

Oil Price Hedge Position update

In light of the recent oil price movements, Australis Oil & Gas Limited (“Australis” or the “Company”) provides the following update in relation to its oil price hedged position.

Highlights

- **443,000 bbls hedged through to 2023 at a floor price ranging from WTI US\$51 to US\$55 per bbl**
- **80% of net forecast PDP volumes hedged until June 2020 at an average price of WTI US\$54 per bbl**
- **68% of net forecast PDP volumes hedged in 2020 at an average price of WTI US\$53 per bbl**
- **Australis achieves the LLS premium to WTI on oil sales which averaged \$5.60/bbl in 2019**
- **There has been no change to the Australis debt position since 31 December 2019**

In order to manage exposure to changing oil prices and consistent with our corporate strategy, the Australis’ ‘Commodity Risk Management’ policy ensures a robust hedge position at all times.

Australis has a forward hedge book of 443,000 barrels through to early 2023 at a floor price ranging from WTI US\$51 to US\$55 per bbl. The hedge book is front ended with 266,000 bbls hedged for the remainder of 2020 at an average WTI price of US\$53 per bbl. This amounts to 68% of Australis’ net expected PDP production in 2020 and 80% of net expected PDP production over the next four months.

The Australis hedge book is a combination of WTI collars and WTI swaps. Australis sells its oil at the LLS benchmark which averaged a premium to WTI of US\$5.60 per bbl in 2019.

Australis’ current hedge position is set out below:

Period	Instrument	Volumes	WTI Put / Swap	WTI Call
		bbls	US\$/bbl	US\$/bbl
Mar-Jun 2020	Swaps	53,000	53	
Mar-Jun 2020	Collars	81,000	54	73
H2 2020	Swaps	102,000	52	
H2 2020	Collars	30,000	55	77
H1 2021	Swaps	72,000	51	
H1 2021	Collars	7,000	55	73
H2 2021	Swaps	55,000	51	
H1 & H2 2022	Swaps	39,000	50	
H1 2023	Swaps	4,000	50	
Total		443,000		

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

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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' 115,000 net acres within the production delineated core of the oil producing TMS provides significant upside potential with an estimated 425 net future drilling locations, and an independently assessed 49 MMbbl of 1P oil reserves (including 3.5 MMbbl producing reserves providing net free cash flow)¹ as well as 62 MMbbl 2P oil reserves and 130 MMbbl of 2C contingent oil resource¹. 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.

Forward-looking information:

This announcement contains certain forward-looking statements and opinion. Generally, words such as "forecasts", "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.

Notes:

1. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2019 and generated for the Australis concessions to SPE standards. See ASX announcement released on 11 February 2020 titled "Reserves and Resources Update Year End 2019". 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 deterministic method which is based on a qualitative assessment of relative uncertainty using consistent interpretation guidelines. The independent engineers using a deterministic incremental (risk based) approach estimate the quantities at each level of uncertainty discretely and separately.