Large undeveloped oil position provides the platform for significant value generation

AUSTRALIS OIL & GAS

Investor Presentation

29 October 2018

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Executive Summary

Tuscaloosa Marine Shale (TMS)

Portugal

Appendix

Investment Highlights

Large undeveloped TMS oil position provides the platform for significant value generation

Operator of Quality Assets	▪ Asset is focused in production delineated core of the TMS ▪ Australis TMS production is liquids rich (>95% oil) and sold at a premium to WTI (>$6/bbl) ▪ Independent (2P + 2C) recoverable estimate - net 145 MMbbls oil at YE17 (32% reserves)[A]
Significant Upside	▪ Increased net position YTD in TMS core by 15,000 acres to 110,000 acres and now 410[B] net future well locations ▪ Each future well has NPV(10) of US$8.2MM with conservative assumptions[C] ▪ Adds 27 MMbbls 2C oil (ATS estimate[9]) – i.e. net 172 MMbbls (2P+2C) ▪ Early upside targeted: additional acreage, well downspacing (+25%)[D], production improvement (+15%)[E] and lower costs per well (-20%).[F] All consistent with other prolific plays onshore USA
Proven Execution Capability	▪ Board and management were the founders and key executives of Aurora Oil & Gas and have a track record of delivering shareholder value with US unconventional assets
Disciplined Capital Management	▪ Operatorship and lease terms provide control and flexibility over capital deployment ▪ Funded for initial development with US$41MM[G] cash, positive field cashflow and undrawn debt facility of US$75MM

A): As at 31 December 2017 – Ryder Scott
B): Assuming 1,320 ft spacing and 7,500 ft lateral (250 acre)
c): ATS estimate at US$70/bbl WTI and $11m Capex, EUR of 656 Mboe
D): Reduce spacing to 1,000 ft (190acre) adds 100 additional locations – see slide 7
E): Type curve based on 2014 wells, improvement in productivity rationale data – see slide 14q
F): Anticipated well cost saving with full field development – see slide 7
G): As at 1 October 2018

Corporate Overview

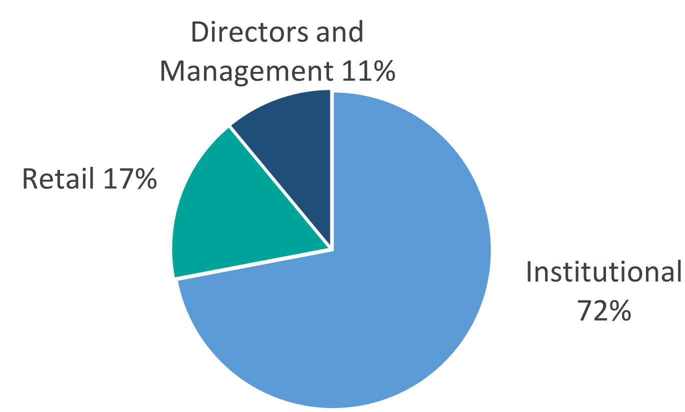
Existing reserves, production and revenue with an institutionally supported register

- Founded in 2014 with significant capital contribution by the founders & key management of Aurora Oil & Gas, listed on the ASX in July 2016 (ASX:ATS).
- Inventory of 410 future well locations in the TMS with attractive economics and multi-layered upside.
- Gas discovery and large exploration targets in Portugal - 458 Bcf 2C[2].
- Strong balance sheet and cash flow:
  - Cash of US$41MM (1 Oct 2018).
  - Free cash flow from production and discretionary capex.
  - Committed undrawn debt facility of US$75MM from Macquarie Bank on commercially favourable terms.
- Focus for next 12 months:
  - TMS drilling program to replicate historical productivity at today's cost base.
  - Complete environmental assessment to allow execution of Portuguese concession commitment wells.

Capital Structure (October 2018)[A]

Ordinary Shares[B]	896 million
Share Price (22 October 2018)	A$0.435
Market Capitalization	A$390 million
Total Cash [C]	A$58 million
Total Drawn Debt (US$75 million Facility)	Nil
Enterprise Value	**A$332 million**
	US$236 million[C]

Share Register Composition (October 2018)



A. Figures are rounded
B. Excludes 131 million unlisted options (an average strike price of A$0.35) and 13m performance rights
C. Exchange rate AUD to USD – 0.71 @ 22 October 2018

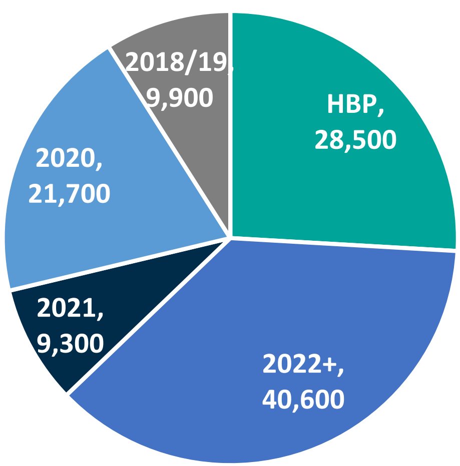
Australis TMS Land Position

Australis has increased its 'core' land position from 95,000 to 110,000 net acres

Australis TMS Position

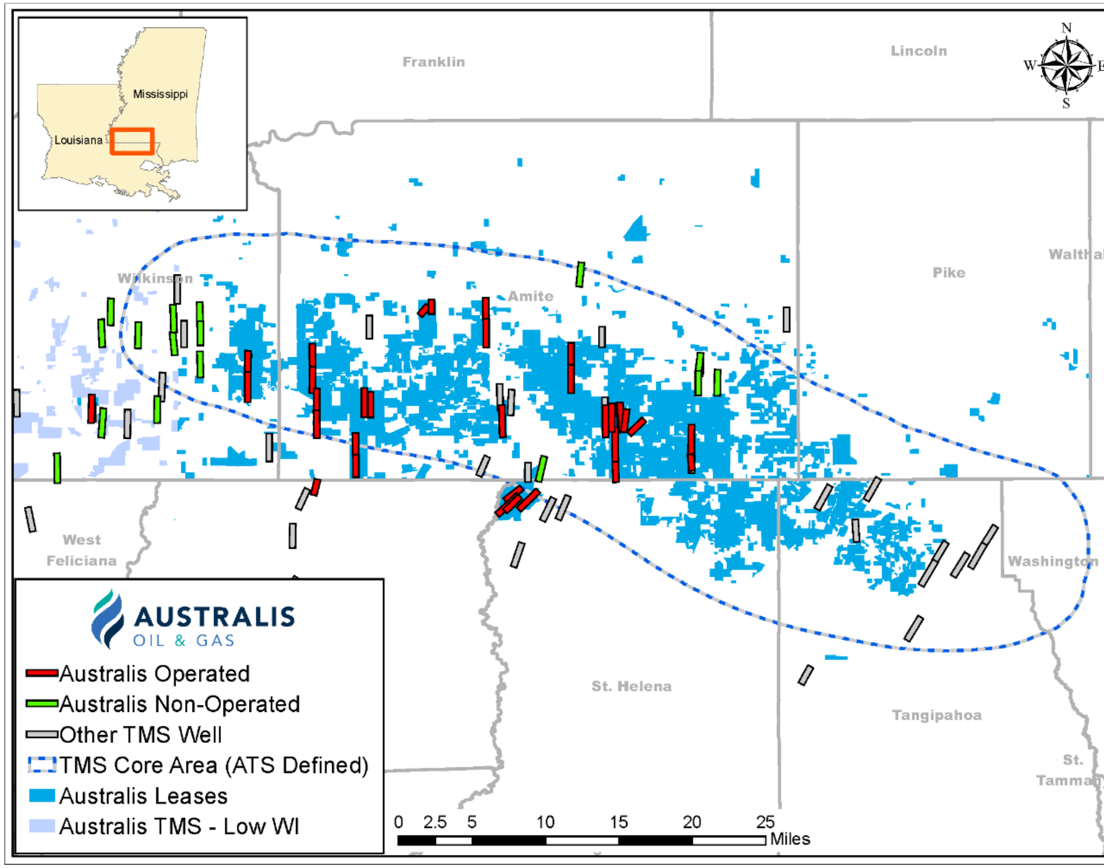
Land Position @ 1 Oct 2018	Net Acres
HBP	28,500 acres
Total Core Area	110,000 acres
Future Net Well Locations[A]	410
Single Well Oil EUR	610,000 bbl[10]

Expiration Year – TMS Core Net Acres



71% acreage is 2021+ or HBP

Australis TMS Map



(A) 250 acre spacing, based on 110,000 net acres

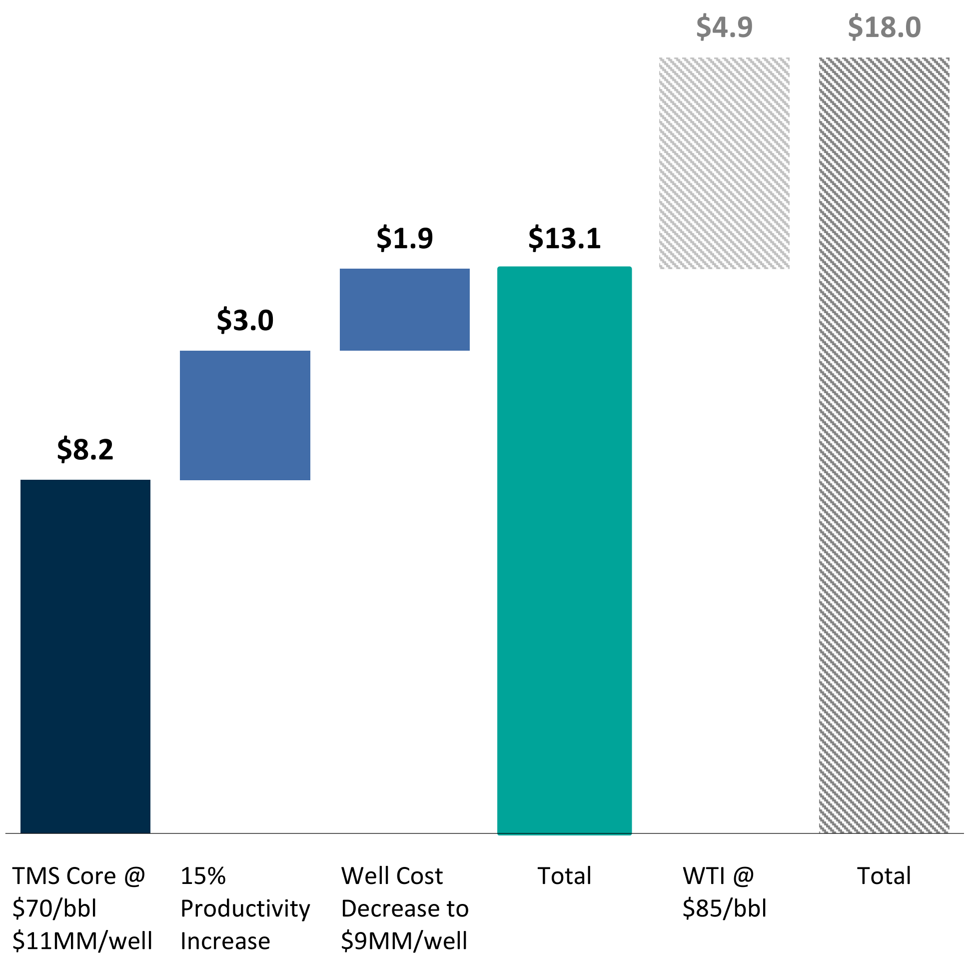
Pathway to Value

TMS Core acreage has multiple catalysts to realise and increase value

Value Catalysts

Well Performance	▪ Type curves based on historical average well productivity ▪ Technology improvements over last 4 years not yet trialled in TMS
Well Cost Reductions	▪ Continued refinement in design based on industry improvements over last 4 years and ATS experience ▪ Well location and design optimization & economies of scale in full development
Oil Price	▪ A re-balancing of global demand / supply dynamics continues to generate upward pressure on oil price
Well Spacing	▪ 250 acres per well is only 9% oil-in-place recovery – 410 future net wells ▪ Near-term potential for 190 acre spacing per well (increasing reserves and resources) – 504 future net wells
Additional Horizons	▪ Austin Chalk activity proximal to Australis acreage (EOG, Marathon, ConocoPhillips) ▪ Majority of Australis leases include Austin Chalk rights

Single Well Economics - Pre-tax NPV10 (US$ in millions)[A]



A) Refer appendix for full economic analysis

Significant Underlying Value

Australis continues to add oil inventory on a highly accretive basis

- Australis YE17 Reserves estimated by Ryder Scott. Based on permitted 5 year development period and modest rig program.
- Remaining TMS acreage not assessed for development was allocated 2C of 98 MMbbl.
- 2C Resources will convert to reserves when assessed for development.
- Australis has added a further 15,000 net acres of within the TMS core.
- Using the same assumptions as YE17 Ryder Scott Report, Australis estimates a further 27MMbbls 2C [9].
- Aurora sold in 2014 for A$1.8Bn with 2P reserves of 45MMbbl oil & 44MMbbl condensate.
- Australis enterprise value[B] US$0.96/boe.

