

For Immediate Release ASX Announcement

27 February 2019

Completion of Share Placement – Tranche 1

Australis Oil & Gas Limited (**Australis** or the **Company**) (ASX:ATS) is pleased to announce it has completed the placement of 83.9 million new ordinary fully paid shares at A\$0.35 per share to raise approximately A\$29.4 million (before costs) (**Tranche 1**) as announced on 15 and 18 February 2019.

The new shares issued under Tranche 1 will commence trading on 28 February 2019.

The placement of the remaining shares, being approximately 3.1 million shares to Australis Chairman Jon Stewart and Non-Executive Director Alan Watson to raise A\$1.1 million (**Tranche 2**), will be subject to shareholder approval to be sought at the Annual General Meeting in April 2019.

Net proceeds from the placement of Tranche 1 and Tranche 2 will be used to:

- a) increase financial flexibility for negotiation of rig and other services for the next phase of the TMS initial drilling program after the sixth well;
- b) acquire additional de-risked TMS core area lease holdings; and
- c) strengthen the balance sheet and working capital.

Following settlement of Tranche 2, Australis' proforma cash position as at 1 January 2019 will be US\$59 million.

Euroz Securities Limited acted as Lead Manager and Bookrunner to the Placement. RBC Capital Markets acted as a Co-Lead Manager.

Please refer to the Company's website for further details of this transaction – www.australisoil.com.

Ends

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About Australis Oil & Gas Limited (Australis)

Australis (ASX: ATS) is an ASX listed 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 and Portugal. Australis' 110,000 net acres within the production delineated core of the oil producing TMS provides significant upside potential with an estimated 410 net future drilling locations, and an independently assessed 50 MMbbl of 2P oil reserves (including 4 MMbbl producing reserves providing net free cash flow)¹ as well as 108 MMbbl of 2C contingent oil resource¹ (based on net acreage at the effective date of the report of 110,000 acres). 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.

AUSTRALIS OIL & GAS LIMITED

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Notes

1. The most recent TMS estimates have been taken from the independent Ryder Scott report, effective 31 December 2018 and announced on 6 February 2019 titled 'Reserve and Resource Update – Year end 2018'. 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 a deterministic method. The Company is not aware of any new information or data that materially affects the information included in the referenced market announcement and that all material assumptions and technical parameters underpinning the estimates in the referenced market announcement continue to apply and have not materially changed.