

For Immediate Release ASX Announcement

18 February 2019

Successful placement raises A\$30.5 million

Australis Oil & Gas Limited (**Australis** or the **Company**) (ASX:ATS) is pleased to announce the success of its placement to raise A\$30.5 million before costs (**Placement**). The Placement will be in two tranches and comprise the issue of 87 million new fully paid ordinary shares in Australis at an issue price of A\$0.35 per share as follows:

- Tranche 1 – unconditional placement of approximately 83.9 million shares to raise approximately A\$29.4 under Australis' existing ASX Listing Rule 7.1 capacity, expected to settle on Wednesday, 27 February 2019; and
- Tranche 2 – conditional placement of approximately 3.1 million shares to Australis Chairman Jon Stewart and Non-Executive Director Alan Watson to raise approximately A\$1.1 million, which will be subject to shareholder approval to be sought at the Annual General Meeting in April 2019.

Following positive initial results described in recent ASX announcements⁽¹⁾ funds raised from the Placement 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.

The Placement received strong support from both existing shareholders and new investors well in excess of the shares available to allocate. The Placement represents approximately 9.7% of the current number of ordinary shares on issue. New shares issued under the Placement will rank equally with existing Australis shares.

Chairman of Australis, Jon Stewart commented "We have been very pleased with the results of the initial drilling program and this capital raising strengthens our balance sheet as we prepare for the next phase of drilling. We are grateful for the continued support of our existing shareholders and welcome those new to our register. We look forward to building shareholder value through the continued execution of our strategy. We believe that continued demonstration of high productivity at reasonable cost will significantly revalue our large position in the highly productive TMS core".

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

Further information in relation to the Placement and Australis can be found in the investor presentation, released on Australis' ASX announcement platform on Friday, 15 February 2019.

Ends

For further information, please contact:

AUSTRALIS OIL & GAS LIMITED

ABN 34 609 262 937

Level 29, 77 St. George's Terrace, Perth WA 6000, Australia • GPO Box 2548, Perth WA 6831

T +61 (8) 9220 8700 • F +61 (8) 9220 8799

www.australisoil.com



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

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

Shaun Duffy
Managing Director
FTI Consulting
+61 8 9485 8888

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)² as well as 108 MMbbl of 2C contingent oil resource² (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.

Notes

1. ASX Announcements:
 - Quarterly activities report dated 31 January 2019
 - The 2018 year end reserve and resource update dated 6 February 2019
 - The Investor Presentation dated 11 February 2019
2. 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.

No Distribution in the US and No Distribution to the US News Wires Services: This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement is not an offer of securities for sale in the United States. Any securities to be issued by Australis have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") and may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act. No public offer of the securities is being made in the United States and the information contained herein does not constitute an offer of securities for sale in the United States. This announcement is not for distribution directly or indirectly in or into the United States or to US persons. **Future performance:** This announcement contains certain forward-looking statements and opinion. Generally, words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. The forward-looking statements, opinion and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Australis. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast.