Key Activities & Highlights 31 January 2025

Australis Oil & Gas Limited
ABN: 34 609 262 937

ASX: ATS

Australis is an upstream oil and gas company seeking to provide shareholders value and growth through the strategic development of its quality onshore oil and gas assets in the United States of America.

The Company's acreage within the core of the oil producing TMS provides significant upside potential for ATS with 65 million bbls of 2P+2C net reserves and resources including 1.62 million bbls producing reserves[1] providing free cash flow.

The Company was formed by the founders and key executives of Aurora Oil & Gas Limited, a team with a demonstrated track record of creating and realising shareholder value.

Address
Ground Floor, 215 Hay Street Subiaco, WA 6008
Australia

Suite 3680
3 Allen Center
333 Clay Street
Houston, Texas
U.S.A 77002

Contact
Telephone:
+61 8 9220 8700

Facsimile:
+61 8 9220 8799

Email:
contact@australisoil.com
Web:
www.australisoil.com

Australis holds a material operated position within the delineated core of the Tuscaloosa Marine Shale (TMS).

The core of the TMS is a quality unconventional oil play which is mostly undeveloped. As the US shale industry matures, the TMS represents a unique development opportunity and Australis is the largest acreage holder and producer in the play as well as the repository of historical development data and knowledge.

Overview

- Australis holds approximately 48,000 net acres and ~160 net Tier 1 future drilling locations (65 million net bbls 2P & 2C) within the production delineated core of the TMS.
- During the quarter Australis continued with a number of active engagements with potential partners who have been carrying out diligence on the asset.

Operations and Financial Summary – 4th quarter 2024

- Sales volume of 62,000 barrels (WI) (+3% vs Q3 2024).
- Higher sales volumes offset by lower commodity pricing led to slightly lower sales revenue of $4.5 million (-2% vs Q3 2024).
- Lower operating costs offset the lower sales revenue which resulted in a Field Netback of US$1.8 million (+8% vs Q3 2024).
- Credit Facility principal debt decreased by US$1.4 million, to US$8.4 million (-14% vs Q3 2024).
- Cash balance at quarter end of US$6.2 million (-13% vs Q3 2024) and net debt position of US$2.2 million (-19% vs Q3 2024).

Year End 2024 Reserves Update

Ryder Scott Company, LP have completed their independent assessment of YE24 reserves and resource estimates[1]

- Australis PDP reserves of 1,624 Mbbls with a NPV(10) of US$38 million.
- Australis 2P + 2C mid case recoverable estimate 65 MMbbls

KEY FINANCIAL INFORMATION

The following table summarises key financial metrics for Q4 2024 and provides a comparison to Q3 2024.

Key Metrics	Unit	Q4 2024	Q3 2024
TMS Core Land (Net)	acres	48,000	49,000
Net Oil resource (2P + 2C)[1,2]	MMbbls	65	89
Sales Volumes (WI)	bbls	62,000	60,300
Average Realised Price[A]	US$/bbl	$71.96	$77.88
Average Achieved Price[B]	US$/bbl	$72.40	$75.74
Sales Revenue (WI)[B]	US$MM	$4.5	$4.6
Sales Revenue (Net)[B]	US$MM	$3.6	$3.7
Field Netback	US$MM	$1.8	$1.7
Field Netback / bbl (WI)[B]	US$/bbl	$28.80	$27.54
Field Netback / bbl (Net)[B]	US$/bbl	$35.71	$34.14
Adjusted EBITDA	US$MM	$0.8	$0.6
Cash Balance (Qtr end)	US$MM	$6.2	$7.2
Total Debt (Qtr end)	US$MM	$8.4	$9.9

[A] excludes effect of hedge contracts settled

[B] includes the gain from the settlement of hedge contracts of US$0.03 million (Q3 2024: loss of US$0.13 million)

Table 1: Q4 2024 Key Metrics

TMS PRODUCTION AND OPERATING PERFORMANCE

Sales volumes were higher in this quarter and above budget as the inventory build reported in Q3 was drawn down and sold. Production volumes remained in line with anticipated volumes.

Quarterly production volumes were affected by storms at the end of the year when parts of the field were without power for up to three days. However, there was no material damage done to equipment and production was reinstated once power had been restored to individual sites.

