle Ford and Midland plays

Average barrels per day oil production over the first 180 days^(3,4)

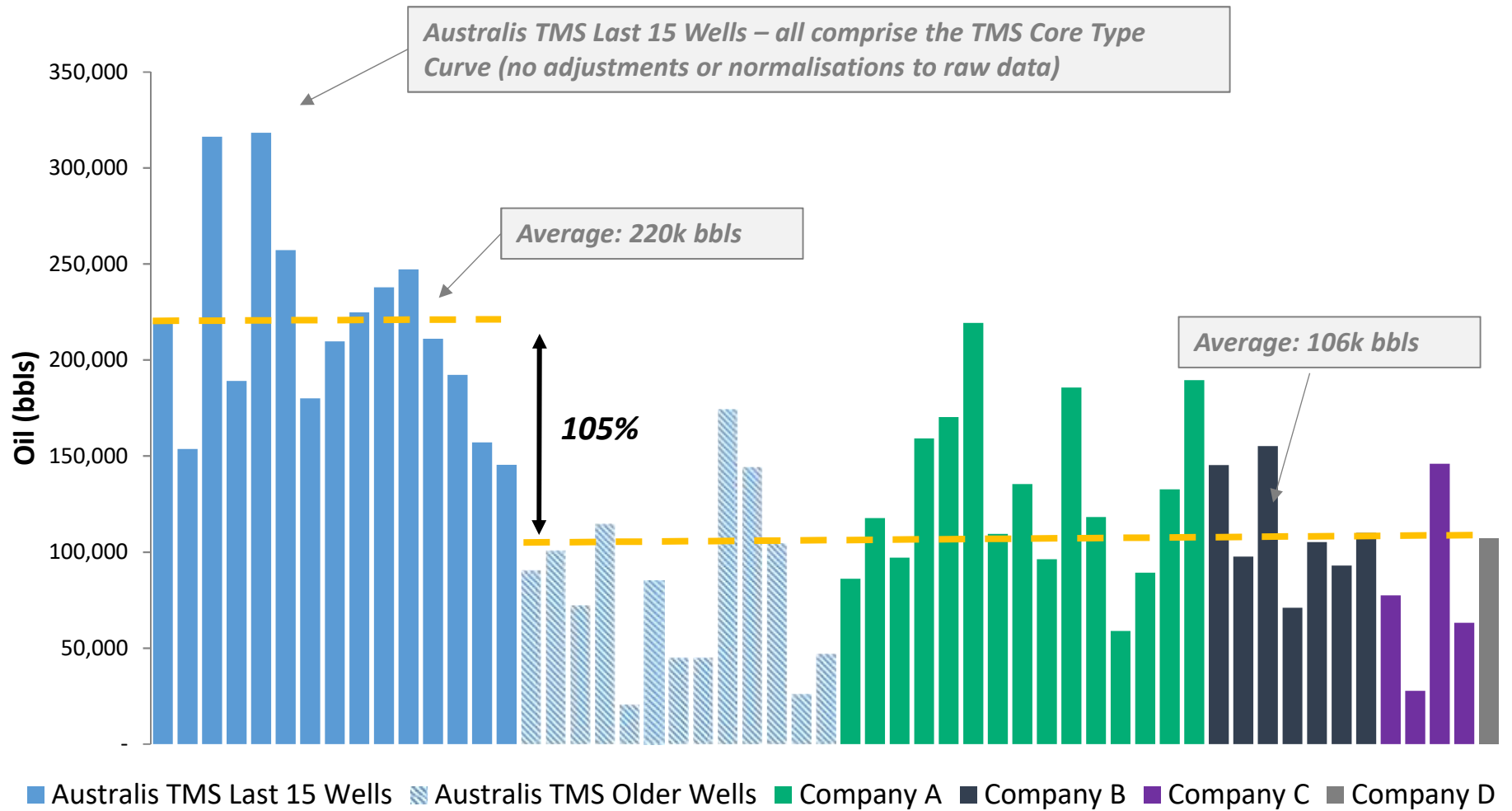


Australis TMS Well Performance



The last 15 wells drilled within Australis' core acreage demonstrate significantly higher average productivity than the average of other TMS wells drilled in Mississippi

Individual 24 Month Cumulative Production Per Well – TMS Mississippi^{5,6}

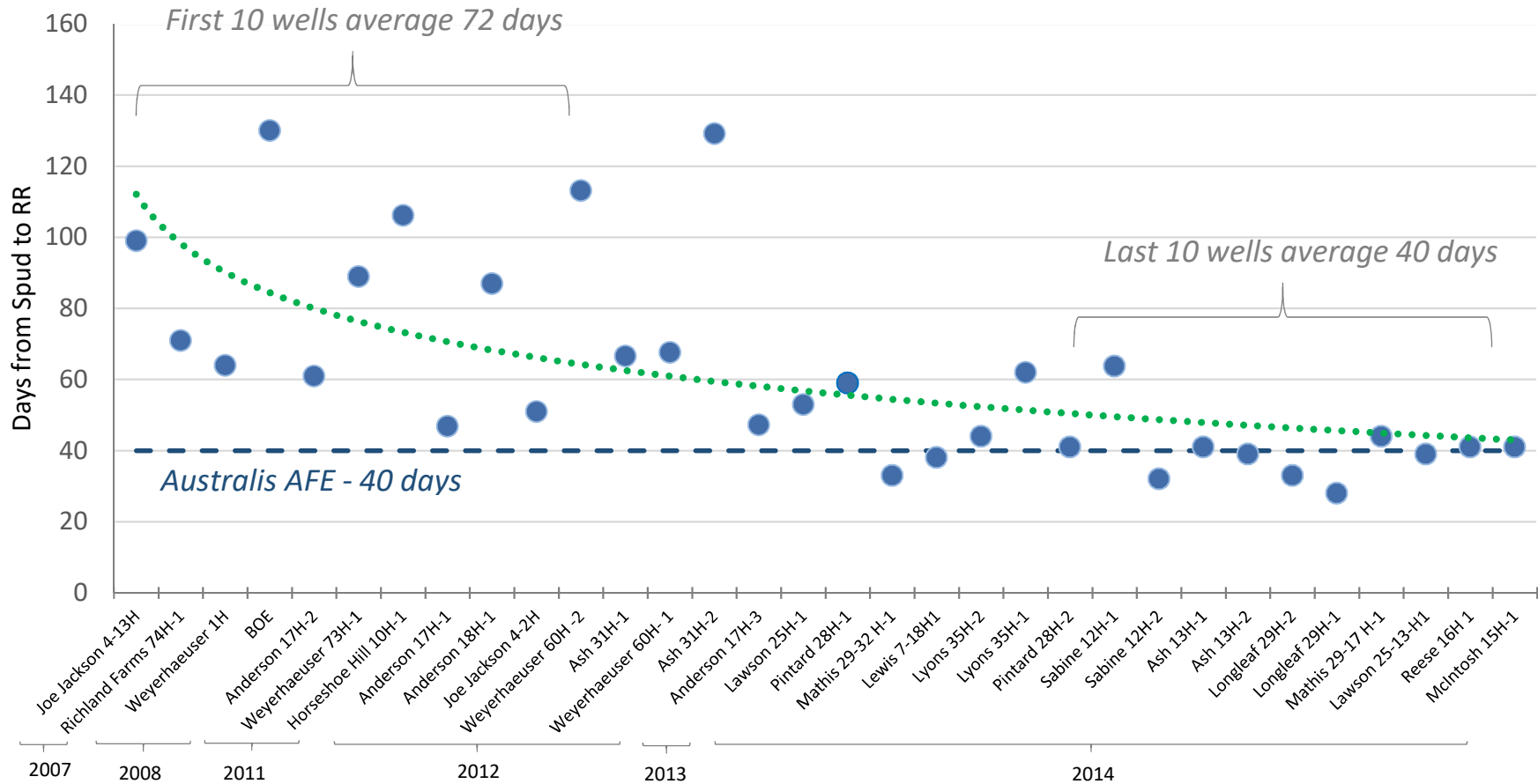


TMS Well Drilling Times



TMS drilling times have been reduced over time as operational challenges resolved

Australis operated well drilling performance (rig mobilization to rig release)



*All wells drilled by Encana

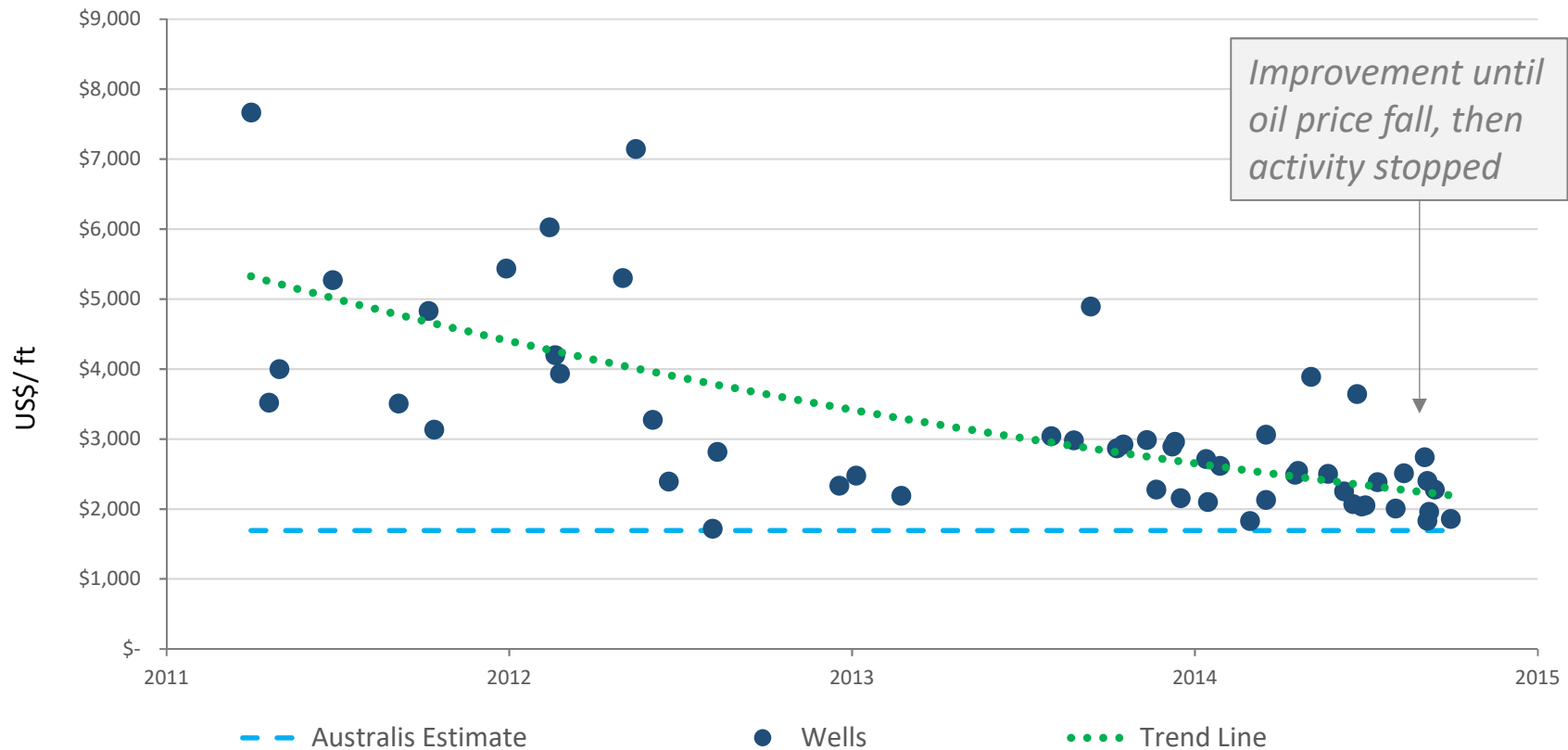
Capital Cost Profile of Early TMS Wells



Well costs have trended downwards over time in line with other plays

- Australis conservative well cost estimate – US\$10.8MM for a single well (US\$1,690/ft)⁷
- Other play participants quoted US\$8.7MM⁸
- No TMS wells have been drilled in the current lower cost environment

TMS total well costs 2011 - 2014⁷



Australis TMS Land Position



Australis holds a dominant land position within the core of the TMS, with significant undeveloped oil

Australis TMS	Net Oil (after royalties)	Australis TMS Position
Reserves¹		
PDP	5 million bbl US\$95 million (NPV10)	
Resources¹		
1C Resources	35 million bbl	
2C Resources	107 million bbl ^(A)	
3C Resources	181 million bbl	
Strategic Position	Net Acres	
HBP	27,400 acres	
Total Core Area ¹²	95,000 acres	
Future Net Well Locations ^(B)	350	

Future wells economic at current oil prices without any assumed productivity improvements