TMS Reserves & Resource Estimates

YE 17 Independent Estimate[1] (95,000 net acres)	Net Oil
PDP	4 MMbbl US$80 million (NPV10)
1P Reserves	29 MMbbl
2P Reserves	47 MMbbl
3P Reserves	60 MMbbl
2C Resources	98 MMbbl
Additional Acreage[A] (15,000 net acres)	**Net Oil**
Adds 2C Resources[9]	27 MMbbl
New Mid Case (2P + 2C)	172 MMbbl

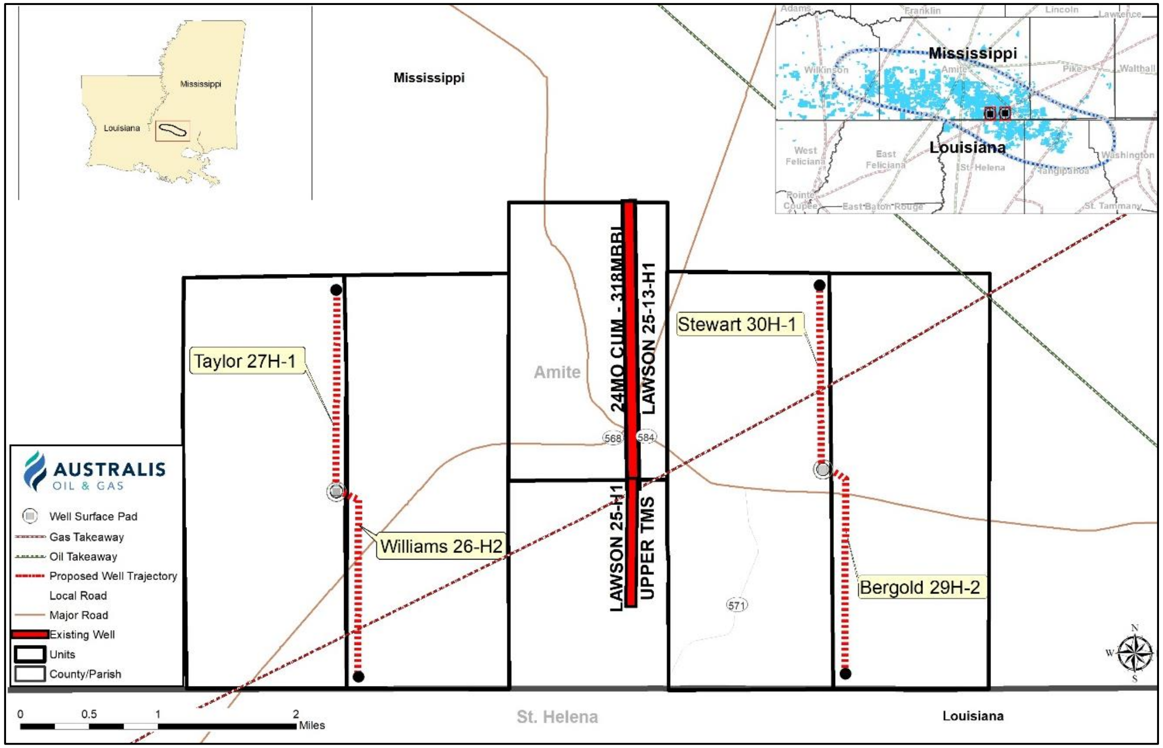
A) Australis estimate using RS methodology extrapolated for additional net acreage
B) Valuation includes 2C resource in Portugal of 458 Bcf gas and Enterprise Value from Slide 5

Initial Drilling Program Commenced

First wells have been spud with drilling progressing ahead of plan

- Initial well program seeks to demonstrate value proposition by repeating historical well performance at updated cost base.
- The Nabors B14 drilling rig has commenced operations and is contracted to drill a minimum of 6 wells with the provision to extend.
- The planned locations for the first 10 wells have been selected with an emphasis on execution, risk mitigation and replication of the productivity performance of the TMS Type Curve[4].
- Initial wells are being batch drilled in pairs to increase efficiency.
- Stewart 30H-1 and Bergold 29H-2 have completed top and intermediate hole sections, with horizontal drilling underway on Stewart 30H-1.
- Planning and Preparations paying dividends: Fastest top hole and longest intermediate bit run in the TMS thus far.

Well Locations – First 4 Wells



The first 4 wells will be drilled proximal to Lawson 25-13H, a highly productive well operated by Australis which produced over 300,000 barrels of oil in the first twenty-four months

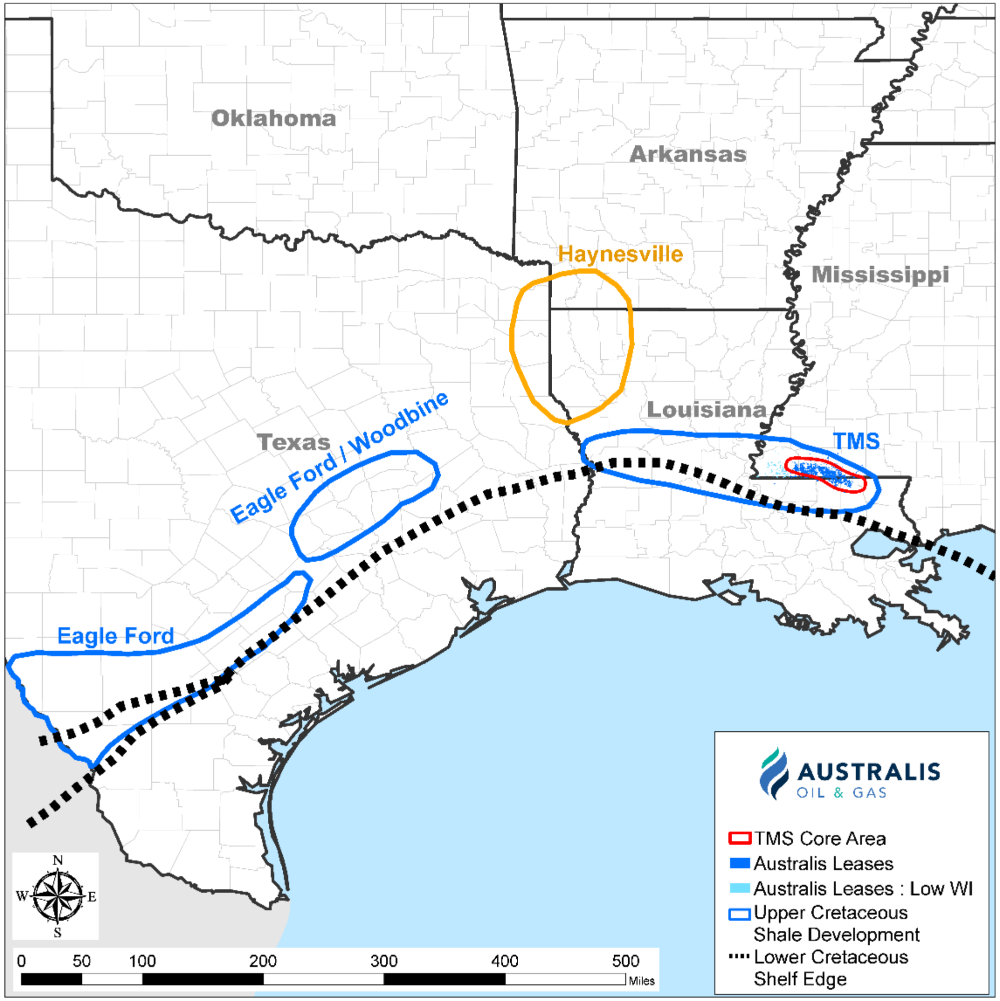
9144
1267

What is the TMS?

The TMS is an emerging shale play: its 'core" is comparable with other prolific unconventional plays in the US

- Onshore basin - Louisiana and Mississippi.
- On trend with Eagle Ford Basin in Texas, similar depositional history and age.
- 80 horizontal wells were drilled from 2010 to 2014 and have delineated the Core Area.
- Performance from the early drilled wells was variable and unusually binary - either in or outside of the core area.
- The most recent wells were drilled in the core of the TMS (within Australis' acreage) in 2014. They have demonstrated consistently high oil productivity and downward trending well costs.

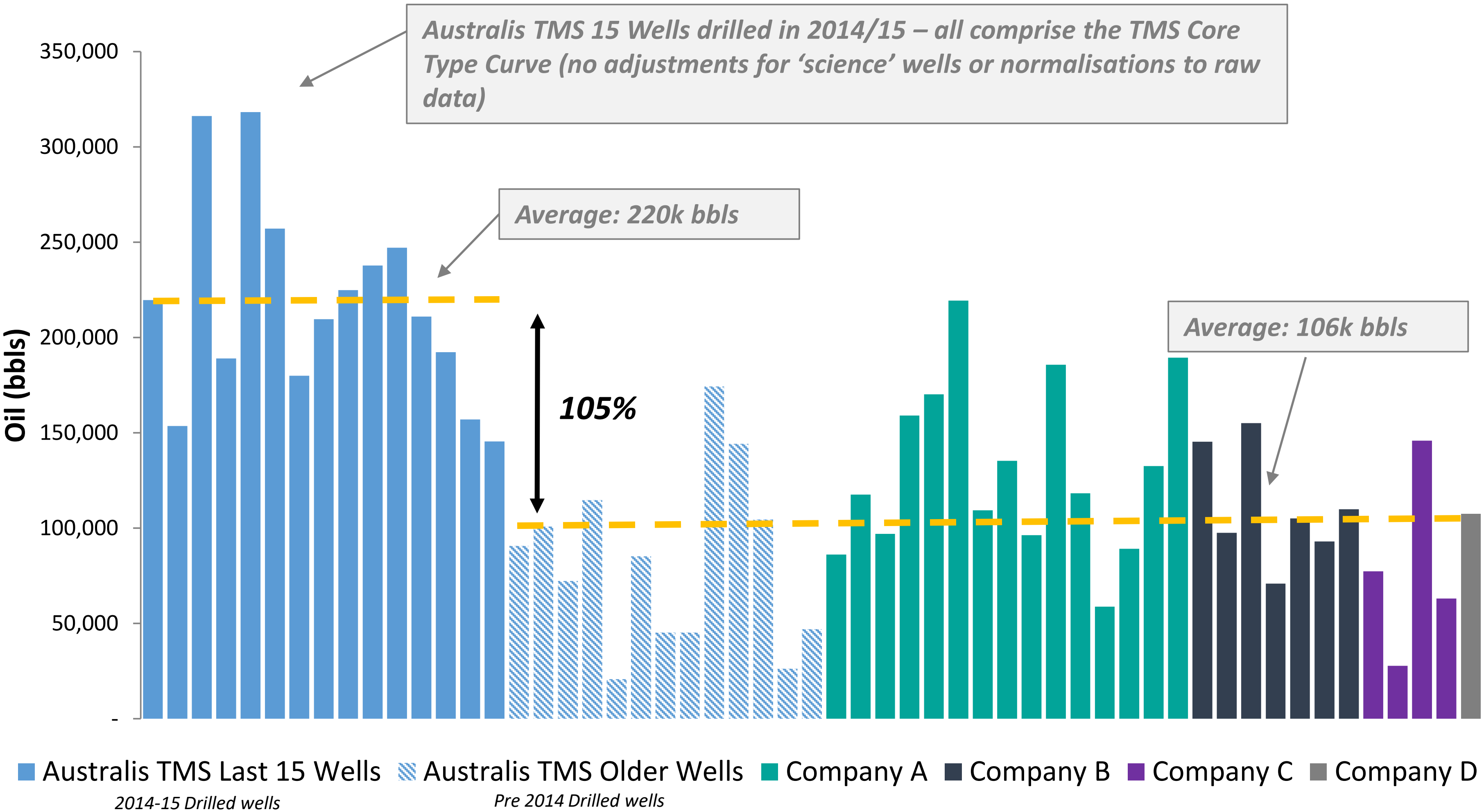
TMS Location



Australis TMS Well Performance

The 15 wells drilled in 2014/15 within Australis' core acreage demonstrate significantly higher average productivity than the average of other TMS wells drilled in Mississippi

Individual 24 Month Cumulative Production Per Well – TMS Mississippi[4,5]

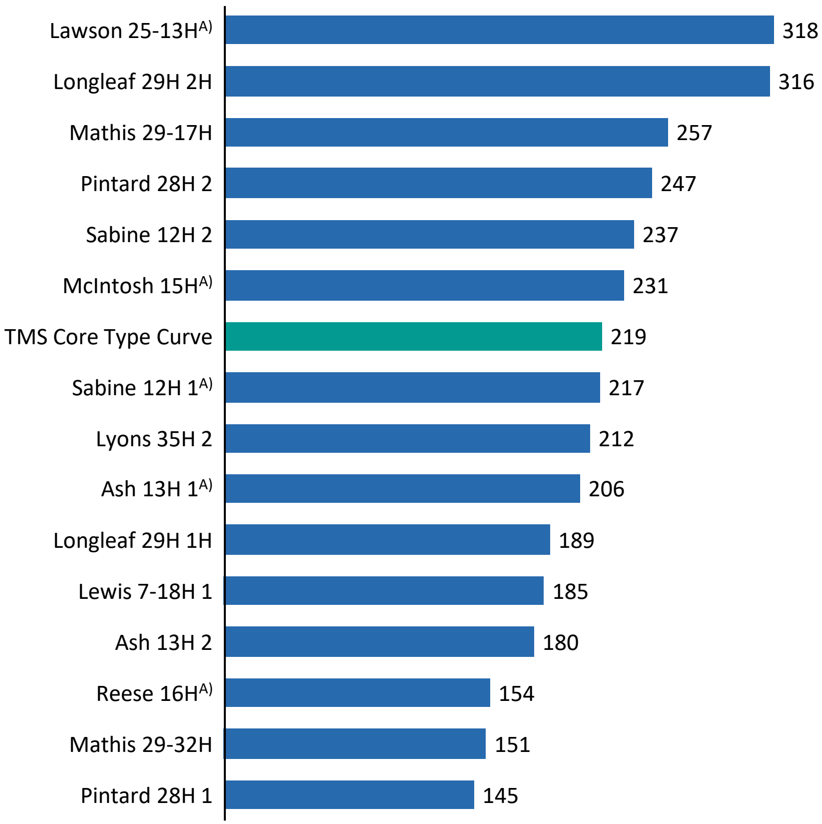


TMS Core Type Curve

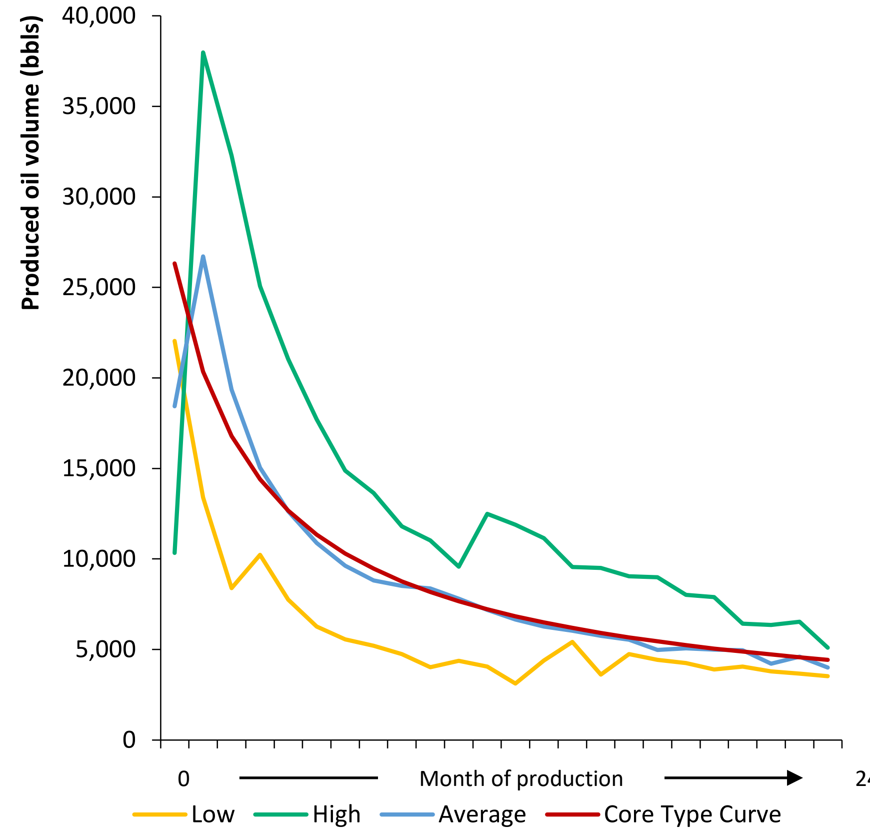
ATS type curve is history matched to production from the most recent 15 Mississippi ATS wells

Total oil production per well initial, 24 months (kbbls)

(see appendix for full data set and analysis)



Production profiles



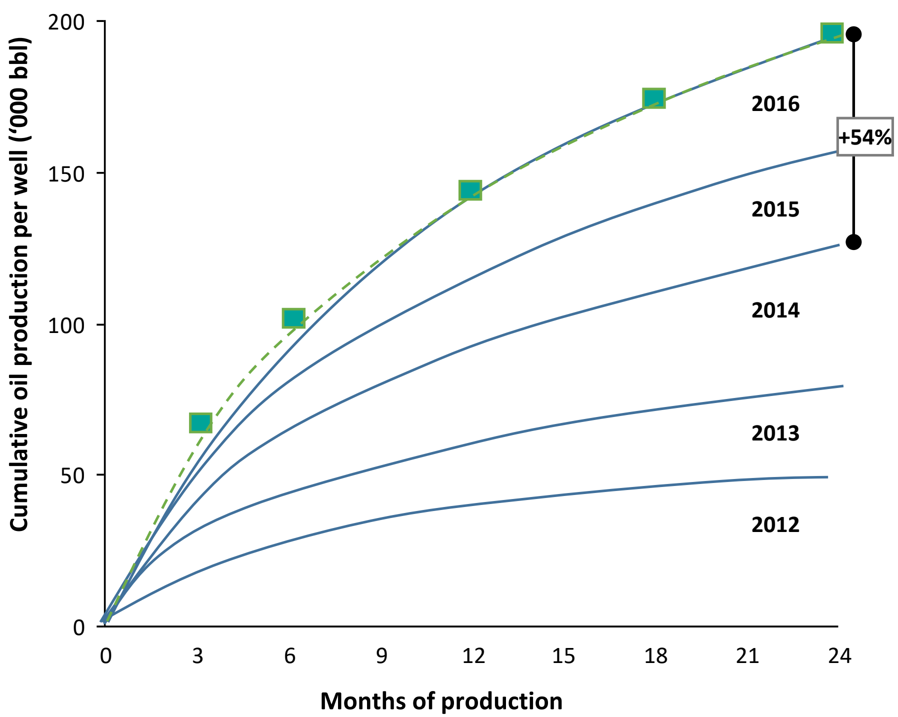
Note: Data sourced from Mississippi Oil & Gas Board as of January 2017. Only adjustment made was to Pintard 28H1 which was shut in for 8 months, so only producing months for this well were included. There is no guarantee future well performance will be consistent with the average of the results of the wells – see page 25

[A)] Wells using optimised drilling and completion methodologies

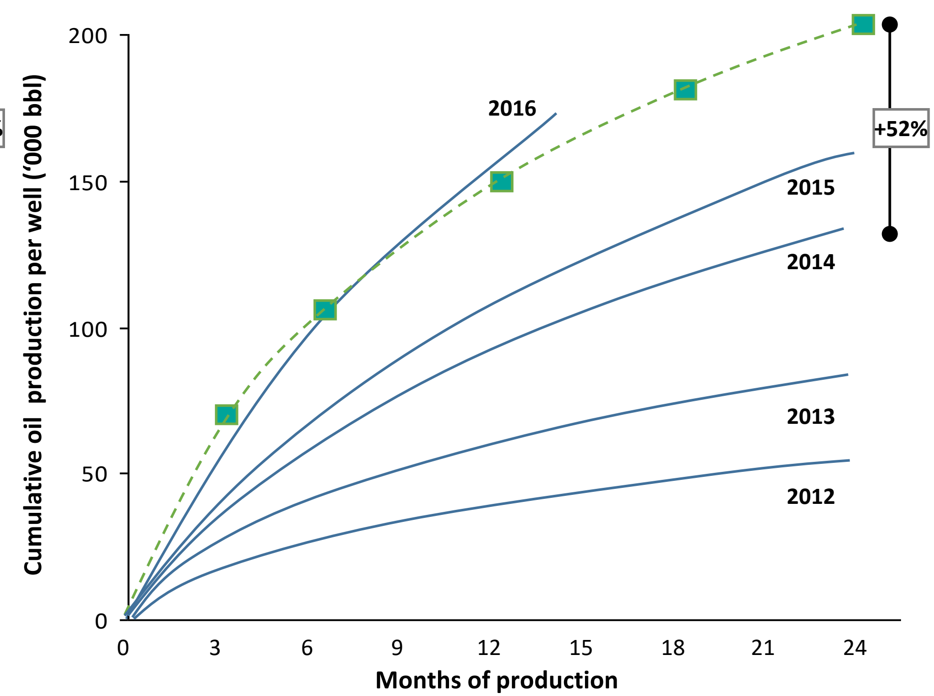
TMS Oil Productivity Compared to Permian