Australis completed one workover on the Pintard 28-2 which required a tubing change out. The operation was carried out without incident and on budget. In total there were only 6 workovers in 2024, which is another significant reduction from 2023 and sets a new record for workover frequency since Australis assumed operatorship.

FINANCE AND CORPORATE

Cash and Capital

Results for the quarter include:

- Sales Revenue (after hedges) of US$4.5 million, 2% lower than the previous period as higher sales volumes were offset by lower realised pricing.
- Adjusted EBITDA of US$0.8 million for the quarter higher than Q3 2024 (US$0.6 million) due to lower operating costs, reduced G&A and the receipt of 2021 US COVID employee retention credits of US$0.2 million.
- Total debt under our Macquarie Credit Facility decreased by US$1.4 million to US$8.4 million as Facility C loan repayments were made from hedged production during the quarter and a Facility A repayment was made at the end of the quarter, and
- The net debt position continues to decrease and at the end of Q4 2024 was US$2.2 million (Q3 2024: US$2.7million).

Credit Facility

Operational cash flow continued to service all interest costs and was supplemented by existing cash reserves to meet Facility A and C amortisation repayments in the quarter such that net debt reduced by $0.5 million.

The Facility A loan now stands at US$5.0 million and Facility C at US$3.4 million.

Full repayment of the Facility C loan is scheduled to occur over the next 15 months with monthly payments of principal and interest equal to the monthly oil price hedge settlement to occur as a result of the remaining 55,000 bbls WTI Swap hedge contracts entered into at the time of drawing the Facility C loan in March 2024.

Oil Price Hedging

During the reporting quarter Australis realised a very modest hedge gain of US$0.03 million compared to a loss of US$0.13 million in the previous quarter primarily due to the WTI oil price being $4.83/bbl lower in Q4 and settlement of the few remaining hedges secured in 2021 during the low oil price environment as required under the Macquarie Bank Credit Facility.

WTI-denominated hedge contracts representing a total volume of 36,000 bbls were settled during Q4 2024 as follows:

- Zero Cost Collars: 12,000 bbls, protecting an average downside price of US$54/bbl and maintaining the upside in oil price up to an average of US$81/bbl, and
- Swaps: 24,000 bbls, protecting an average downside price of US$71/bbl.

The hedges settled for Q4 2024 represented 72% of the Net Sales for the quarter (i.e. sales after royalty interests).

The table below summarises the protected WTI floor prices and the ceiling prices for all hedged volumes on future production at the end of the reporting quarter.

Australis' current WTI oil price hedge position as at 1-Jan-25					
	WTI Swaps		WTI Collars		
Qtr/Year	Volume	Protected Price	Volume	Protected Price (A)	Ceiling Price (A)
	000bbls	US$/bbl	000bbls	US$/bbl	US$/bbl
Q1/2025	21	$69	8	$48	$83
Q2/2025	16	$67	8	$48	$82
Q3/2025	16	$66	6	$53	$77
Q4/2025	16	$64	7	$54	$76
Q1/2026	12	$62	3	$60	$68
Q2/2026	2	$61	1	$60	$67
Q3/2026	2	$61	0	$0	$0
Q4/2026	2	$61	0	$0	$0
	88		32		

(A) Based on weighted monthly average prices
Table 2 : ATS hedge position as at 1 January 2025

TMS Lease Position

Australis has continued to manage its lease position in a disciplined fashion, whilst being cognisant of cash reserves and working capital obligations. During this reporting quarter 1,000 acres of term lease expired and no new leases were taken.

As at 31 December 2024 Australis holds ~48,000 net acres in the TMS Core, of which ~39,900 net acres (83%) are HBP.

The Company remains confident in our ability to quickly renew targeted expired acreage when a funding partner is secured.

Figure 1 below provides more detail on the expiry profile of the TMS Core acreage position as at 31 December 2024. Figure 2 (see "About Australis" section below) provides a map of the Australis acreage position.