(A) Based on 8% recovery factor and 81,000 net acres as at 1 February 2017

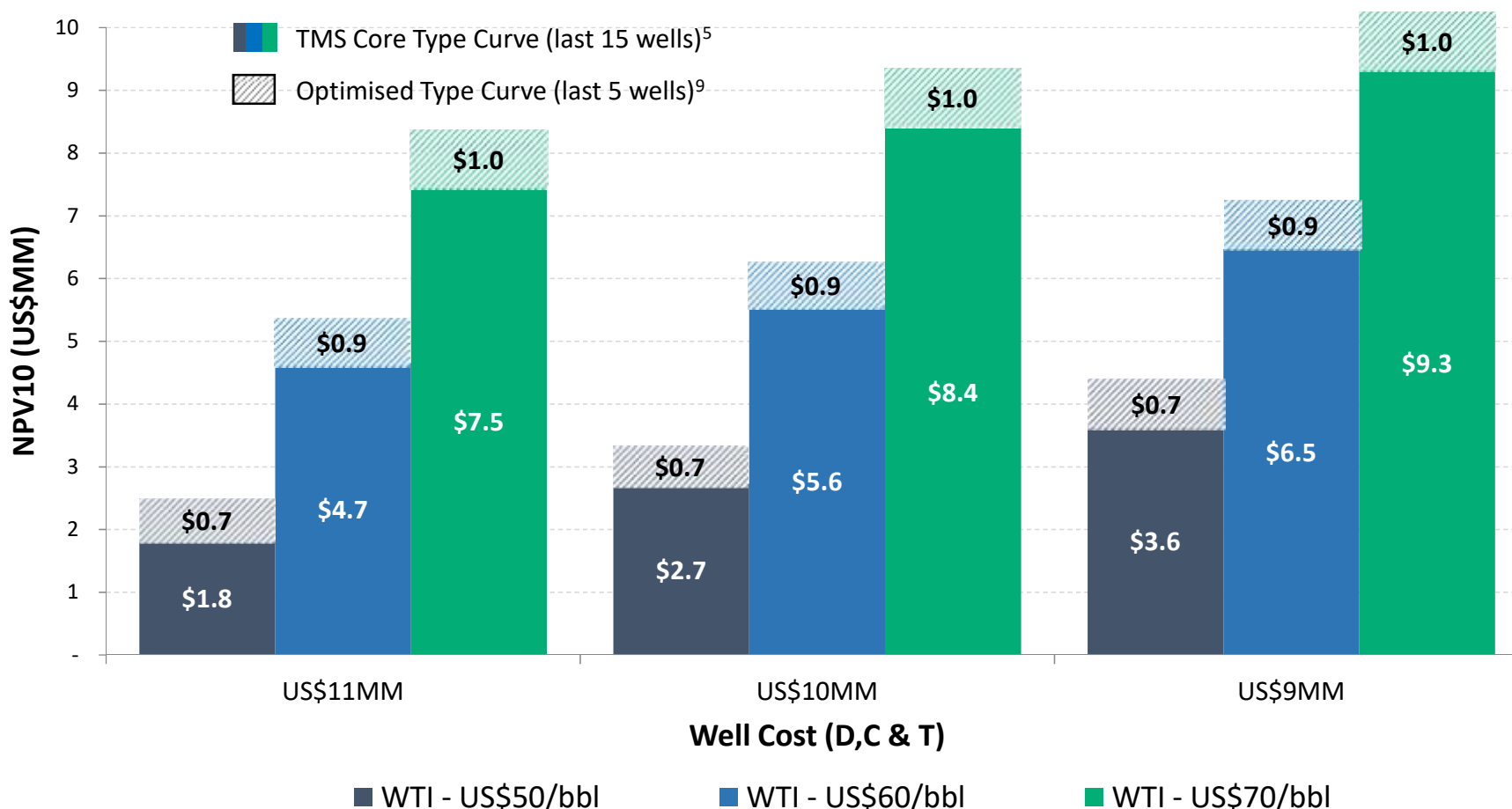
(B) 250 acre spacing (8% recovery), based on 95,000 net acres as at 1 November 2017

TMS Economics



The TMS Core is economic at current oil prices and current single well cost estimates without assumed productivity improvements, batch drilling or economies that come with development scale

Single Well Economics and Sensitivities



*See Appendices for more details on type curves. Prices and costs escalated at 2% p.a.