The average production from Australis' TMS wells drilled in 2014 are significantly higher than Permian wells drilled in the same year. Industry improvements since 2014 have yet to be applied to the TMS

Midland Basin



Delaware Basin



ATS history matched TMS Core Type Curve (see appendix)[4]

Morgan Stanley analysis of basin average productivity for each year

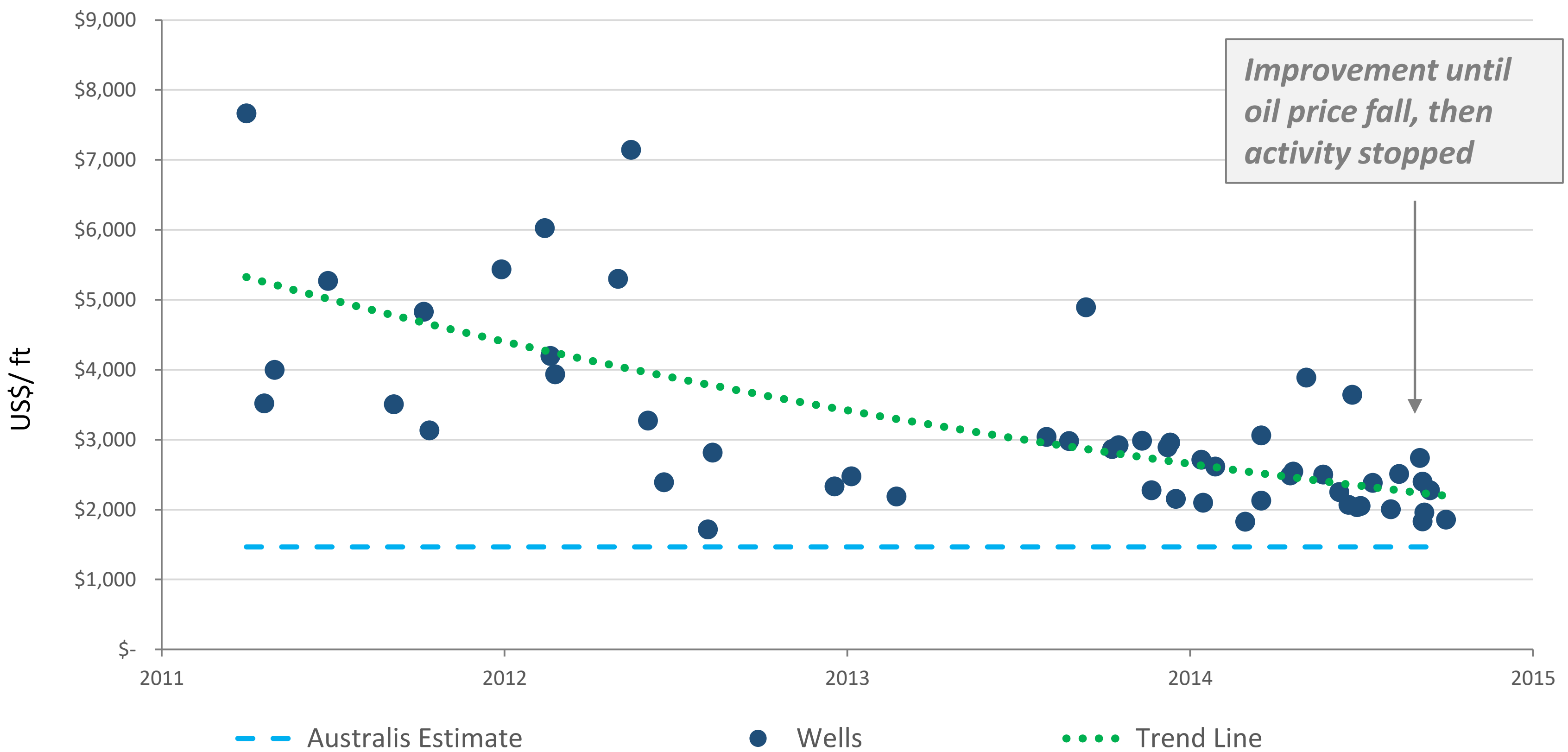
Source: Pioneer Natural Resources, Morgan Stanley, Australis Oil & Gas

Capital Cost Profile of Early TMS Wells

TMS well costs trended downwards over time in line with other plays

- Australis conservative well cost estimate – US$11MM for a single well (US$1,467/ft)[6]
- Other play participants have quoted US$8.7MM[5]
- No TMS wells have been drilled in the current lower cost environment (i.e. post 2014)

TMS total well costs 2011 - 2014[6]

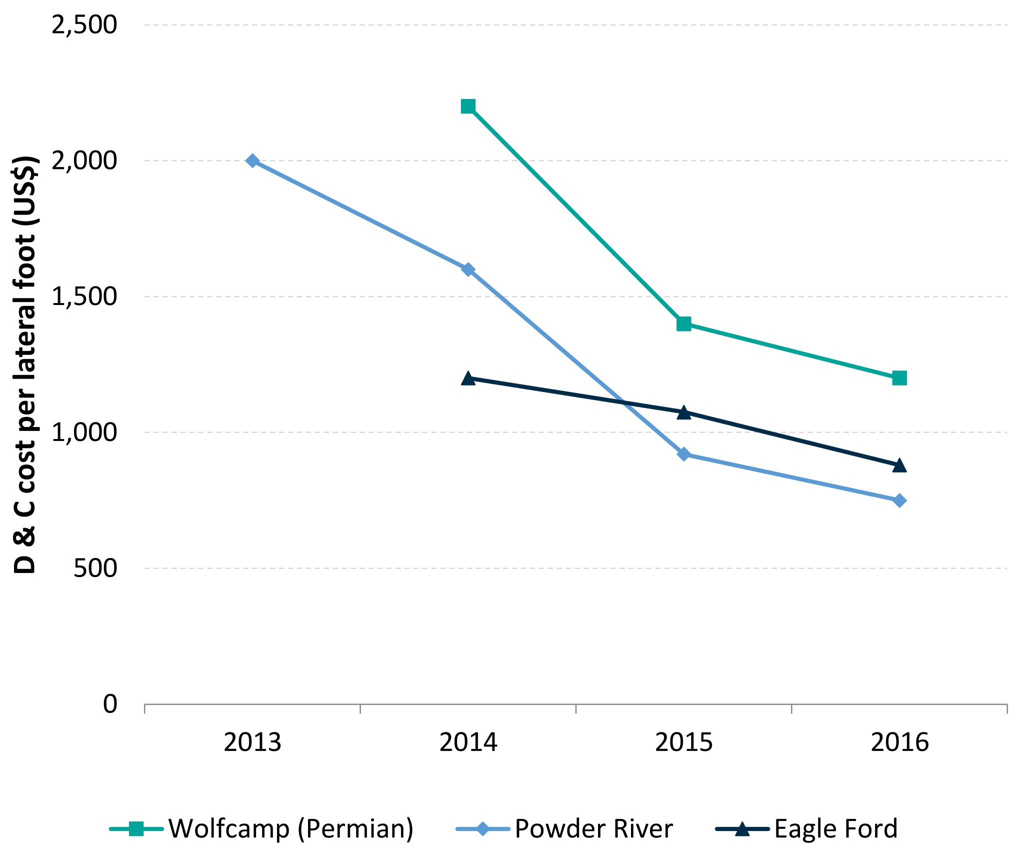


Well Cost Overview

The major US shale plays have seen significant cost declines, which is expected to be repeated in the TMS

- TMS Drilling costs incurred prior to 2015 were already following the same trend as other US shale plays and this is anticipated to continue as the TMS is developed.
- The results from the tendering process for the initial drilling program have been consistent with the previously announced well cost range of US$9.7m to US$12.7m (Reserve and Resource Update Year End 2017)[1].
- Costs for early wells will be at the upper end of this range as they carry the "one off" costs associated with a pad's surface road and power access, multi-well drilling pad preparation and additional infrastructure costs.
- These costs will, in due course, be amortized across other wells drilled from the same pad and / or within the same drilling unit.

Comparable Plays Well Cost Trends[11]

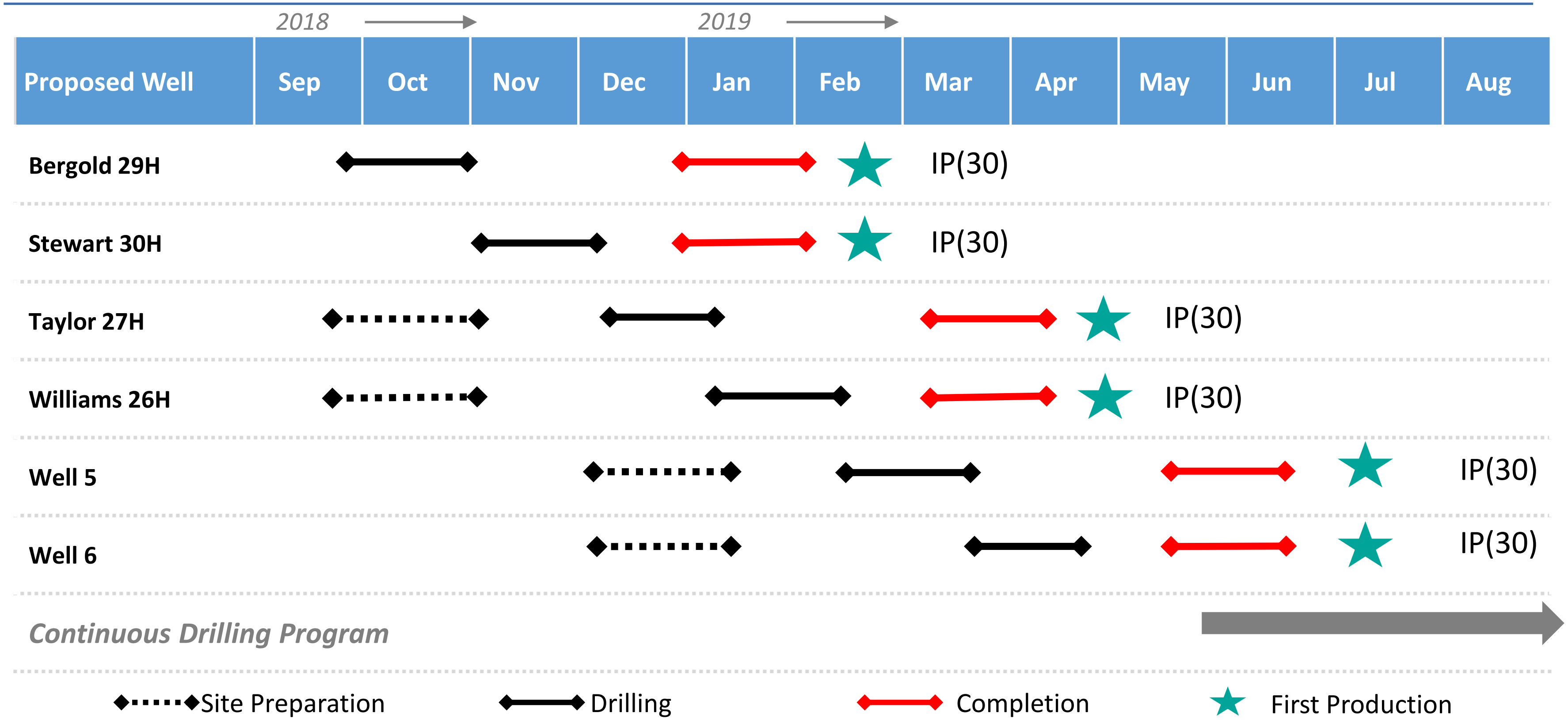


Indicative Drilling Timetable

Spud to production lead time of 5 to 6 months for pairs of wells

- The drilling estimates of ~40 days are based on the average duration achieved by Encana during 2014, but do not assume any improvement as a result of operational efficiencies achieved by the industry in recent times.
- Once drilled, the wells will then be completed and brought onto production in pairs. Upon achieving an IP30 (average 30-day production following an estimated 15-day clean up), Australis will update the market on the well productivity performance.

Initial Well Indicative Timetable



Capital Resources

Existing cash and recent financing facility gives Australis access to over US$100 million for the initial drilling program

1

Cash at Bank of US$41 million

- Cash position as at 1 October 2018
- Raised US$31 million through a well-supported private placement at A$0.34 per share in March 2018

2

Credit Facility of up to US$75 million

- Signed credit agreement with Macquarie Bank for a 3-year senior secured term facility
- US$75 million available in two tranches:
  - Tranche 1: US$45 million available upon satisfaction of customary conditions[(A)]
  - Tranche 2: US$30 million available upon satisfactory initial well results
- Interest rate of LIBOR plus 6%
- The facility may be cancelled by Australis at any time without penalty once drawn funds are repaid
- The facility remains undrawn

3

Positive field cash flow

- Cash flow from existing production funds G&A and leasing activities

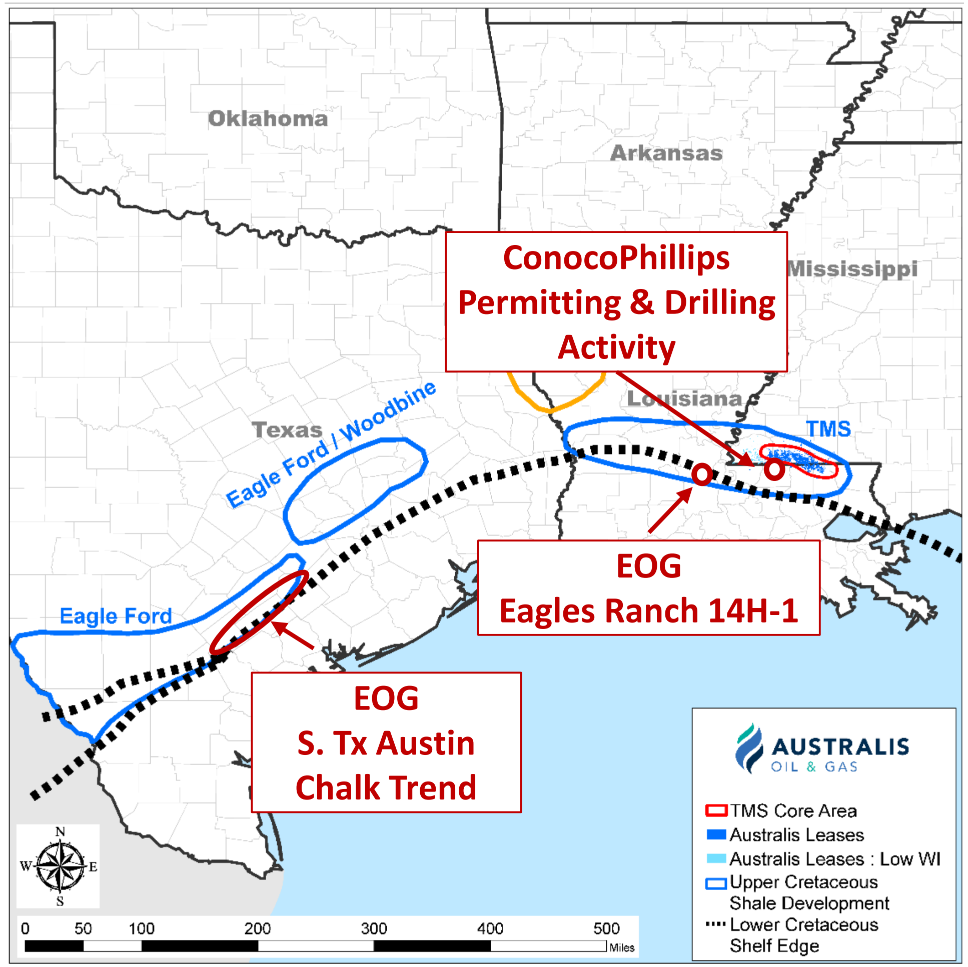
A. Tranche 1 availability consists of a base US$35 million plus an additional US$10 million once Australis has spent or entered into binding commitments to spend US$20 million on the initial drilling program from its own capital resources. In the event that additional US$10 million amount is not made available in Tranche 1, Tranche 2 availability will be increased by US$10 million, to US$40 million

Austin Chalk Trend

Following recent EOG well results, there is significant activity in the South West targeting Austin Chalk

- EOG drilled the Eagles Ranch 14H-1 well during Q3 2017.
  - Public data indicates liquids rich production.
  - Well performance on par with Australis TMS type curve, Austin Chalk ~ 4,000 ft deeper at well location.
- A number of companies announced active leasing or acquisition programs including Conoco Phillips, Marathon and EOG.
- ConocoPhillips has permitted 23 units in the East & West Feliciana Parishes, immediately south-east of Australis' acreage
  - ConocoPhillips spudded a well in the East Feliciana Parish on October 17, 2018
- Australis holds Austin Chalk rights on significant majority of leases:
  - Hydrocarbon shows were recently observed in the Austin Chalk mud logs for the Stewart 30H-1 and Bergold 29H-2 wells (recently drilled by Australis)
- No allocation of reserves or resources to Austin Chalk within existing independent reserve estimates.

Austin Chalk Trend



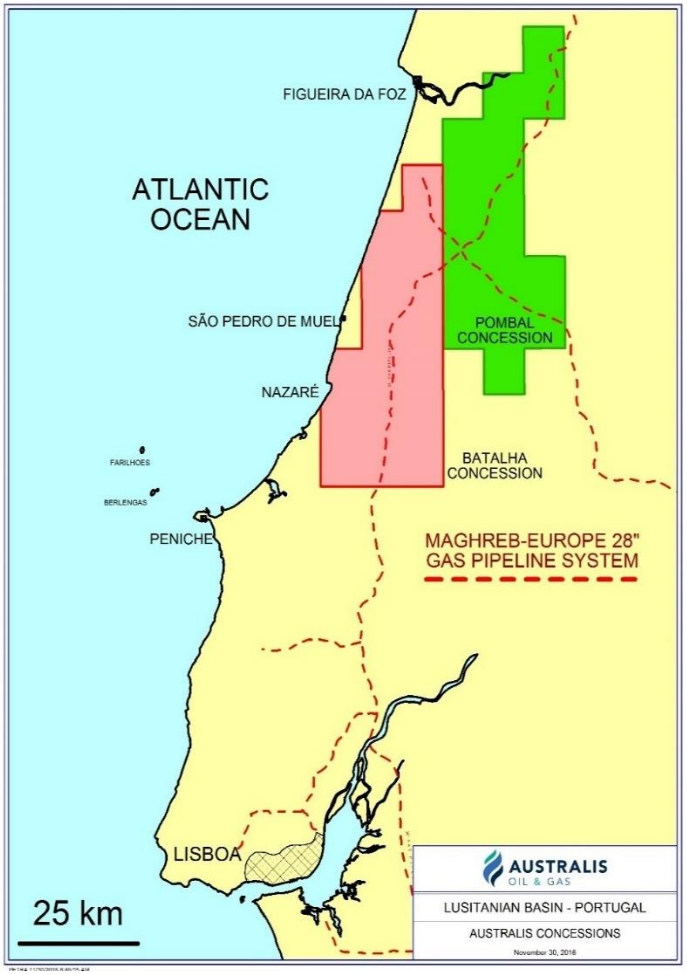
Portugal Concessions Overview

Australis owns two concessions onshore Portugal with significant development potential

Asset Highlights

Significant Gas Resource	▪ Large in-place discovered and tested gas accumulation with 2C resources of 458 Bcf[2] ▪ Limited exploration activity but regular oil and gas shows and tests demonstrate an active hydrocarbon system
Multiple Plays	▪ Appraisal of a basin centered gas play in the post-salt early Jurassic Lias formation, with significant in place hydrocarbons ▪ Conventional gas prospectivity in the deeper pre-salt Silves formation, with potential for material hydrocarbon volumes
Established Infrastructure	▪ Gas pipeline infrastructure with excess capacity crosses both concessions ▪ Modern road system with easy access to exploration and development areas
Favourable Gas Markets	▪ All oil and gas currently imported, domestic market undersupplied ▪ No export restrictions ▪ Attractive commodity pricing above US$7/GJ
Superior Fiscal Regime	▪ Royalties 0-9%, 21% corporate tax ▪ No government participation

Asset Location



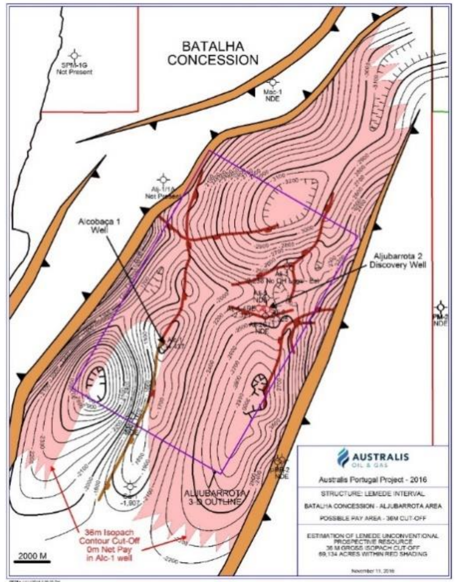
Portugal Prospectivity & Volumetrics

Appraisal of a gas discovery with multiple nearby prospects and leads with a significant resource base

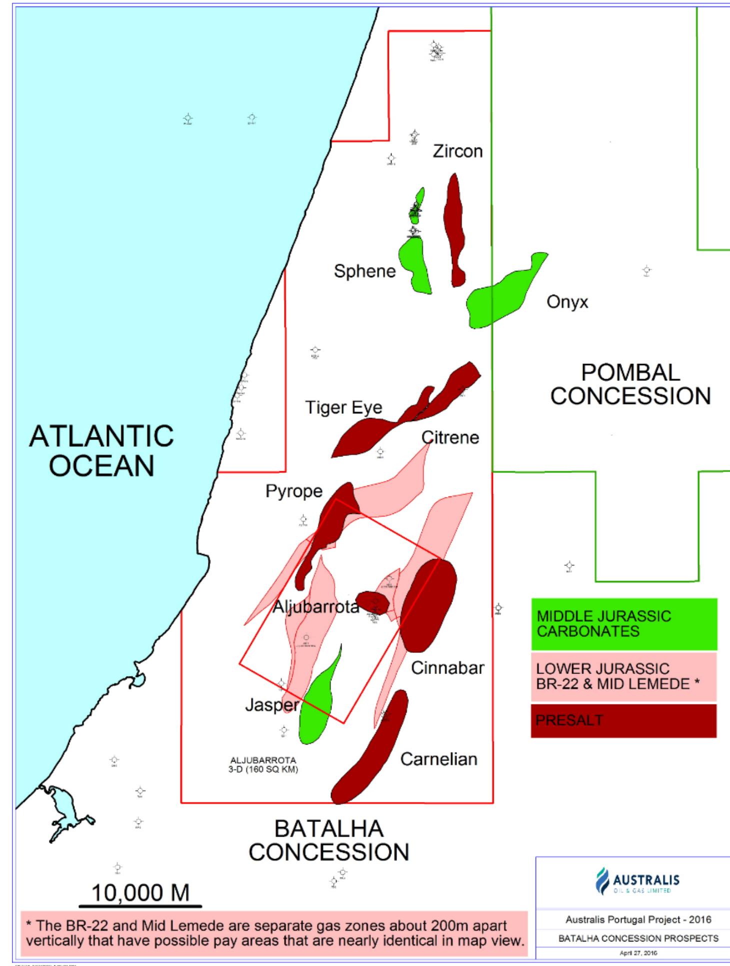
Proposed Work Program

- Drill and test the gas discovery with a vertical well
- Drill and core a deep Lamede well in a Lower Jurassic depocenter in the Pombal concession

