

**ASX Announcement
For Immediate Release**

25 May 2022

**Chairman's Address and Company Presentation Material
2022 Annual General Meeting**

Please find attached to this document a copy of the Chairman's address and the presentation that will be provided by Australis Oil & Gas Limited today at its Annual General Meeting.

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

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Chairman's Address – 2022 Annual General Meeting

Thank you very much to those of you in attendance today at the AGM of Australis Oil & Gas and thank you to those listening and or watching online.

We are an operating oil and gas company with production and a large undeveloped onshore USA oil position. The world is early in a period of transition from fossil fuel dependency and this shift will take time and massive capital investment. We believe our assets are very much required during this transition due to demand, economic fundamentals, location and short lead time for development.

Clearly the past few years have been tumultuous for the international oil industry. The crash in oil prices from an oversupply in to a Covid-19 impacted drop in demand for oil was somewhat of a perfect storm. These conditions on top of investor driven demand for returns of cash from oil companies have seen low levels of new capital committed to oil exploration. The result is and will be a tightening of inventory available for future drilling.

The invasion of the Ukraine by Russia and the consequent sanctions and dislocation have added to supply concerns and delivery complications. Oil demand has improved from the Covid low and as a result we have strong oil prices and importantly for a company like Australis, expectation of higher oil prices for longer. The forward strip oil prices reflect this. We expect that increasing confidence in future oil pricing will translate to increased demand for quality development opportunities with ready inventory of oil, such as that which we hold.

Since our last AGM your Board have continued to support the executive team and staff in executing operations efficiently and safely, conservatively managed our Balance Sheet and ensured commitments are met. Maintenance of our ownership and control of our key asset during a difficult past few years places us in an attractive position to seek third party engagement in an improving market. This third-party engagement is likely to take several shapes over the next period to generate additional activity within our acreage and the broader play. In particular, the successful application of modern stimulation techniques and practices will reinforce the strong economics of the TMS within the core of the play. Our CEO Ian Lusted will discuss this further shortly but we will continue to report progress with third-party discussions as and when appropriate.

Last year I referenced witnessing the green shoots of a recovery in the US oil sector and the maturing of several of the larger onshore shale oil plays and a looming shortage of quality development drilling inventory for players outside of the few large companies that now control the Permian.

Financial recovery in the industry is occurring due to improved pricing but overall, we are still seeing restraint in terms of growth commitments. This position will support stronger pricing for longer but does not address future inventory requirements. We believe this will have to change soon.

We are grateful for your patience in the realisation of our objectives and urge you to stay the course. We will continue to work hard to deliver the value we see in our asset base.

I would also like to thank on behalf of the board and shareholders, our management and employees both in Australia and the US who have shown considerable commitment, professionalism and skill during the past year.

Thank you

Jon Stewart
Chairman



2022 AGM Presentation

25 May 2022



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Why the Tuscaloosa Marine Shale (TMS)?

Australis has focused on a known but undeveloped unconventional oil play

- Not exploration – prior activity delineated best acreage and demonstrated quality
- Uncompetitive environment allowed Australis to build a large contiguous acreage position within the best part of the play at a low cost
- Ability to further increase scale with an active leasing program – first mover advantage
- Asset Characteristics – an overlooked Tier 1 unconventional oil asset
 - Long term production (> 7 years) defines new well performance and economics with confidence
 - Base case single well economics are compelling
 - Liquid rich at premium oil pricing (95% oil sold at premium to WTI)
 - Field location leads to low transport costs, abundant infrastructure and multiple marketing options
 - Average royalty rates @ 20%
 - Only now starting to test upside using modern techniques to frac wells
- Australis holds a significant asset - mid case recoverable volume of 150 mmbbls net to Australis¹ (same as the 2P recoverable reserves for Woodside Senegal Sangomar Field²)

Australis TMS Strategy

A consistent strategy is increasingly relevant to an evolving industry

Strategic Asset

- ✓ A delineated but undeveloped quality oil play is very scarce onshore in the USA
- ✓ Existing established unconventional oil plays are increasingly mature – quality future drilling locations harder to find or tightly held