Pathway to Value

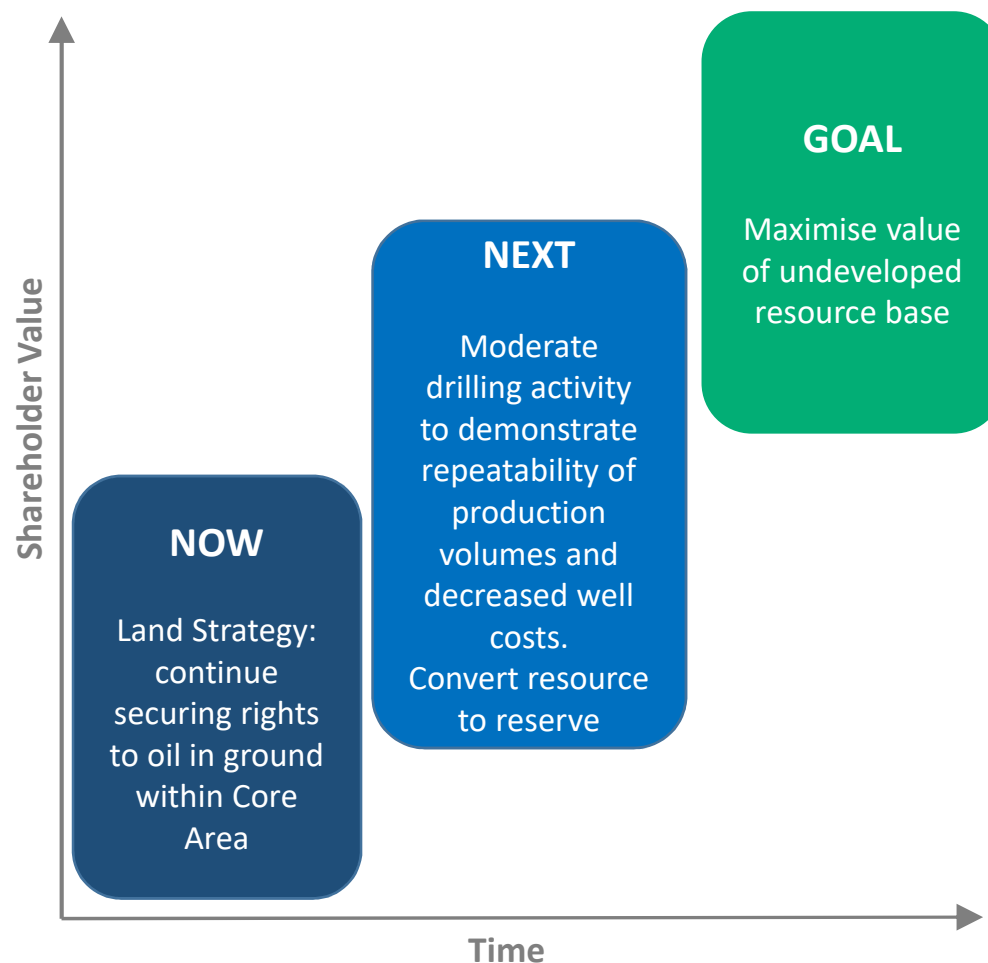


TMS Core acreage has significant upside with multiple catalysts to create value

Value Catalysts

Oil Price	<ul style="list-style-type: none"> Likely to recover within 1-3 years as the global supply market rebalances
Well Cost Reductions	<ul style="list-style-type: none"> Continued refinement in design with practice Well locations and design optimized & economies of scale in full field development Optimised design never implemented in existing cost environment
Well Performance	<ul style="list-style-type: none"> Type curves based on historical average well productivity only Technology improvements over last 3 years not yet trialled in TMS
Well Spacing	<ul style="list-style-type: none"> 250 acres per well is only 8% oil-in-place recovery Potential for higher recovery, Eagle Ford acre spacing of 20-60 acres per well and up to 30% recovery
Additional Core Acreage	<ul style="list-style-type: none"> Additional TMS Core acres held but not included in analysis

Growth Strategy



TMS Operational Update and Forward Program



Following acquisition, the initial focus has been extending the lease terms of the primary acreage to beyond 2020 – providing flexibility for future development



- Encana acquisition closed 13 April 2017 ✓
- Information transfer complete ✓
- Phased transition arranged with Encana ended July, 2017 ✓
- Assumed operatorship of 32 producing wells ✓
- Maintain lease position of 95,000 net acres within the Core by extending primary term – fully funded with cash flow from production
- Of the 95,000 net acres leased, 80% of the acreage is HBP or has an expiry later than 2020
- Operatorship assumed over entire acreage position in Mississippi and Louisiana
- Prepare for initial multi well drilling program as operator
- Location of initial Australis operated wells to be based on offset productivity and involving partners
- Source industry or financial partners to fund next phases of development activity – size of position offers considerable flexibility

2017 Financial Highlights



Primary focus on disciplined capital management

1	Transformational Acquisition	<ul style="list-style-type: none">▪ Acquisition price after adjustments of US\$68 million▪ Financed by existing cash and A\$100 million share issue at A\$0.23/share
2	TMS Asset is Cash Flow Positive	<ul style="list-style-type: none">▪ Field operating netback since 13 April 2017 of \$7.4 million (US\$23.40/bbl)▪ Positive cashflow from TMS operations covers corporate overhead and capital program for land renewals and acquisitions
3	Strong Liquidity	<ul style="list-style-type: none">▪ 30 September 2017 cash of US\$21 million (no debt)▪ 113,500 bbls hedged at US\$53.22/bbl (LLS) to March 2018
4	Fully Funded Capital Program	<ul style="list-style-type: none">▪ Funded from operational cash flow and existing cash reserves▪ Within Australis control – flexible and discretionary▪ 2017 focus on increasing TMS leasehold position within Core area▪ Extending lease life and acquiring new leases



Portuguese Exploration Assets

Large, low cost onshore acreage with minimal work commitments

Portugal Concessions Overview



Australis owns two concessions onshore Portugal with significant development potential

Asset Highlights

Significant Gas Resource	<ul style="list-style-type: none"> Large in-place discovered and tested gas accumulation with 2C resources of 459 Bcf Limited exploration activity but regular oil and gas shows and tests demonstrate an active hydrocarbon system
Multiple Plays	<ul style="list-style-type: none"> Appraisal of a basin centered gas play in the post-salt early Jurassic Lias formation, with significant in place hydrocarbons Conventional gas prospectivity in the deeper pre-salt Silves formation, with potential for material hydrocarbon volumes
Established Infrastructure	<ul style="list-style-type: none"> Gas pipeline infrastructure with excess capacity crosses both concessions Modern road system with easy access to exploration and development areas
Favourable Gas Markets	<ul style="list-style-type: none"> All oil and gas currently imported, domestic market undersupplied No export restrictions Attractive commodity pricing above US\$7/GJ
Superior Fiscal Regime	<ul style="list-style-type: none"> Royalties 0-9%, 21% corporate tax No government participation

Asset Location



Portugal Prospectivity & Volumetrics

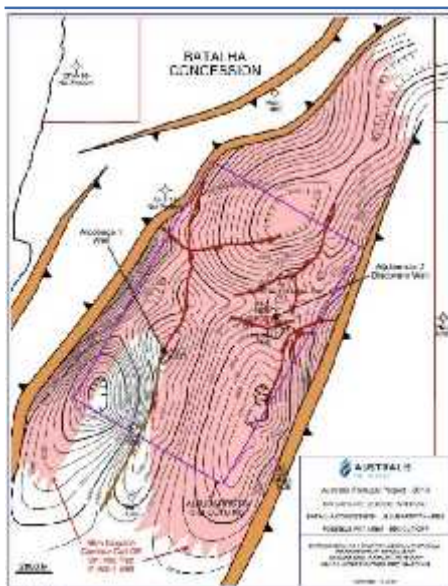


Appraisal of a gas discovery with multiple nearby prospects and leads with a significant resource base