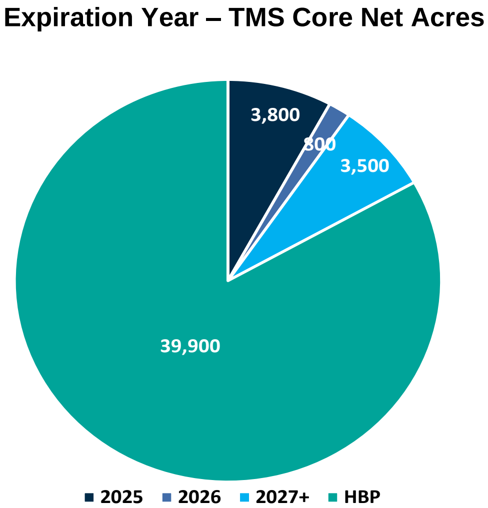

Figure 1 : Expiry profile of ATS TMS acreage

Business Development and Corporate Strategy

During the quarter the Company has continued to work with a number of public and private oil & gas companies who have carried out diligence and assessment of the Australis asset and TMS play more generally. They are progressing through their internal processes and continue to be engaged as at the date of this report. In addition, we have introduced several new potential partners during the quarter who are at earlier stages of their evaluation.

Counterparties undertaking the diligence process typically concur with our view of the asset, both technically and commercially. Despite a successful technical diligence process, the integration with existing corporate strategies or competition for capital with more established portfolio plays has historically been the prominent reason for not progressing to a transaction. We do maintain contact with counterparties who have successfully completed due diligence as the US industry continues to evolve.

Although there can be no guarantee that Australis will be able to ultimately complete a partnering transaction on satisfactory terms (or at all), we remain optimistic to do so in due course, and we are working hard but remaining patient in our approach and expectations.

Year End 2024 Reserve and Resource Update

Australis is pleased to provide its Year End 2024 (YE2024) reserve and resource update as independently assessed by Ryder Scott Company, L.P ("Ryder Scott") with an effective date of 31 December 2024[1].

Australis has continued to assess reserves for the producing assets only, with the undeveloped position being considered a contingent resource until a funding partner is identified. These contingent resources remain subject only to a qualifying development plan for conversion to a reserve category. For Australis, a qualifying development plan requires access to the capital to undertake the development.

Table 3 below provides the detail of the YE2024 reserve estimates and a comparison to YE2023.

Reserve Category	Australis Reserves[1]		Net Oil YE2024 vs YE2023[2]
	Gross Oil (Mbbls)	Net Oil (Mbbls)	
Proved Developed Producing (PDP)	2,485	1,624	
Proved Developed Not Producing (PDNP)	25	20	
Proved Developed (1P)	**2,510**	**1,644**	**-22%**
Probable Developed Producing	731	465	
Probable Developed Not Producing	0	0	
Probable Developed Total	731	465	
Proved + Probable Developed (2P)	**3,241**	**2,109**	**-22%**
Possible Developed Producing	964	609	
Possible Developed Not Producing	0	0	
Possible Developed Total	964	609	
Proved + Probable + Possible Developed (3P)	**4,206**	**2,719**	**-21%**

Table 3 : ATS YE2024 Reserve Summary

The NPV(10) of the net PDP reserves volume is US$38.5million[1], which is a decrease of -18% from the YE2023 value[2], predominantly due to the produced PDP volumes during 2024, technical adjustments to the PDP volumes and the lower oil price assumption for the YE2024 report of US$77.74/bbl (vs. YE2022 assumed price of US$79.51/bbl)[2].

Table 4 below provides the detail of the YE2024 resource estimates and a comparison of oil volumes to the YE2023 estimates.

Contingent Resource Category	Oil (Mbbls)[1]	Oil YE2024 vs YE2023[2]	Gas (MMscf)[1]	BOE (Mboe)[1]
Low Estimate (1C)	19,333	-2%	8,391	20,732
Best Estimate (2C)	62,560	-28%	35,322	68,447
High Estimate (3C)	113,233	-28%	77,757	126,192

Table 4 : ATS YE2024 Resource Summary

Assumptions

Key assumptions used by Ryder Scott to generate the YE2024 estimates are as follows:

- Reserves and contingent resources estimates are based on the deterministic estimation method.
- The oil price used for all reserves analysis in this report is a flat realised $77.74/bbl, which is based on the average achieved price by Australis on the first day of the trailing 12 months of 2024.
- Operating costs for developed producing wells are based on the average of actuals incurred between December 2023 and November 2024.
- The existing PDP estimates are based on production from 30 operated and 16 non-operated wells (30.04 net wells).
- The existing PDNP estimates are based on projected production from 2 operated wells (1.93 net wells).
- Contingent resources are estimated for areas outside of a producing well location. The 1C contingent resources are limited to any development unit (usually 1920 gross acres) that contains an existing TMS well which would have been considered as reserves had the development plan included such locations within the five-year development window. The 2C and 3C considered all the remaining undeveloped net acreage within the core area but used different estimates of in-place volumes and recovery factors.
- No gas sales are assumed in the reserve estimates as all gas is presently consumed on the lease, however projected gas volumes are included in the contingent resource estimates which includes an allocation to existing production and undeveloped acreage.