Batalha Gas Discovery



Batalha Concession Prospects



Volumetrics [2, 10]

	Net Contingent Resources			Net Risked Prospective Resources[(A)]		
	1C	2C	3C	Low	Best	High
Oil (MMbbl)	-	-	-	19.2	126.4	448.4
Gas (Bcf)	217.4	458.5	817.7	104.3	466.0	1,632.4
Oil Equivalent (MMboe)	36.2	76.4	136.3	36.6	204.1	720.4

(A): It should be noted that the estimated quantities of petroleum that may be potentially recovered by the future application of a development project may relate to undiscovered accumulations. These estimates should have the associated risk of discovery and development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Portugal Concessions Status

Australis is working with Portuguese Authorities to achieve the necessary regulatory approvals to commence exploration and appraisal activity

Work Program to Date	▪ Australis has completed a number of detailed subsurface engineering studies to review historical data and establish the technical basis for a Batalha appraisal well. ▪ The Jurassic prospect concept underlies the proposed Pombal exploration well for concession year 4 ▪ Appraisal and Exploration targets have been verified and assessed by independent engineers
Environmental Impact Assessment (EIA)	▪ In late 2017, Australis engaged with the Portuguese Environmental Authorities to initiate the recently legislated regulations ▪ The process is essentially split into three phases: - An assessment of the project for the applicability of an EIA - If required, the identification of the necessary scope of work - Once the EIA has been completed by the proponents, it is then assessed by the Authorities ▪ Australis is presently awaiting feedback from the Portuguese Environmental Authorities on the applicability assessment
Planned Operations	▪ Australis plans to meet its Year 4 commitments by drilling two wells ▪ The appraisal well in the Batalha Concession is proposed to be drilled vertically through the target to a depth of ~ 2,900m. Following assessment, the well will be sidetracked and drilled horizontally for approximately 500m and then tested for commercial flow rates ▪ The exploration well in the Pombal Concession will be drilled vertically and is targeting a similar Jurassic horizon to Batalha, but at a deeper depth where downhole conditions may be more conducive. In a success case, a similar program to Batalha will be followed

Directors & Management

Demonstrated track record in oil & gas

Jon Stewart – Non-Executive Chairman

- >25 years in the upstream oil and gas industry
- Founder and former Chairman and CEO of Aurora Oil & Gas
- Founder & Director of Dana Petroleum and EuroSov Petroleum PLC (CEO) (1999 merger with Sibir Energy PLC - MD)
- EY 2014 Australian Entrepreneur of the Year – Listed Company Category
- Qualified Chartered Accountant

Graham Dowland – CFO & Finance Director

- >25 years experience in the oil and gas industry
- Founding and former Finance Director of Aurora Oil & Gas
- Former Executive Director of Hardman Resources NL
- Former Finance Director of EuroSov Petroleum PLC and Sibir Energy PLC
- Qualified Chartered Accountant

Ian Lusted – Managing Director & CEO

- >25 years in the upstream oil & gas industry
- Former Technical Director of Aurora Oil & Gas
- Founder of Leading Edge Advantage, an advanced drilling project management consultancy
- Founder and Technical Director Cape Energy, a private equity backed oil and gas company
- Drilling engineer / supervisor at Shell International

Alan Watson – Non-Executive Director

- 30 years previous experience in international investment banking
- Former Non Exec Director of Aurora Oil & Gas
- Chairman of Pinnacle Investment Management Group Limited (ASX:PNI)

Michael Verm – Chief Operating Officer

- >35 years experience in the oil & gas industry
- Petroleum Engineer
- Former COO of Aurora Oil & Gas
- Former President and Managing Director of Kerr-McGee China Petroleum

Steve Scudamore – Non-Executive Director

- Over 3 decades experience in Corporate Finance with KPMG Australia, London and PNG
- Senior roles with KPMG include Chairman (WA) and National head of valuations
- Non Executive Director at Pilbara Minerals
- Former Non Exec Director of Aquila Resources and Altona Mining

TMS Core Type Curve

AUSTRALIS OIL & GAS

Summary of monthly oil production data for the most recent 15 Encana drilled, ATS operated modern offset Mississippi wells

Well Name	Lewis 7-18H 1	Pintard 28H 2	Lyons 35H 2	Pintard 28H 1	Longleaf 29H 1H	Longleaf 29H 2H	Mathis 29-32H	Mathis 29-17H	Lawson 25-13H*	Ash 13H 1*	Ash 13H 2	Sabine 12H 1*	Sabine 12H 2	McIntosh 15H*	Reese 16H*	Average	Cumulative
State	Mississippi																
Months of Production	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24		
Stimulated Lateral Length	8,263	8,215	5,485	5,492	6,955	7,138	6,170	9,081	9,754	7,066	7,194	6,815	7,425	7,585	6,167		
		Produced Volume (bbls)															
Total	**184,591**	**247,164**	**211,751**	**144,860**	**189,035**	**316,406**	**151,472**	**257,162**	**318,166**	**205,817**	**179,767**	**217,452**	**237,477**	**231,009**	**153,633**		
Month 1	2,325	25,027	34,743	22,049	21,594	32,088	3,406	22,677	10,325	10,766	7,922	29,701	27,525	10,787	5,640	18,438	18,438
Month 2	28,807	32,397	24,536	13,386	20,754	33,798	26,701	34,715	37,986	27,317	21,417	23,313	25,174	31,074	19,422	26,720	45,158
Month 3	17,804	22,678	17,400	8,385	14,660	26,187	16,437	23,901	32,280	22,186	17,098	16,528	18,136	22,652	13,944	19,352	64,510
Month 4	15,003	18,816	14,431	10,221	11,749	19,532	11,692	18,134	25,061	6,934	13,663	14,908	16,570	17,881	10,978	15,038	79,548
Month 5	11,196	15,596	12,121	7,748	10,170	16,443	6,534	15,486	21,038	11,547	12,156	12,292	13,347	14,610	9,168	12,630	92,178
Month 6	9,143	11,908	9,434	6,256	6,311	14,309	8,110	13,950	17,704	13,408	9,048	10,714	11,967	11,942	8,935	10,876	103,054
Month 7	9,013	11,916	8,843	5,554	9,628	10,441	8,175	11,281	14,876	7,155	8,944	8,580	10,385	10,227	9,330	9,623	112,677
Month 8	7,606	11,513	8,487	5,202	8,787	12,431	9,290	10,143	13,648	10,268	8,753	358	9,301	9,154	7,345	8,819	121,496
Month 9	7,695	10,743	7,708	4,747	7,298	14,007	3,883	12,177	11,802	7,396	8,318	9,168	5,253	9,653	7,695	8,503	129,999
Month 10	6,625	8,787	6,176	4,011	7,154	11,524	5,974	9,737	11,020	9,896	7,378	8,264	12,739	10,240	6,007	8,369	138,368
Month 11	5,565	7,373	7,160	4,378	6,848	11,602	6,430	9,224	9,564	9,714	6,561	8,867	9,315	8,776	5,706	7,806	146,174
Month 12	2,583	8,195	7,476	4,053	4,885	9,016	4,085	8,512	12,481	10,001	6,328	8,673	7,838	8,343	5,325	7,182	153,356
Month 13	7,388	6,924	6,393	3,117	6,073	10,379	3,755	7,418	11,882	7,938	6,063	7,241	5,442	5,469	4,321	6,654	160,009
Month 14	4,559	6,502	6,035	4,383	5,842	8,261	5,494	5,933	11,140	2,885	5,322	7,066	8,492	7,166	4,867	6,263	166,272
Month 15	5,405	6,240	5,423	5,420	5,471	8,258	5,089	5,643	9,560	5,575	5,500	6,452	6,276	5,588	4,630	6,035	172,308
Month 16	5,089	5,998	5,379	3,618	5,303	6,731	3,808	5,657	9,495	6,655	4,737	6,268	7,172	5,957	4,458	5,755	178,063
Month 17	4,911	5,347	5,256	4,749	5,389	7,449	3,430	5,089	9,035	6,326	4,337	5,762	6,303	5,604	4,006	5,533	183,596
Month 18	4,029	5,192	4,172	4,423	4,495	8,209	1,656	5,307	8,994	4,805	2,546	5,555	6,054	5,502	3,649	4,973	188,568
Month 19	4,075	4,806	4,433	4,249	4,984	7,778	287	6,633	8,019	6,256	5,213	5,075	5,044	5,394	3,597	5,056	193,624
Month 20	3,992	2,911	4,007	3,887	5,241	6,403	6,383	5,949	7,898	3,807	4,072	5,193	5,708	6,423	3,038	4,992	198,617
Month 21	3,306	5,565	3,848	4,054	4,658	11,950	3,266	5,647	6,423	3,383	3,790	4,842	5,293	5,233	3,072	4,955	203,572
Month 22	0	4,363	3,209	3,786	4,000	12,602	15	3,808	6,358	4,158	3,748	4,586	4,775	4,619	3,110	4,209	207,781
Month 23	4,447	4,394	2,658	3,664	4,314	9,553	4,484	5,456	6,536	3,760	3,386	4,288	4,879	4,462	2,703	4,599	212,380
Month 24	4,025	3,973	2,423	3,520	3,454	7,455	3,088	4,685	5,104	3,681	3,467	3,758	4,489	4,253	2,687	4,004	216,384

Data sourced from Mississippi Oil & Gas Board as of January 2018. Only adjustment made to Pintard 28H1 which was shut in for 8 months so listing Producing months for this well
There is no guarantee future well performance will be consistent with the average of the results of the wells.
* Wells using optimised drilling and completion methodologies