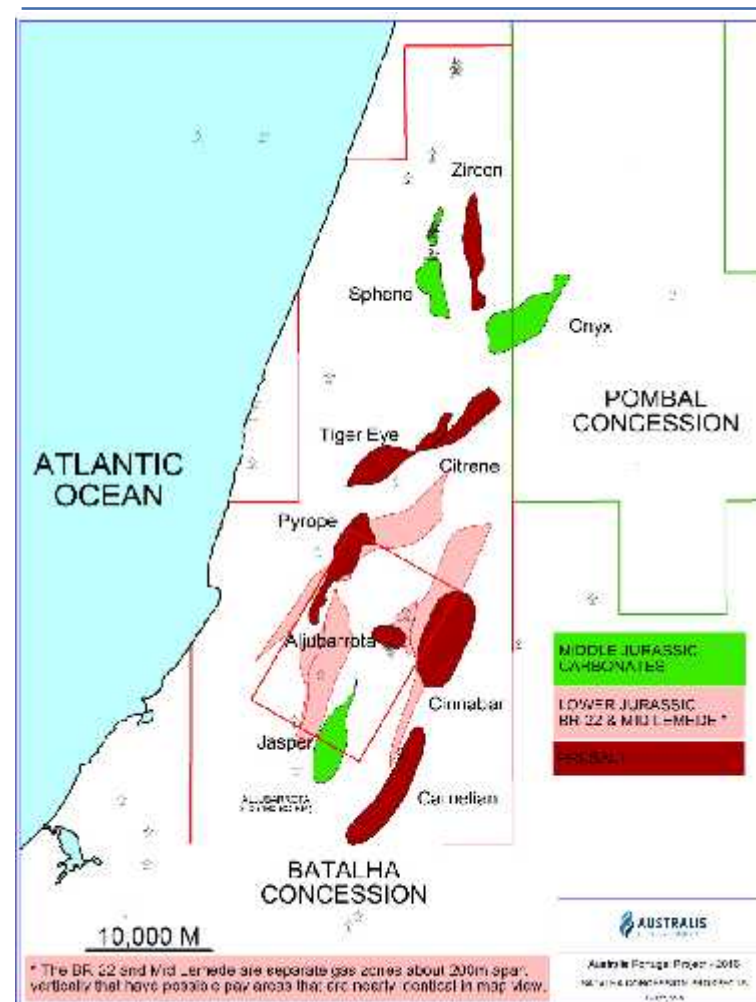
Proposed Work Program

- Drill and test the gas discovery with a vertical well
- Drill and core a deep Lamede well in a Lower Jurassic depocenter in the Pombal concession

Batalha Gas Discovery



Batalha Concession Prospects



Volumetrics ²

	Net Contingent Resources			Net Risked Prospective Resources		
	1C	2C	3C	Low	Best	High
Oil (MMbbl)	-	-	-	19.2	126.4	448.4
Gas (Bcf)	217.4	458.5	817.7	104.3	466.0	1,632.4
Oil Equivalent (MMboe)	36.2	76.4	136.3	36.6	204.1	720.4



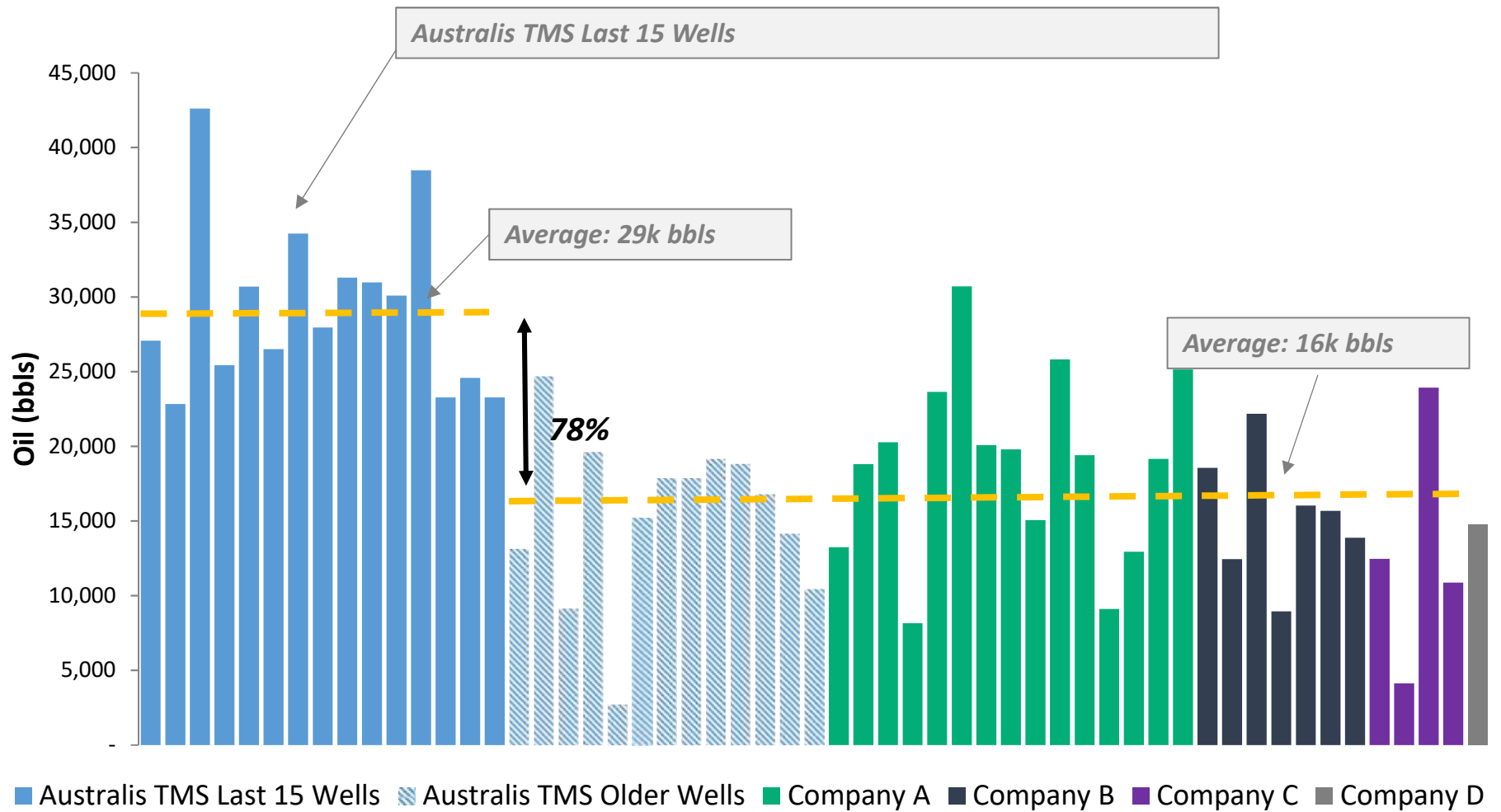
Appendices and Additional Slides

Australis TMS Well Performance / 1000 ft Lateral



Australis' last 15 TMS wells also demonstrate higher performance when compared with other TMS on a per lateral foot basis

Individual Well 24 Month Production / 1000 Ft Lateral – TMS Mississippi^{5,6}



TMS Core Type Curve



Summary of monthly oil production data for the most recent 15 Encana operated modern offset Mississippi wells