PDP reconciliation

Table 5 below provides a reconciliation of net PDP reserves between 31 December 2023 and 31 December 2024.

Description	Net Oil (Mbbl)
PDP Reserve (31/12/23)[2]	**2,085**
2023 Net Production	(201)
Technical Adjustment	(272)
Lower oil price	0
Operating cost	1
Changes to ownership	9
Other	2
PDP Reserve (31/12/24)[1]	**1,624**

Table 5 : Reconciliation of PDP reserves between YE2023 and YE2024.

Contributors to the adjustments shown in the above table are discussed below.

- The key material reductions in PDP were due to 2024 produced volumes, technical adjustments and changes to ownership.
- Technical adjustments, both positive and negative, were applied to most of the wells by Ryder Scott in the YE2024 reserve estimate. The single largest contributor (~75%) was the Ash 13-1 well. This well has an unusually high water cut and during 2024 it crossed below the economic threshold for reserves using an average operating cost for the whole field. In reality we are able to run this well at below average operating cost and it will continue to contribute ~ 50 bbls per day to field production volumes. However, under the reserve reporting methodology it is allocated 0 bbls of reserves.
- The other changes were not material.

Net Contingent Resource reconciliation

Table 6 below summarises the change in net contingent resource estimated on 31 December 2024 and 31 December 2023.

Description	Net Contingent Resource 31 Dec 2024[1] (MMbbl)	Net Contingent Resource 31 Dec 2023[2] (MMbbl)
Low Contingent Resource (1C)	19,333	19,743
Most Likely Contingent Resource (2C)	62,560	86,291
High Contingent Resource (3C)	113,233	156,252

Table 6 : Comparison of contingent resources for YE2023 and YE2024

The following key factors contributed to the changes in contingent resource.

- All subsurface assumptions on in place volumes and recovery factors remained identical for both the YE2023 and the YE2024 resource estimates.
- All undeveloped acreage was evaluated for contingent resource based on the decision not to consider a development plan.
- During 2024 Australis did not carry out any leasing and the overall position in the TMS reduced from 61,400 net acres to 48,000 net acres (a 22% reduction) which directly influences the 2C and 3C contingent resource calculation The 1C figure is influenced less as it is predominantly HBP acreage which has not changed and the incremental acreage considered in 2C and the 3C estimate is either term lease and subject to expiry or HBP acreage outside of the existing units. Note from discussion in the land section of this quarterly report at YE24 the HBP makes up 83% of the Australis TMS position.

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

Further Information:

Ian Lusted
Managing Director
Australis Oil & Gas
+61 8 9220 8700

Graham Dowland
Finance Director
Australis Oil & Gas
+61 8 9220 8700

Ends

ABOUT AUSTRALIS

Australis (ASX: ATS) is an ASX listed oil and gas company seeking to provide shareholders value and growth through the strategic development of its quality onshore oil and gas assets in the United States of America.

With approximately 48,000 net acres (83% HBP) within the production delineated core of the proven oil producing TMS, Australis retains significant upside potential with approximately 160 net future drilling locations.

At year end 2024 Ryder Scott independently assessed the Australis acreage held at that time with 65 MMbbls of 2P + 2C recoverable volume including 1.6 MMbbls producing reserves providing net field cash flow[1]. The contingent oil resource is only contingent on a qualifying development program and Australis will carry out a reassessment of its undeveloped reserve position when a partner and funding is secured.

Australis was formed by the founder and key executives of Aurora Oil & Gas Limited, a team with a demonstrated track record of creating and realising shareholder value.

TMS Assets & Background

The map shown in Figure 2 is a representation of the acreage position that Australis holds within the TMS Core.