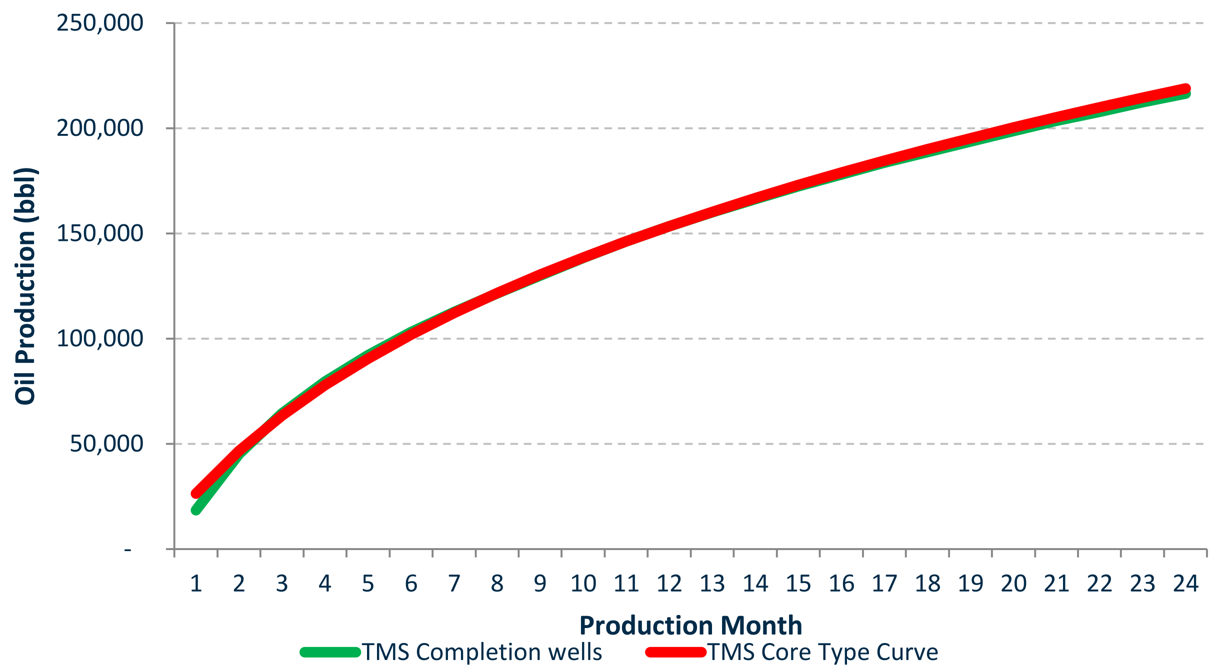
Single Well TMS Core Type Curve

ATS type curve is history matched to production from the most recent 15 Mississippi wells (drilled by ECA, operated by ATS)

TMS Core TC – Assumptions

- Oil EUR – 610 Mbbls
- Gas EUR – 159 MMscf
- NGL EUR – 20 Mbbls
- EUR (30 yr) – 656 Mboe (97% liquids)
- Capex US$11million (7,500 ft lateral)[6]
- Opex US$13,700/well/month + US$2.8/boe

TMS Core Type Curve v TMS Production

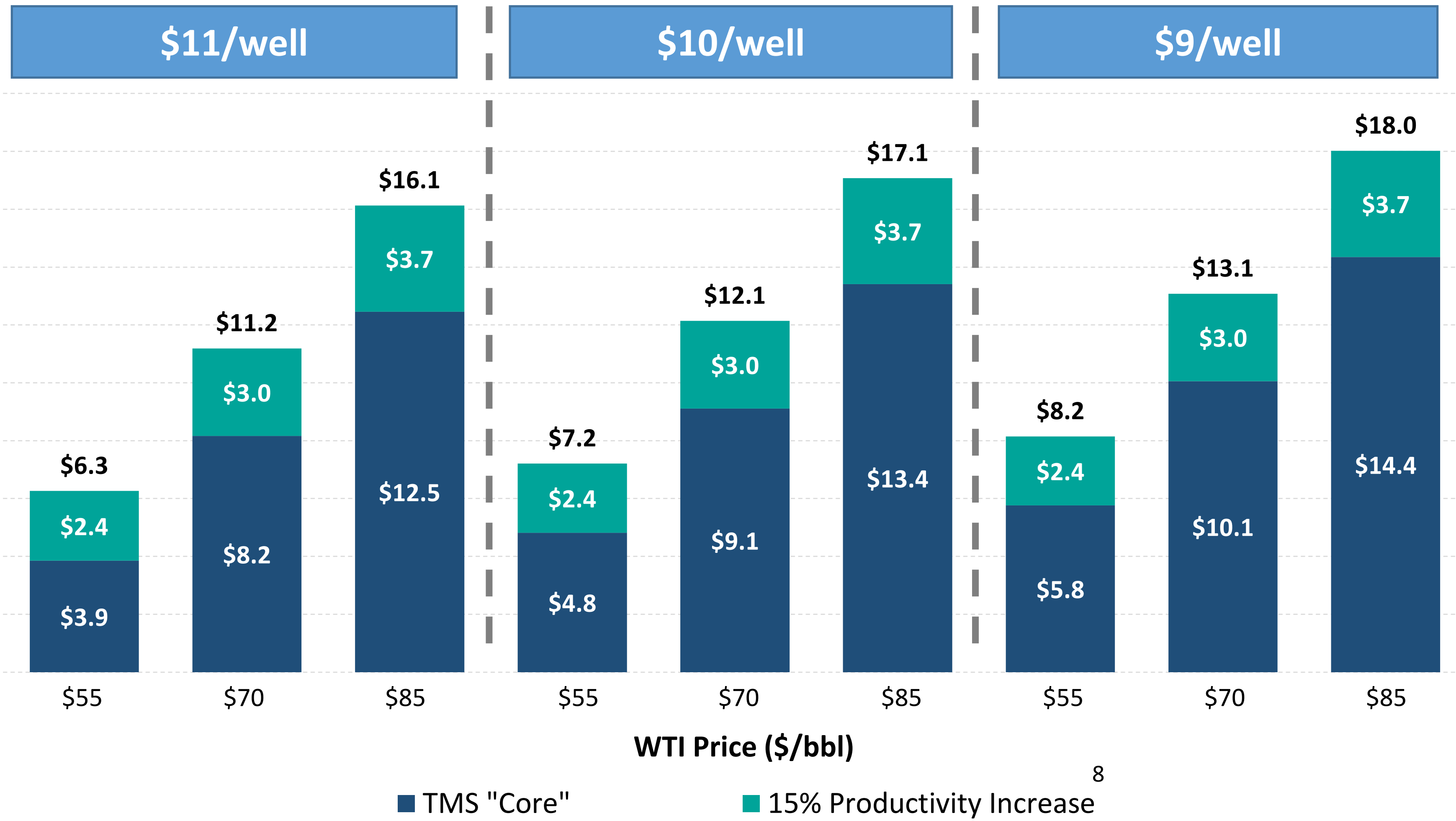


Type Curve	Well EUR	Basis
TMS Core	656 Mboe	History match average of the most recent 15 wells spudded by Encana in 2014 (~7,200 ft stimulated lateral)[4]
TMS Productivity Upside[7,8]	754 Mboe	15% uplift of the TMS Core Type Curve reflecting less than the industry average improvement in well performance (normalised) since 2014

TMS Value Potential

410 future net well locations with strong economics

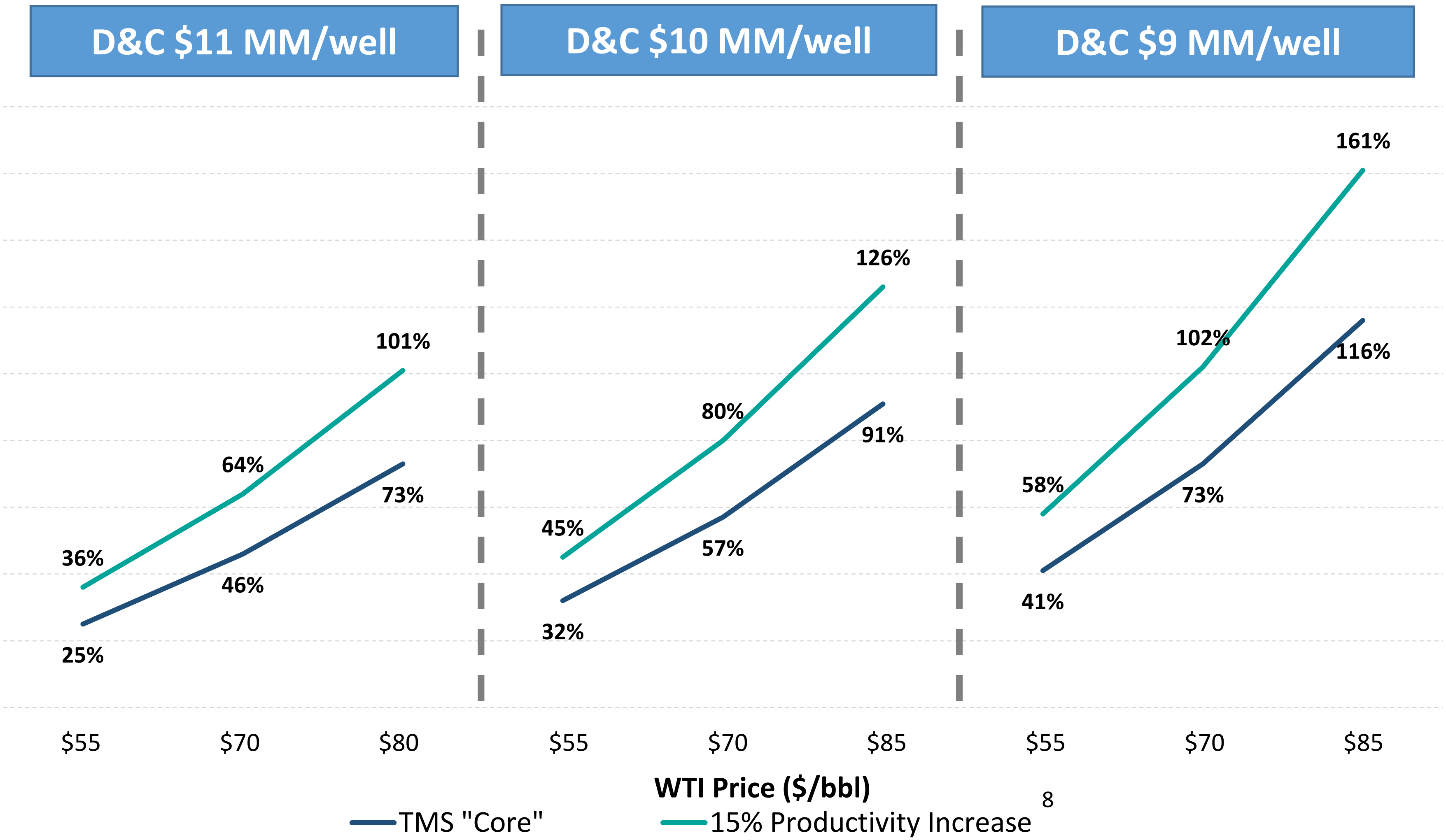
Single Well Economics and Sensitivities – Pre-tax NPV10 (US$ in millions)



