

For Immediate Release ASX Announcement

29 April 2019

Chairman's Address – 2019 Annual General Meeting

Before we start the formal part of the AGM I wanted to say a few words.

On behalf of the Australis Board, I would like to welcome you to our AGM. Ian Lusted will give you a more detailed update and answer questions related to such after the formal part of this AGM.

We have regularly repeated the key elements of the business strategy we have been following since the private creation of Australis in late 2014. Our strategy has not wavered and we believe that we will deliver strong returns to shareholders by effectively executing that program. The initial stages of our strategy involved asset evaluations, acquisition of assets and consolidation of ownership and control of the targeted assets. Although we continue to accretively add to our asset base, we have largely completed these steps.

The current phase of strategy sees us undertaking drilling to demonstrate performance and economics applying contemporary industry equipment, drilling and completion techniques. It has been a period of significant activity for Australis as we moved to this operational phase of the corporate strategy. Our thesis remains that this Initial Drilling Program within the TMS will generate a material re-rating of the value of our assets.

Starting drilling in a new project, with a new team albeit experienced, is not an easy scenario. We have benefited from an extended period of detailed planning before bringing in the rig but, from my experience there will always be a few new things to be learned once you get started. We've had some great well results already and some execution problems in other wells. Fundamentally important is that we have not seen anything to dampen our enthusiasm and confidence in the productivity of our substantial acreage position.

Since early 2017 we have increased our substantial lease position in the core TMS from 19,000 net acres to 115,000 acres of long-life leases acquired on highly attractive terms. This equates to a very significant oil resource, which is now over 200 million barrels and of which 90 million barrels are reserves. The contingent resources are converted to reserves as the development program progresses.

As operator of the assets, we are in the desired position to dictate the timing and nature of the drilling program going forward. Additional flexibility is gained from the long duration leases we have negotiated and the field rules already in place for the TMS. Further, having just added additional equity to the Balance Sheet in February 2019 along with a substantial debt facility with Macquarie Bank, which is mostly undrawn, we consider the Company very well funded for our drilling plans as well as retaining financial flexibility for commercial and contractual negotiations going forward.

What do I like about Australis? Where is the value? Why have I been investing more capital buying additional shares?

- Very good people who are experienced and work hard.
- Sensible funding structure.
- Substantial contiguous land position ie scale.
- Operator of whole position ie control.
- High well productivity.
- >95% oil weighted production.

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

- Quality light sweet crude that is sold at a substantial premium to WTI.
- Proximity to significant accessible infrastructure.
- Upside from Austin Chalk where we watch with interest the testing by ConocoPhillips, EOG and third parties of the formation on acreage nearby to ours.
- Upside from downspacing and further improvements to recoverability that have typically been achieved as the development of new oil shale progresses.

Our strategy to build shareholder value is to be achieved in a sustainable and responsible manner. Importantly, our Environmental, Health and Safety (EHS) performance continued to be maintained at a high level.

As Chairman I would like to express my gratitude to the members of the Board. We have a very capable board that are singularly focused on the success of your Company.

I would also like to thank our management and staff in Perth, Houston and in the field who have worked extremely hard in 2018. We are very proud of the team of experienced and dedicated professionals we have assembled at Australis. The team has worked tirelessly in the planning, implementation and execution of the Initial Drilling Program, as well as continuing to run operations in a safe and sustainable manner.

Finally, I would like to thank all of you, our shareholders for your continued support of the Company. Australis is building value whether the market recognizes it currently or not. I truly believe that the disconnect there is just a timing issue.

Thank you.

Jon Stewart
Chairman