US Oil Sector

- ✓ Continuing low levels of capital investment by industry – supply constraints with recovering demand
- ✓ Record cash generation and low industry leverage
- ✓ Pressure increasing on executives to secure quality inventory to maintain production and cashflow

Value & Monetisation

- ✓ Maintain TMS ownership, scale and control
- ✓ Field activity by Australis and others raising interest and profile
- ✓ Secure a partner to unlock value on Australis acreage

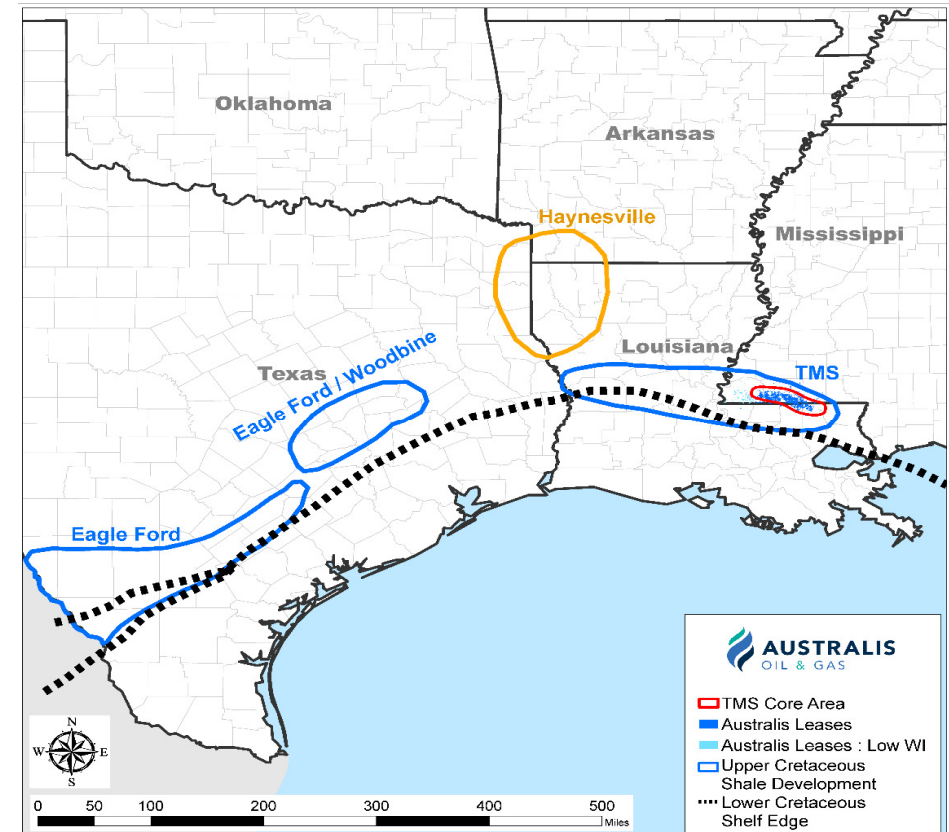
Third Party Activity

- ✓ Two operators drilling and completing wells
- ✓ Evaluation of modern frac design and application of lessons learned/new technology.
- ✓ Australis participating in these activities – both as a WI partner and a technical partner

Why TMS remains an undeveloped Tier 1 oil shale play

Pre 2012 appraisal outside of Core, followed by oil price decline and pandemic demand drop

- TMS is on trend with the Eagle Ford Basin in Texas and in 2010 its exploration was the logical next step for the industry
- Chasing the trend, operators drilled 91 horizontal wells from 2010 to 2019 and have delineated the relatively small core area (~3% of total TMS area)
- Performance from early wells drilled before 2012 was variable and unusually binary – based on whether in or outside of the core area
- Early entrants, operators such as EOG and Devon, built big positions outside core, drilled wells with poor results and exited
- Wells drilled in 2012 - 2014 delineated the core: those inside demonstrated consistently high oil productivity and downward trending well costs as operational challenges were resolved.
- Best results in the core were from Encana drilling program started in 2014, but these were not publicised while they built their lease position
- Oil price drop in 2014/2015 stopped all activity in play, freezing both development, and public perception, of TMS
- Australis built a core-focused position 2017 – 2018 through acquisitions and leasing and acquired historical data – including Encana technical and production data, but information on TMS Core results remained relatively unknown in US
- Australis drilled wells in 2018 & 2019 further confirming productivity and economics to more established plays, demonstrating the underlying value of TMS Core
- Recent third-party operator acquisitions, leasing, drilling and completion activity has increased interest in the play