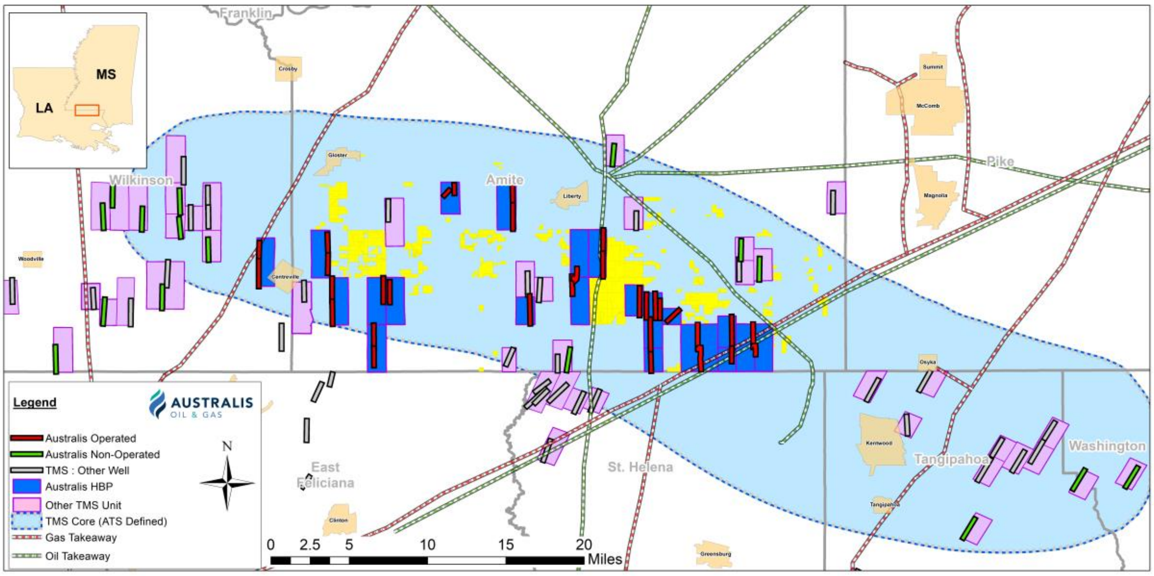

Figure 2 : Location of Australis acreage and TMS wells

The Tuscaloosa Marine Shale is a Cretaceous shallow marine unconventional shale that is present across central Louisiana and southwest Mississippi. The play is the same geological age as the Eagle Ford Shale in South Texas and the Woodbine Shale in East Texas.

The play is relatively deep, high pressured and oil weighted. As experienced in most unconventional plays, early results (2010 – 2014) demonstrated variable production performance and relatively high well costs, driven by initial operational difficulties encountered whilst drilling and completing the wells. The activity that did take place delineated a core area of the play where production results were consistent and comparable to other, far more developed, unconventional plays such as the Eagle Ford and the Permian. This area is shown in the blue oblong in Figure 2 and represents Australis' interpretation of the TMS Core.

The comparison of the 2014 production results from the core of the TMS (the 15 wells drilled in the Australis TMS core leasehold area in 2014 and which comprise the TMS Type Curve) with the three type curves generated by Ryder Scott for the YE 2020 reserve report is shown in Figure 3 below.

To qualify as a reserve Ryder Scott must assess a future location as economic and the YE 2020 reserve report was evaluated assuming a flat oil price of US$47.02/bbl[3]. Note the YE 2023 Reserve Report[1] did not assess undeveloped reserves as any assessment is dependent on a drilling plan for the next 5 years. Australis made the decision to defer the assessment until a partner is introduced and a development plan is determined.