Well Name	Lewis 7-18H 1	Pintard 28H 2	Lyons 35H 2	Pintard 28H 1	Longleaf 29H 1H	Longleaf 29H 2H	Mathis 29-32H	Mathis 29-17H	Lawson 25-13H*	Ash 13H 1*	Ash 13H 2	Sabine 12H 1*	Sabine 12H 2	McIntosh 15H*	Reese 16H*	Average	Cumulative
Operator	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc		
State	Mississippi																
Months of Production	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24		
Stimulated Lateral Length	8,263	8,215	5,485	5,492	6,955	7,138	6,170	9,081	9,754	7,066	7,194	6,815	7,425	7,585	6,167		
	Produced Volume (bbls)																
Total	184,591	247,164	211,751	144,860	189,035	316,406	151,472	257,162	318,166	205,817	179,767	217,452	237,477	231,009	153,633		
Month 1	2,325	25,027	34,743	22,049	21,594	32,088	3,406	22,677	10,325	10,766	7,922	29,701	27,525	10,787	5,640	18,438	18,438
Month 2	28,807	32,397	24,536	13,386	20,754	33,798	26,701	34,715	37,986	27,317	21,417	23,313	25,174	31,074	19,422	26,720	45,158
Month 3	17,804	22,678	17,400	8,385	14,660	26,187	16,437	23,901	32,280	22,186	17,098	16,528	18,136	22,652	13,944	19,352	64,510
Month 4	15,003	18,816	14,431	10,221	11,749	19,532	11,692	18,134	25,061	6,934	13,663	14,908	16,570	17,881	10,978	15,038	79,548
Month 5	11,196	15,596	12,121	7,748	10,170	16,443	6,534	15,486	21,038	11,547	12,156	12,292	13,347	14,610	9,168	12,630	92,178
Month 6	9,143	11,908	9,434	6,256	6,311	14,309	8,110	13,950	17,704	13,408	9,048	10,714	11,967	11,942	8,935	10,876	103,054
Month 7	9,013	11,916	8,843	5,554	9,628	10,441	8,175	11,281	14,876	7,155	8,944	8,580	10,385	10,227	9,330	9,623	112,677
Month 8	7,606	11,513	8,487	5,202	8,787	12,431	9,290	10,143	13,648	10,268	8,753	358	9,301	9,154	7,345	8,819	121,496
Month 9	7,695	10,743	7,708	4,747	7,298	14,007	3,883	12,177	11,802	7,396	8,318	9,168	5,253	9,653	7,695	8,503	129,999
Month 10	6,625	8,787	6,176	4,011	7,154	11,524	5,974	9,737	11,020	9,896	7,378	8,264	12,739	10,240	6,007	8,369	138,368
Month 11	5,565	7,373	7,160	4,378	6,848	11,602	6,430	9,224	9,564	9,714	6,561	8,867	9,315	8,776	5,706	7,806	146,174
Month 12	2,583	8,195	7,476	4,053	4,885	9,016	4,085	8,512	12,481	10,001	6,328	8,673	7,838	8,343	5,325	7,182	153,356
Month 13	7,388	6,924	6,393	3,117	6,073	10,379	3,755	7,418	11,882	7,938	6,063	7,241	5,442	5,469	4,321	6,654	160,009
Month 14	4,559	6,502	6,035	4,383	5,842	8,261	5,494	5,933	11,140	2,885	5,322	7,066	8,492	7,166	4,867	6,263	166,272
Month 15	5,405	6,240	5,423	5,420	5,471	8,258	5,089	5,643	9,560	5,575	5,500	6,452	6,276	5,588	4,630	6,035	172,308
Month 16	5,089	5,998	5,379	3,618	5,303	6,731	3,808	5,657	9,495	6,655	4,737	6,268	7,172	5,957	4,458	5,755	178,063
Month 17	4,911	5,347	5,256	4,749	5,389	7,449	3,430	5,089	9,035	6,326	4,337	5,762	6,303	5,604	4,006	5,533	183,596
Month 18	4,029	5,192	4,172	4,423	4,495	8,209	1,656	5,307	8,994	4,805	2,546	5,555	6,054	5,502	3,649	4,973	188,568
Month 19	4,075	4,806	4,433	4,249	4,984	7,778	287	6,633	8,019	6,256	5,213	5,075	5,044	5,394	3,597	5,056	193,624
Month 20	3,992	2,911	4,007	3,887	5,241	6,403	6,383	5,949	7,898	3,807	4,072	5,193	5,708	6,423	3,038	4,992	198,617
Month 21	3,306	5,565	3,848	4,054	4,658	11,950	3,266	5,647	6,423	3,383	3,790	4,842	5,293	5,233	3,072	4,955	203,572
Month 22	0	4,363	3,209	3,786	4,000	12,602	15	3,808	6,358	4,158	3,748	4,586	4,775	4,619	3,110	4,209	207,781
Month 23	4,447	4,394	2,658	3,664	4,314	9,553	4,484	5,456	6,536	3,760	3,386	4,288	4,879	4,462	2,703	4,599	212,380
Month 24	4,025	3,973	2,423	3,520	3,454	7,455	3,088	4,685	5,104	3,681	3,467	3,758	4,489	4,253	2,687	4,004	216,384

Data sourced from Mississippi Oil & Gas Board as of January 2017. Only adjustment made to Pintard 28H1 which was shut in for 8 months so listing Producing months for this well. There is no guarantee future well performance will be consistent with the average of the results of the wells.