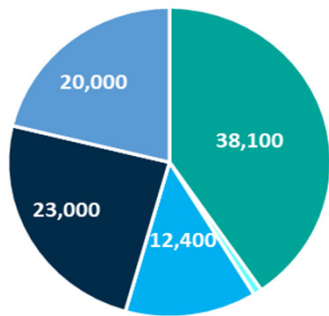
Strategic Position with Scale in TMS Core

Australis controls the core area and is largest lease holder

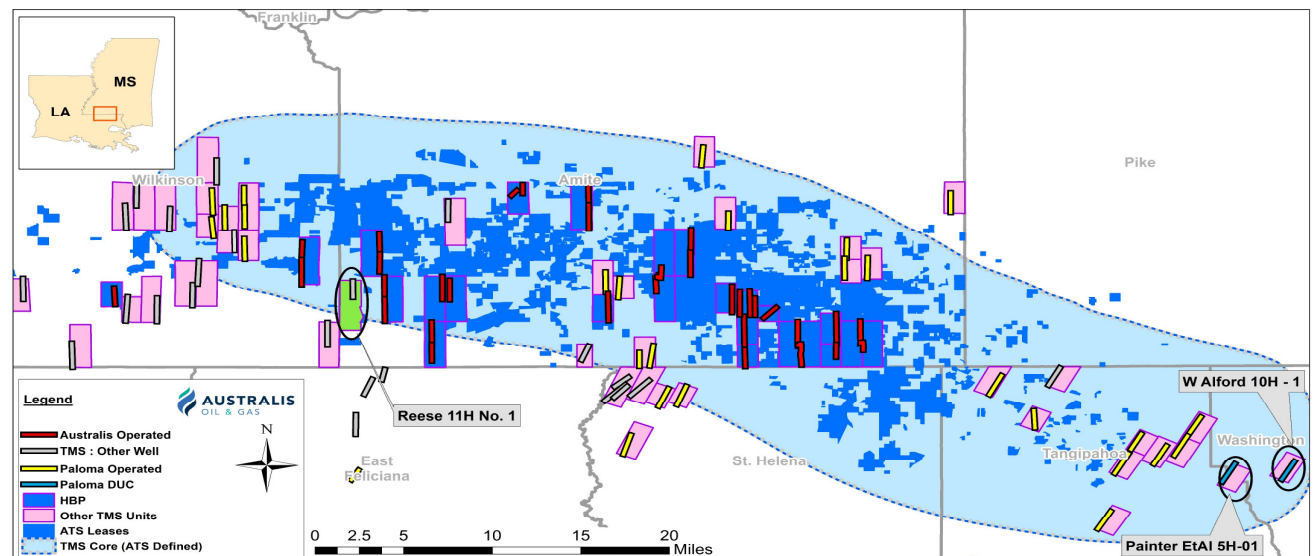
- **Large contiguous land position** in the TMS Core with ~94,300 net acres (none on federal lands) providing strategic control and operational benefits.
 - Limits new entrant acquiring large blocks in Core.
 - ATS has unique experience in leasing and accumulated an invaluable land database.
- **Ideal geography** in Gulf of Mexico, with proximity to midstream infrastructure and refineries (<50 miles)
- **Development flexibility** – large production units, favourable field rules and opportunity to take new 5 year leases
- **Significant inventory** - 360 net well locations
- **Opportunity to grow acreage position** - additional 100,000 acres has been identified; Australis positioned to act swiftly to implement a focused acquisition campaign

TMS Project Asset Profile	
Mississippi and Louisiana, USA	
Net Acres	~94,300 (38,100 HBP)
Producing Wells	31 operated 15 non-operated
Net well locations	~360

Acreage Expiry Profile
31 March 2022



■ HBP ■ 2025+ ■ 2024 ■ 2023 ■ 2022



ESG and Financial results

ESG summary

Australis reported another year of safe operations and reduced emissions

- Strong safety culture for field operators resulted in another exemplary performance with no safety incidents over 5,062 workdays
- Proactive Safety Observation Suggestion (SOS) program continues to operate effectively
- Improved environmental performance in 2021 – one reportable spill was entirely within containment area and no release externally
- Reported Scope 1 and Scope 2 emissions in 2021
- Scope 1 reduced by 49% since 2019
- Scope 1 emissions largely due to gas flaring – field total 0.84 mmscf/d over 20 separate locations.
- Piloting power generation and investigating export tie in to existing third party gathering systems within field.
- Full field development offers opportunities to reduce gas emissions

Employee Safety Performance

	2021	2020
Near Miss	0	0
First Aid	0	0
OSHA Reportable	0	0
Lost Time Incidents	0	0
Hours worked	40,501	46,508

Environmental Performance

	2021	2020
Non reportable spill ^A	1	8
Reportable spill ^A	1	1
Oil volume spilled within containment (bbls)	135	0
Oil volume spilled outside containment (bbls)	0.4	13.4
Produced water spilled (bbls)	0	10.7
Scope 1 emissions (mt CO ₂ e)	29,461	34,625
Scope 1 intensity (mt CO ₂ e/boe)	0.0631	0.0611

A. Reportable threshold > 1bbl oil and/or >5 bbls produced water

Fiscal summary

Strong Q1/22 fiscal performance a result of prudent financial management in 2021

Recent Financial results

	Units	2021	Q1 2022
Sales Volume	Bbls	409,680	94,300
Average Realised Price ^A	US\$/bbl	69	96
Average Achieved Price ^B	US\$/bbl	56	77
Sales Revenue	US\$MM	22.9	7.0
EBITDA	US\$MM	2.6	2.2
Cash Balance (period end)	US\$MM	9.3	8.8
Total Debt (period end)	US\$MM	16	15

Hedge Position from end Q1 2022^C

	WTI Swaps		WTI Collars		
	Volume (Mbbbls)	Swap Price (US\$/bbl)	Volume (Mbbbls)	Protected Price (US\$/bbl)	Ceiling Price (US\$/bbl)
Q2-Q4 2022	41	55	80	47.8	73.8
2023	43	66	50	43	68
2024	14	53	-	-	-