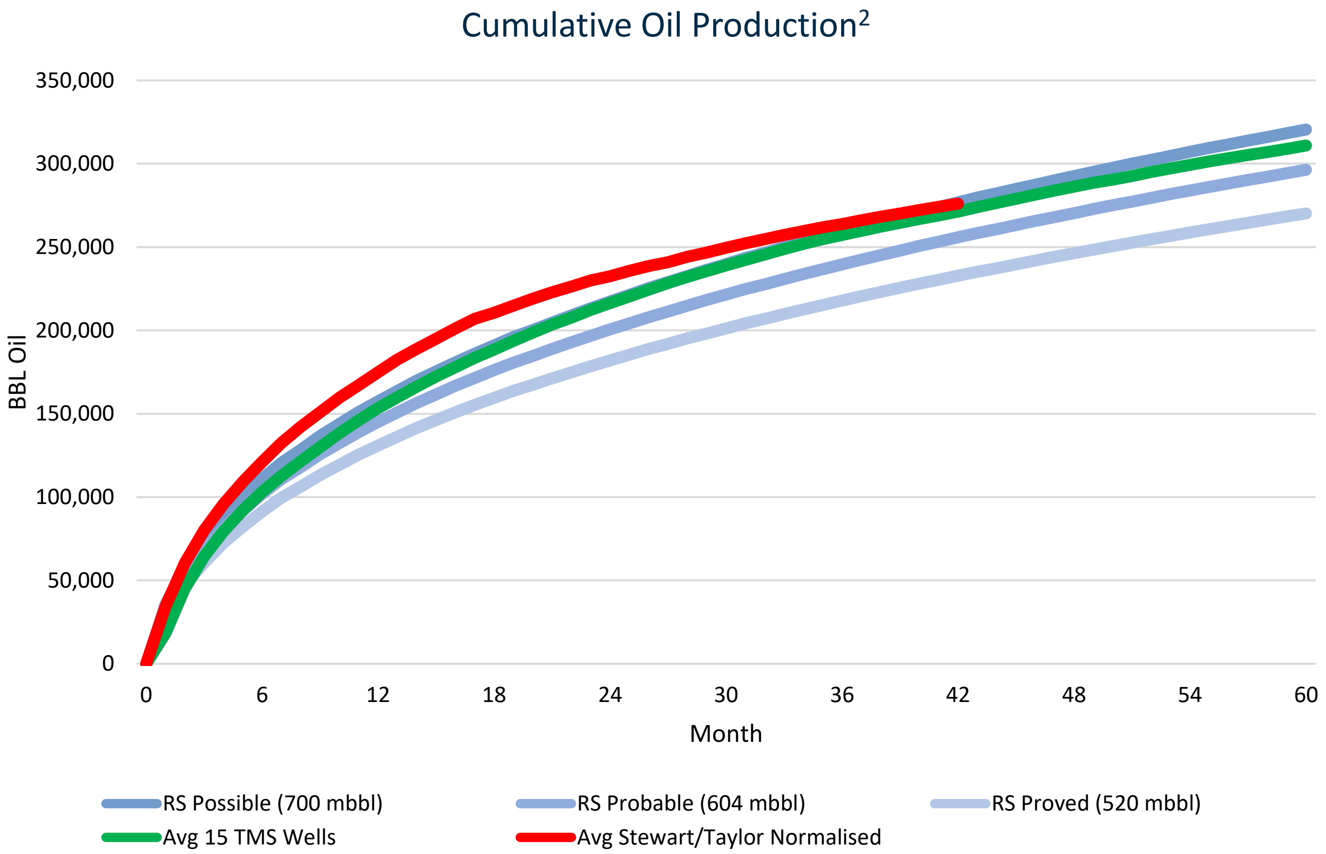

Figure 3 : Average oil production of ATS 2014 TMS wells vs Ryder Scott Proved, Probably and Possible Type Curves and performance of the full length laterals drilled by Australis in 2018

The 2014 fall in commodity price generated the opportunity for the two low cost acquisitions by Australis in the TMS and for an ongoing cost-effective and strategic leasing program where longer lease life is targeted together with improved commercial terms. Australis has remained very disciplined and focused only within the production delineated TMS Core.

The appraisal activity by Encana and other participants in the TMS during 2013/2014 also addressed many of the operational challenges that were initially experienced. Costs and performance repeatability were improving, and activity levels were increasing during 2014 until evolution in the play was interrupted by the oil price drop in late 2014. As a direct result, Australis is the only company to have drilled new wells in the play since the beginning of 2015 other than in the last quarter of 2021, when State Line Exploration successfully drilled and cased their first well in the play. Consequently, none of the numerous industry improvements that have continued to drive forward the economics of other unconventional plays have yet been applied to the TMS. The production results of the full length laterals drilled by Australis in 2018[2] are also shown above on Figure 3.

