



For Immediate Release ASX Announcement

18 April 2017

Australis completes US shale acquisition

Australis Oil & Gas (ASX: ATS) (Australis or the Company) is pleased to announce the completion of the acquisition of all of the TMS assets of Encana Oil & Gas (USA) Inc., a subsidiary of Encana Corporation (Encana). Settlement of the acquisition occurred on 13 April 2017, US time.

The acquisition was settled with the cash consideration of US\$68.3 million, being the contract price of US\$80 million less the net effect of the various adjustments totalling US\$11.7 million, reflecting the operating period from the effective date of the acquisition, 1 November 2016, through to 13 April 2017. The material adjustment to the contract price relates to oil production and sales net field revenue (after field operating costs) of US\$10.8 million.

The TMS is one of the last remaining emerging oil producing shale basins. Australis now holds 81,000 net acres in the oil rich TMS core, making it the largest holder in that region, with acquired average March 2017 production, net of royalties, of approximately 1,700 bbls/d, generating positive cashflow from 31 producing gross wells.

Further details about the acquisition of the Encana TMS Assets are set out in the recent ASX announcements and are included with in the Company's website - www.australisoil.com.

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