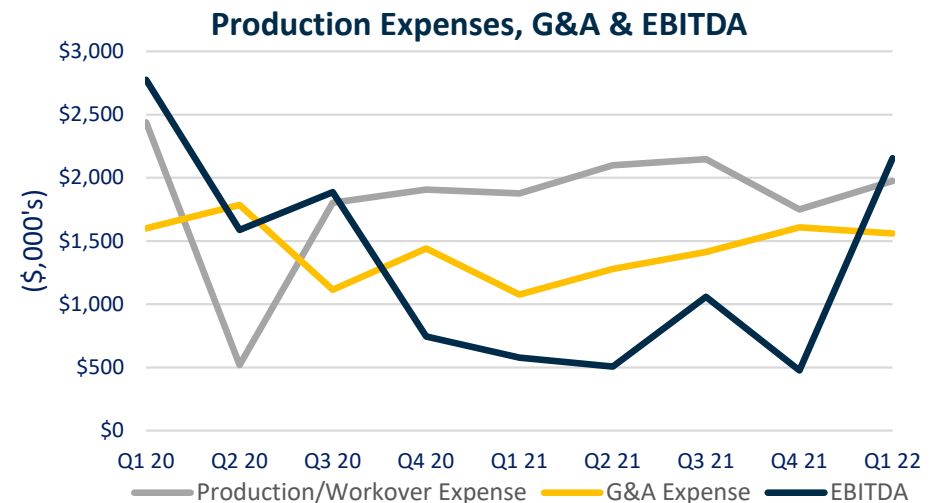
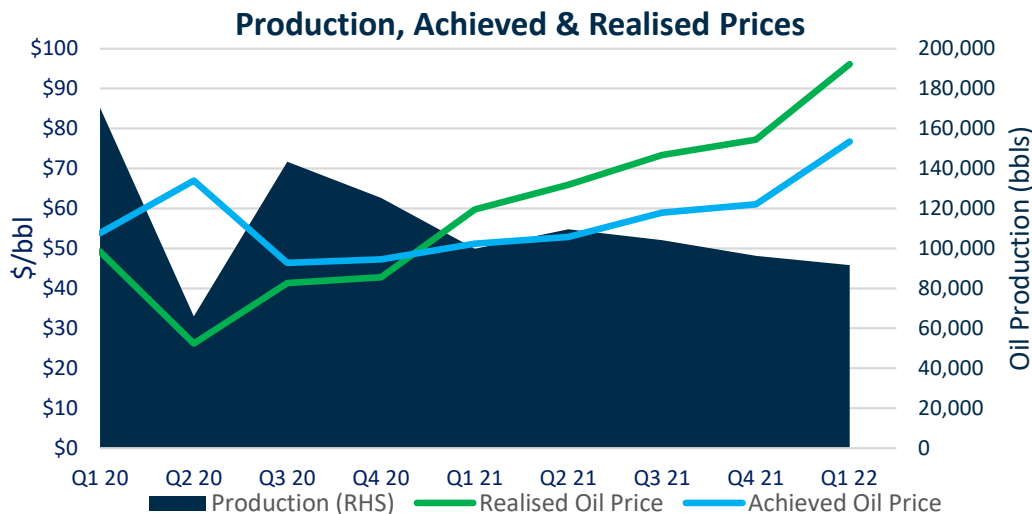
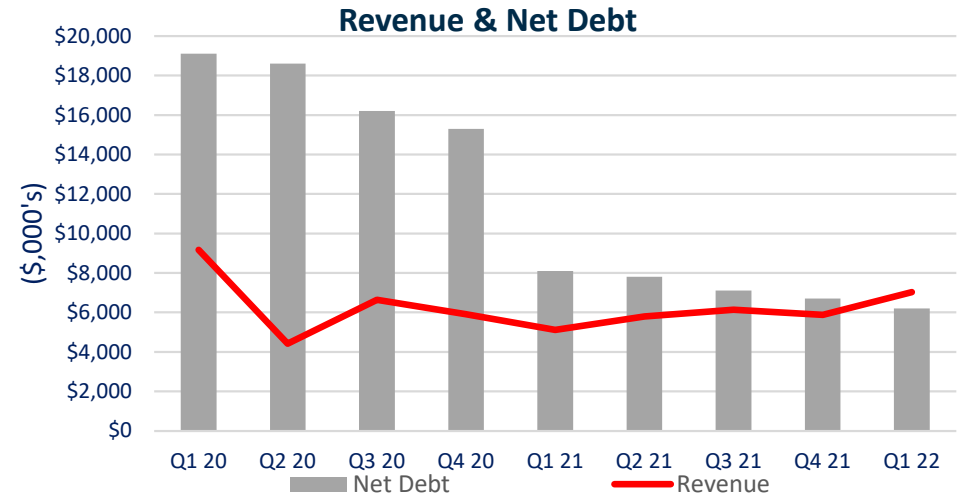
- Strong Q1 fiscal results build upon self-sufficient 2021
- Net Debt reduced to \$6.2 million at 31 March 22
- Producing wells value > US\$77 million (NPV10)³
- Q1/22 cash earnings of US\$1.9 million

- Conservative hedge position converting to WTI collars giving more exposure to upside whilst continuing to protect downside.