Single Well Economics – IRR Sensitivities

410 future wells with attractive return profile

Single Well Economics and Sensitivities – Pre-tax IRR



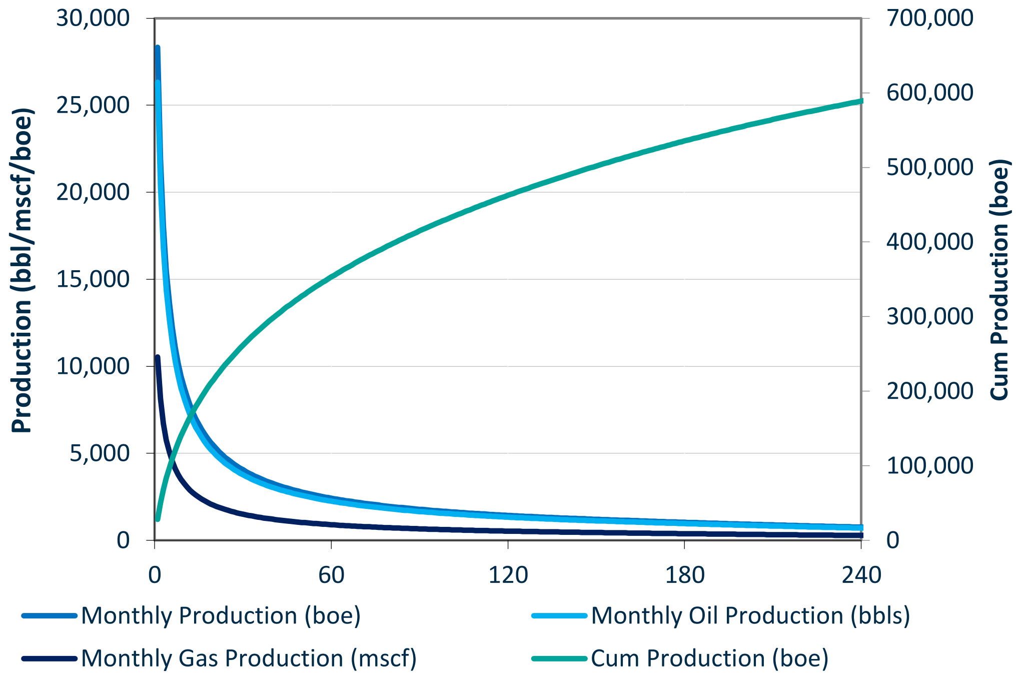
TMS Base Case Economics – Key Assumptions

The production and opex assumptions are based on history and the capex costs are current third party service providers' estimates

Base Case Assumptions*

EUR (30 Years)		
Gas	0.16	Bcf
Oil/Condensate	610	Mbbl
NGLs	20	Mbbl
EUR/well	656	Mboe
Well Cost	**US$**	
Drilling	$5.0	million
Completion	$5.0	million
Tie in	$1.0	million
Total Well Cost	$11.0	million
Operating Expenditure	**US$**	
Fixed Opex	$13,700	/well/month
Variable Opex	$2.8	per boe
Other Assumptions		
NRI	80%	
Realised Differential[A]	$3.00	$ per bbl
Abandonment cost	1.0%	of well cost
Escalation	2.0%	

Production Forecast



Oil Price - WTI US$/bbl	Cashflow US$ million	Pre-tax NPV10 US$ million	IRR %	Payback Months
$55	$10.8	$3.9	25%	30
$70	$17.6	$8.2	46%	18
$85	$24.5	$12.5	73%	13

A. Australis sells its oil at LLS benchmark, which trades at a premium to WTI. Realised differential represents LLS premium less lifting deduct. The $3 differential is a conservative estimate considering the current realised differential is >$6/bbl

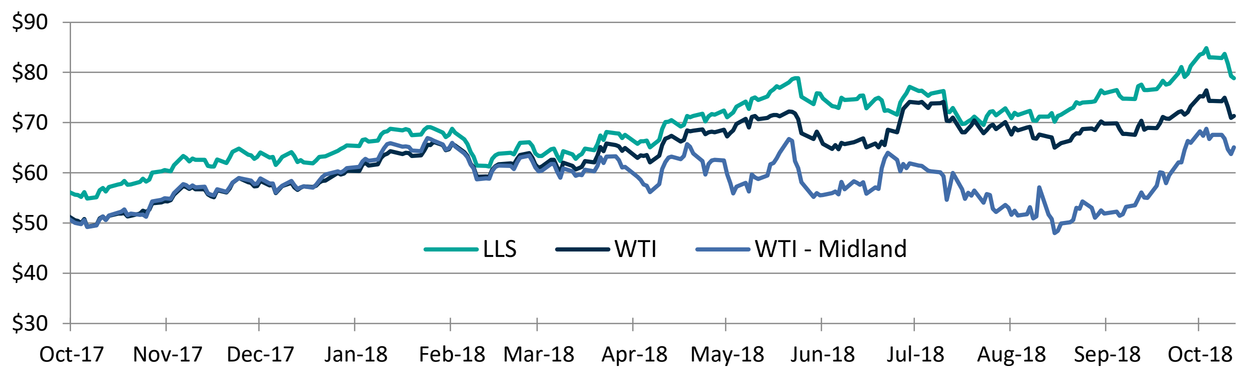
** Economics based on 20 year cash flows from first production*

TMS Crude Oil Price

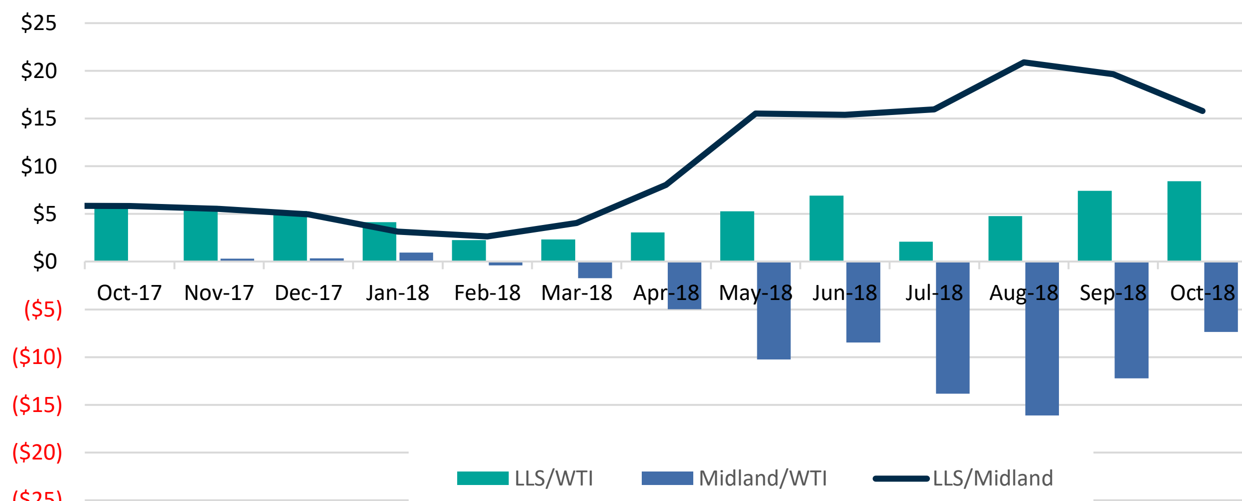
The premium pricing of LLS to other onshore US crude benchmarks is becoming increasingly more attractive

- Because of the proximity of Australis' wells to the St. James Oil Terminal in Louisiana and the high quality of the crude produced, LLS has historically traded at a premium to WTI
- This pricing benchmark becomes even more attractive when compared to the US' most active onshore shale play – the Permian Basin (Midland).
- Infrastructure limitations and bottlenecks in the Permian Basin have resulted in oil prices out of Midland, TX to be discounted against WTI by as much as US$15/bbl

Crude Oil Spot Price, Daily Settlement, US$/bbl



Differentials to WTI, Monthly Average, US$/bbl



Source: Bloomberg

Footnotes

1. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2017 and generated for the Australis concessions to SPE standards. See ASX announcement released on 30 January 2018 titled "Reserves and Resources Update Year End 2017". The analysis was based on a land holding of 95,000 net acres. 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.
2. All estimates and risk factors taken from Netherland, Sewell & Associates, report prepared as at 31 December 2016 and generated for the Australis concessions to SPE standards. See announcement titled "2016 Year End Resource Update' dated 25 January 2015. 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. The contingent resource estimates are located in the Batalha Concession. NSAI generated their independent contingent resource estimates using a combination of deterministic and probabilistic methods
3. Includes 2P Reserves of 47 MMbbl and 2C Resources of 98 MMbbl
4. Base Case Type Curve averaging last 15 wells. The 15 Mississippi ATS wells are detailed in the appendix slide titled "Single Well TMS Core Type Curve" and "TMS Base Case Economics – Key Assumptions"
5. Data sourced from the Mississippi Oil & Gas Board. Other TMS wells drilled by Goodrich, Halcon, Comstock and Sanchez
6. Australis TMS Core single well cost estimate is based on cost estimates received as at December 2017 from service providers for the drilling and completion of a 7,500ft horizontal well.
7. TMS Core Type Curve – "TMS Productivity Upside" means a 15% increase in the TMS Core Type Curve to provide a sensitivity reflecting some of the potential upside in productivity improvements through advances in Drilling & Completion that have been made by operators in unconventional resource plays since the last ATS TMS well was spudded in 2014
8. Australis conducted analysis of public disclosures from 17 E&P Companies operating in 10 Unconventional Resource Plays in the USA. Analysis showed that E&P Companies reported well productivity improvements (normalised to lateral length) had increased between 0% and 50% from 2014 to 2017 with an average of 22%. E&P Companies include: EOG Resources, ConocoPhillips, Marathon Oil Corp, Chesapeake, OXY, RSP Permian, Cimarex, Continental Resources, Pioneer Natural Resources, Anschutz Exploration Corp, EP Energy, Hess, Baytex, Sanchez Energy Corp, Range Resources, EQT Resources, Antero Resources. Unconventional Resource Plays include: Delaware Basin, Midland Basin, Eagle Ford, Bakken, Haynesville Shale, SCOOP/STACK, Marcellus, Utica, Powder River Basin & DJ Basin
9. The 2C Resource estimate has been generated by Australis in accordance 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). The analysis was based on methodology applied by the report prepared by Ryder Scott as at 31 December 2017 (See ASX announcement released on 30 January 2018 titled "Reserves and Resources Update Year End 2017"). Ryder Scott presumed a 9% recovery factor from the mid case oil in place estimates when assessing the 2C Resources attributable to a land holding of 95,000 net acres. Maintaining the same average recovery factor, the additional 15,000 net acres is attributed a 2C Resource of 27 million barrels (Australis estimate). This contingent resource estimate is based on, and fairly represents, information and supporting documentation, prepared by, or under the supervision of, Michael Verm, P.E., who is an employee (Chief Operating Officer) of Australis. Mr Verm is a member of the Society of Petroleum Engineers and a Professional Engineer in the State of Texas. The reserve and resource information pertaining to the Tuscaloosa Marine Shale in this announcement has been issued with the prior written consent of Mr Verm in the form and context in which it appears.
10. Oil equivalent volumes are expressed in thousands of barrels of oil equivalent (Mboe), determined using the ratio of 6 Mscf of gas to 1 bbl of oil
11. Data sourced from IHS and public sources including EOG Resources, Anshutz, Centennial Resources

Glossary

Unit	Measure	Unit	Measure
B	Prefix - Billions	bbl	Barrel of oil
MM or mm	Prefix - Millions	boe	Barrel of oil equivalent (1bbl = 6 mscf)
M or m	Prefix - Thousands	scf	Standard cubic foot of gas
/d	Suffix - per day	Bcf	Billion standard cubic foot of gas

Abbreviation	Description
TMS Core	The Australis designated productive core area of the TMS delineated by production history
WI	Working Interest
C	Contingent Resources – 1C/2C/3C – low/most likely/high
NRI	Net Revenue Interest (after royalty)
Net	Working Interest after deduction of Royalty Interests
NPV (10)	Net Present Value (discount rate), before income tax
HBP	Held by Production (lease obligations met)
EUR	Estimated Ultimate Recovery per well
WTI	West Texas Intermediate Oil Benchmark Price
LLS	Louisiana Light Sweet Oil Benchmark Price
2D / 3D	2 dimensional and 3 dimensional seismic surveys
PDP	Proved Developed Producing
PUD	Proved Undeveloped Producing
Probable	2P reserve
D & C	Drill, Complete and Artificial Lift
Royalty Interest or Royalty	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
Field Netback	Oil and gas sales net of royalties, production and state taxes
Net Acres	Working Interest before deduction of Royalty Interests