* Wells using optimised drilling and completion methodologies

Single Well TMS Core Type Curve

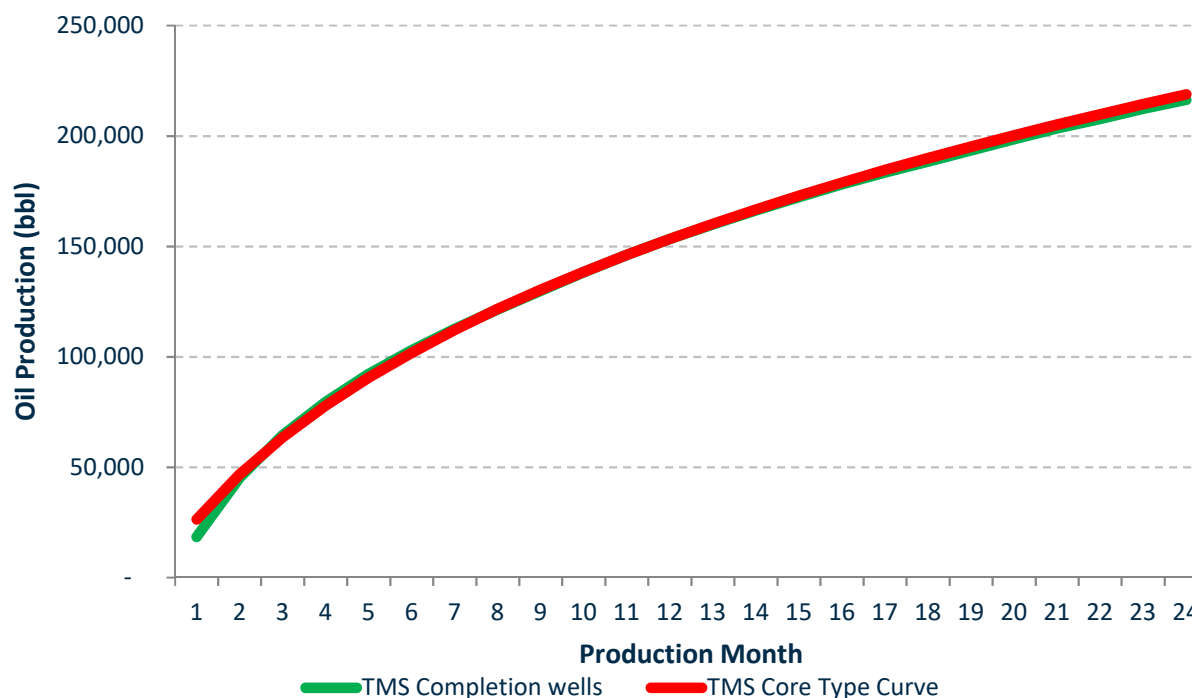


ATS type curve history matched to production from the most recent 15 Mississippi ECA wells

TMS Core TC – Assumptions

- Oil EUR – 545 Mbbls
- Gas EUR – 142 MMscf
- NGL EUR – 18 Mbbls
- EUR (20 yr) – 587 Mboe (97% liquids)
- Capex US\$11million (7,200 ft lateral)⁷
- Opex US\$13,700/well/month + US\$2.8/boe

TMS Core Type Curve v TMS Production



Type Curve	Well EUR	Basis
TMS Core	587 Mboe	History match average of the most recent 15 wells drilled by Encana in 2014/15 (~7,200 ft stimulated lateral)
TMS Core – Optimised ^{5,9}	621 Mboe	History match for 5 of these 15 Encana Mississippi wells utilising Encana’s optimised completion design (~7,500 Stimulated Lateral)

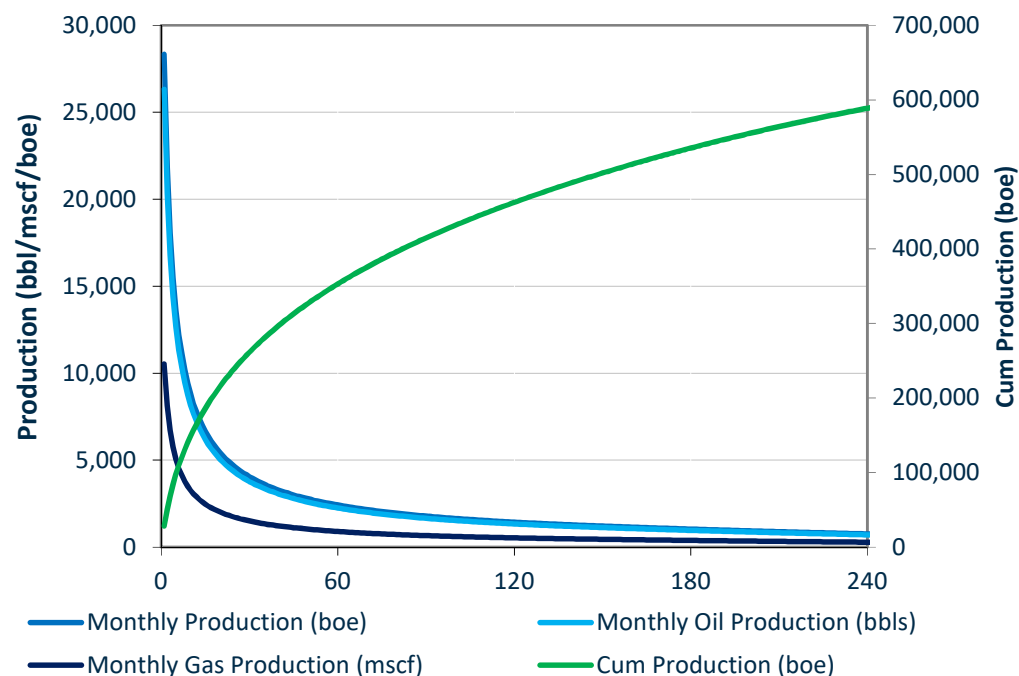
TMS Core Type Curve



The production and opex assumptions are based on history and the capex costs are current third party estimates.

Future Well Type Curve		
Target	Lower TMS	Mississippi
EUR		
Gas	0.14	bcf
Oil/Condensate	545	mbbl
NGLs	18	mbbl
EUR/well	587	mboe
Well Cost		
Drilling	\$5.0	million
Completion	\$5.0	million
Tie in	\$1.0	million
Total Well Cost	\$11.0	million
Operating Expenditure		
Fixed Opex	\$13,700	/well/month
Variable Opex	\$2.8	per boe
Other Assumptions		
NRI	80%	
Abandonment cost	1.0%	of well cost
Escalation	2.0%	

Production Forecast



Single Well Economics					Single Well Netback (Pre Tax)					
Oil Price - WTI	Cashflow	Pre Tax NPV10	IRR	Payback	Revenue	Prodn Taxes	Opex + Trans	Operating Netback	Development Cost	Cashflow
\$/bbl	US\$million	US\$million	%	Months	\$/boe	\$/boe	\$/boe	\$/boe	\$/boe	\$/boe
\$50	\$7.1	\$1.8	19%	46	\$52.9	-\$2.3	-\$11.6	\$39.0	-\$23.4	\$15.5
\$50	\$11.9	\$4.7	37%	30	\$63.3	-\$2.7	-\$11.5	\$49.1	-\$23.4	\$25.6
\$70	\$16.5	\$7.5	65%	21	\$73.8	-\$3.2	-\$11.6	\$59.0	-\$23.4	\$35.5

Earnings Summary – Q3 2017



Operational positive cashflow at current oil price

3 rd Quarter Operating Revenue and Costs	US\$ million	US\$/bbl
Revenue (from Gross Sales)	\$8.07	\$48.19
Royalties	\$1.61	\$9.60
Production Taxes	\$0.31	\$1.82
Field Operating Costs	\$2.53	\$15.09
Field Netback	\$3.63	\$21.68

- Positive cash flow from Operations is contributing to fund the Australis land expenditure program
- Revenue from gross sales of oil is after deduction for transport costs, marketing expenses and hedging losses
- 3rd Quarter operating costs including a number of prior quarter adjustments related to oil sales and field costs relating to but not recognised in the 2nd quarter primarily due to transitional arrangements with the previous operator