GLOSSARY

Unit	Measure	Unit	Measure
B	Prefix – Billions	**bbl**	Barrel of oil
MM	Prefix – Millions	**boe**	Barrel of Oil equivalent (1bbl = 6 mscf)
M or k	Prefix – Thousands	**scf**	Standard cubic foot of gas
/d	Suffix – per day	**Bcf**	Billion cubic feet of gas

Term	Definition
TMS Core	The Australis designated productive core area of the TMS delineated by production history
WI	Company beneficial interest before royalties
Royalty	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
Net or NRI	Company beneficial interest after royalties or burdens
C	Contingent Resources (1C/2C/3C equivalent to low/most likely/high)
NPV(10)	Net Present Value (@ discount rate)
EUR	Estimated Ultimate Recovery of a well
WTI	West Texas Intermediate oil benchmark price
LLS	Louisiana Light Sweet oil benchmark price
D, C&T	Drill, Complete and Tie - in
SOFR	Secured Overnight Financing Rate
Opex	Operating Expenditure
G&A	General & Administrative Expenditure
HBP	Held by production – within a formed unit a producing well meets all lease obligations within that unit. Primary term remains valid whilst well is on production.
PRB	Probable Reserves
PDP	Proved Developed Producing Reserves
PDNP	Proved Developed Not Producing Reserves
PUD	Proved Undeveloped Reserves
Net Acres	Working Interest before deduction of royalties or burdens
Field Netback	Oil and gas sales net of royalties, production and state taxes, inventory movements, hedging gains or losses and field-based production expenses but excludes depletion and depreciation
Adjusted EBITDA	Earnings before interest, tax, depreciation, depletion, amortisation expenses and the write off of previously capitalised expired exploration leases
IP30	The average oil production rate over 30 days of production following clean up
YOY	Year on year
YE	Year end
TMS Type Curve	The history matched production performance of 15 wells drilled in the TMS by Encana in 2014. Corresponds to an average treated horizontal length of 7,200ft. Refer to the Appendix of the Australis Corporate Presentation
IDP	Initial drilling program of 6 wells in the TMS by Australis commencing late 2018
DUC	Drilled uncompleted well
OD	Outer Diameter of a tubular

Notes

1. Estimates from the independent Ryder Scott report, effective 31 December 2024 and dated 29 January 2025. The report was prepared in accordance with the definitions and disclosure guidelines contained in the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management (SPE-PRMS) as revised in June 2018. Ryder Scott generated their independent reserve and contingent resource estimates using deterministic methods. The achieved price and NPV(10) values quoted are for the project only, they do not include any impact from the existing oil price hedges that Australis has entered into.
2. Estimates from the independent Ryder Scott report, effective 31 December 2023 and dated 31 January 2024. The report was prepared in accordance with the definitions and disclosure guidelines contained in the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management (SPE-PRMS) as revised in June 2018. Ryder Scott generated their independent reserve and contingent resource estimates using deterministic methods. The achieved price and NPV(10) values quoted are for the project only, they do not include any impact from the existing oil price hedges that Australis has entered into.
3. Average production from Stewart 30H-1 and Taylor 27H-1 wells normalized to 7,200 ft completed horizontal length and adjusted for production curtailments during COVID low oil prices Q2 2020.
4. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2020 and generated for the Australis concessions to SPE standards. See ASX announcement released on 5 February 2021 titled “Reserves and Resources Update Year End 2020”. 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.

Competent Persons Statement

The reserves and contingent resource estimates provided in this announcement pertaining to the Tuscaloosa Marine Shale is based on, and fairly represents, information and supporting documentation, prepared by, or under the supervision of, Eric Nelson, P.E., who is an employee of Ryder Scott Company, L.P. an independent professional petroleum engineering firm. Mr Nelson is a Professional Engineer in the State of Texas (Registration No. 102286). The reserve and resource information pertaining to the Tuscaloosa Marine Shale in this announcement has been issued with the prior written consent of Mr Yee in the form and context in which it appears.

Non-IFRS Financial Measures

References are made within this report to certain financial measures that do not have a standardised meaning prescribed by International Financial Reporting Standards (IFRS). Such measures are neither required by, nor calculated in accordance with IFRS, and therefore are considered Non–IFRS financial measures. Field Netback, Adjusted EBITDA and EBITDA, as defined within the Glossary, are Non-IFRS financial measures commonly used in the oil and gas industry or financial measures that are relevant to Australis. Non-IFRS financial measures used by the Company may not be comparable with the calculation of similar measures by other companies.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Australis’ planned operation program and other statements that are not historic facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward looking statements. Although Australis believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.