Option Terms Summary



Grant date	Exercise Price (A\$)	Vesting	Expiry	Number	Cash payable on exercise (A\$)
Directors, Executives & Management					
13 Nov 2015	\$0.25	Vested	31 Dec 2020	19,675,000	\$4,918,750
13 Nov 2015	\$0.30 (Series A)	Vested	31 Dec 2020	27,775,000	\$8,332,500
28 Apr 2016	\$0.30 (Series B)	Vested	31 Dec 2020	1,000,000	\$300,000
13 Nov 2015	\$0.35 (Series A)	13 Nov 2017 ^A	31 Dec 2022	27,600,000	\$9,660,000
13 Nov 2015	\$0.35 (Series B)	13 Nov 2018 ^A	31 Dec 2022	1,600,000	\$560,000
28 Apr 2016	\$0.35 (Series C)	13 Nov 2017 ^A	31 Dec 2022	1,000,000	\$350,000
28 Apr 2016	\$0.35 (Series D)	13 Nov 2018 ^A	31 Dec 2022	1,000,000	\$350,000
24 May 2016	\$0.275 (Series B, C, D)	See note ^B	24 May 2021	420,000	\$115,500
10 April 2017	\$0.3125 (Series A,B,C)	See note ^C	30 Nov 2021	420,000	\$131,250
				80,490,000	\$24,718,000
Investors - granted to subscribers on a 1 for every 2 new shares subscribed (A\$10.05MM placement – May 2016)					
16 May 2016	\$0.275 (Series A)	N/A ^D	30 Jun 2019	22,840,933	\$6,281,257

- A. Vesting of the Options is conditional upon continued holding of office or employment of the relevant Director or employee until the relevant vesting date
- B. Non Executive Director Options vest 33.3% on each anniversary from the date of appointment, 24 May 2016, subject to the Non Executive Director remaining a director of the Company
- C. Non Executive Director Options vest 33.3% on each anniversary from the date of appointment, 30 November 2016, subject to the Non Executive Director remaining a director of the Company
- D. No vesting condition applies to Options granted as part of the Company's private capital raising completed in May 2016 (pre IPO) to sophisticated investors at a price of A\$0.22 per new share to raise A\$10.05 million

Petroleum Rights in the TMS – Leasing



A summary of the leasing system in the US

Petroleum Rights

- In the USA, the rights of access to hydrocarbons are generally attached to the surface landrights as real property
- However, such rights can be separated from the surface land ownership, which is typically leased to a third party oil and gas company
- Australis' right of access to hydrocarbons in the TMS is governed by leases or contracts held with the various mineral rights owners

Lease Terms

- Consideration for the leases is generally paid in the form of an initial bonus payment and an agreed royalty:
 - The bonus payment is an agreed upon amount calculated on a per acre basis
 - The royalty represents a percentage of proceeds of production that is free from the expense of drilling and operating the well, typically ranging between 12.5% to 25%

Primary and Secondary Terms

- The lease will have a primary term (typically 3 to 5 years, no more than 10 years) without the need for production
- The lease contract can include an option to extend the primary term for the payment of a further agreed bonus (typically 2 years)

Production Units

- When drilling a horizontal well, the operator must establish an area around the planned well and form a production unit
- This is necessary because often a horizontal well can produce oil beneath multiple leases
- The lease terms are then aggregated on a pro-rata basis into a common royalty distribution for the unit

Held by Production

- Once production occurs within the production unit, then the leases within will become 'Held by Production' or 'HBP'
- Once the lease is HBP, the lease remains in place on the original terms until production expires

Footnotes



1. All estimates and risk factors taken from Ryder Scott, report prepared as at 1 February 2017 and generated for the Australis concessions to SPE standards. See ASX announcement titled "US Shale Acquisition and A\$100 Million Placement" dated 28 February 2017. The analysis was based on a land holding of 81,000 net acres. 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 combination of deterministic and probabilistic methods.
2. All estimates and risk factors taken from Netherland, Sewell & Associates, report prepared as at 31 December 2016 and generated for the Australis concessions to SPE standards. See announcement titled "2016 Year End Resource Update" dated 25 January 2015. 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. The contingent resource estimates are located in the Batalha Concession. NSAI generated their independent contingent resource estimates using a combination of deterministic and probabilistic methods
3. Data sourced from industry and company disclosures from 2014 and to 2016. Companies included for the Eagle Ford Basin (Karnes County) BHP, CHK, COG, COP, CRZO, DVN, ECA, EOG, EPE, MRO, MTDR, MUR, NBL, NEU, PVA, PZD, SME, STO, and TLM.
4. Data sourced from industry and company disclosures from 2014 and to 2016. Companies included for the Midland Basin : APA, AREX, CPE, CXO, DVN, EGN, EGO, ECA, END, EPE, FANG, PLI, OXY, PE, PXD, QEP, RSPP, SME and XOM
5. The 15 Mississippi ECA wells are detailed in the appendix slide titled "Single Well TMS Core Type Curve"
6. Data sourced from the Mississippi Oil & Gas Board. Other TMS wells drilled by Goodrich, Halcon, Comstock and Sanchez
7. Australis TMS Core single well cost estimate is based on cost estimates received as at December 2016 from service providers for the drilling and completion of a 7,500ft horizontal well.
8. Assumptions taken from company investor presentations since 2013 including : Goodrich, Halcon, Comstock and Encana.
9. TMS Core Type Curve – "Optimised Type Curve" means a subset of 5 of the 15 Encana Mississippi wells that comprise the TMS Core Type Curve. The 5 wells comprising this subset all utilised Encana's optimised completion design at the time of completion and the average horizontal length of ~7,500 (Stimulated Lateral).
10. Operating Netback is calculated based on revenue, after royalties, from oil and gas sales and expenses incurred at the field level of field operating costs, transport and all revenue and production related taxes.
11. The Directors and management have contributed equity funds of A\$11.352 million to date, including A\$2.6 million to Australis Europe Pty Ltd (formerly Australis Oil & Gas Pty Ltd) and participation in two private raisings as follows: a) In Nov 2015 the Company raised A\$24.175 million at A\$0.20 per share with Directors and management contributing A\$6 million, and b) in May 2016 the Company raised A\$10.05 million at A\$0.22 per share with one free attaching option exercisable at A\$0.275, with Directors and management contributing A\$2.752 million. Directors also contributed a total of A\$186,607 for the subscription of shares at \$A0.25 cents each pursuant to the IPO of the Company in July 2016.
12. The Non HBP core leaseholds comprise leases within Mississippi and Louisiana. In addition to the leasehold extensions and acquisitions, in early November, Australis acquired the remaining 50% WI in approximately 30,000 net acres from Paloma Partners.

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)
K or k	Prefix - Thousands	scf	Standard cubic foot of gas
/d	Suffix - per day		

Abbreviation	Description
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)
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
2D / 3D	2 dimensional and 3 dimensional seismic surveys
PDP	Proved Developed Producing