Fiscal results 2020/2021

Safeguarding the highly valuable TMS asset via prudent financial management

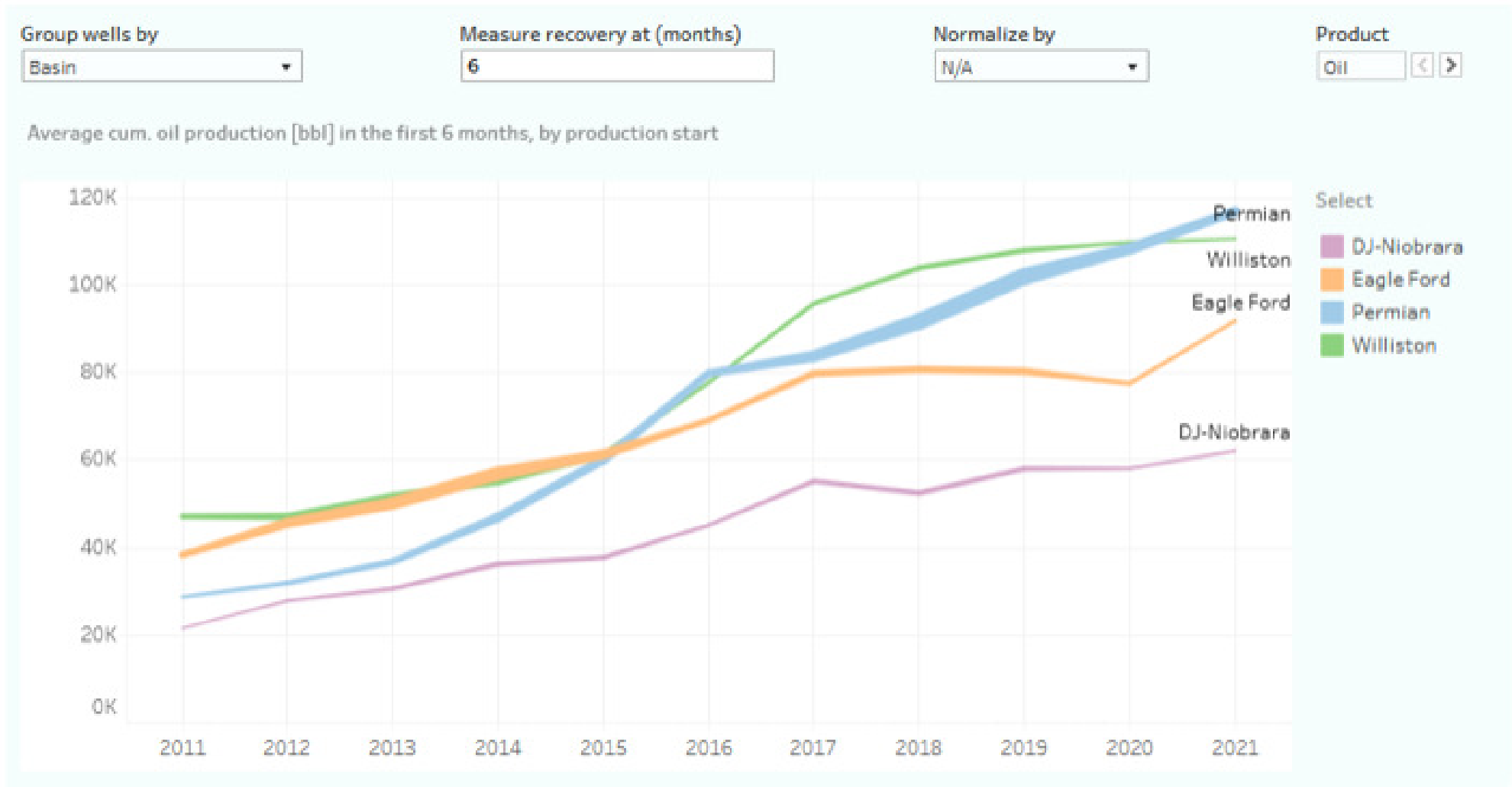
- Australis was quick to react in 2020 and maintained financial discipline throughout the low oil price period during the COVID pandemic
 - Safeguarded production
 - Protected revenue downside
 - Reduced debt and maintained all covenants
 - Managed Production and G&A costs



How does the TMS compare?

Improved well performance in key oil plays

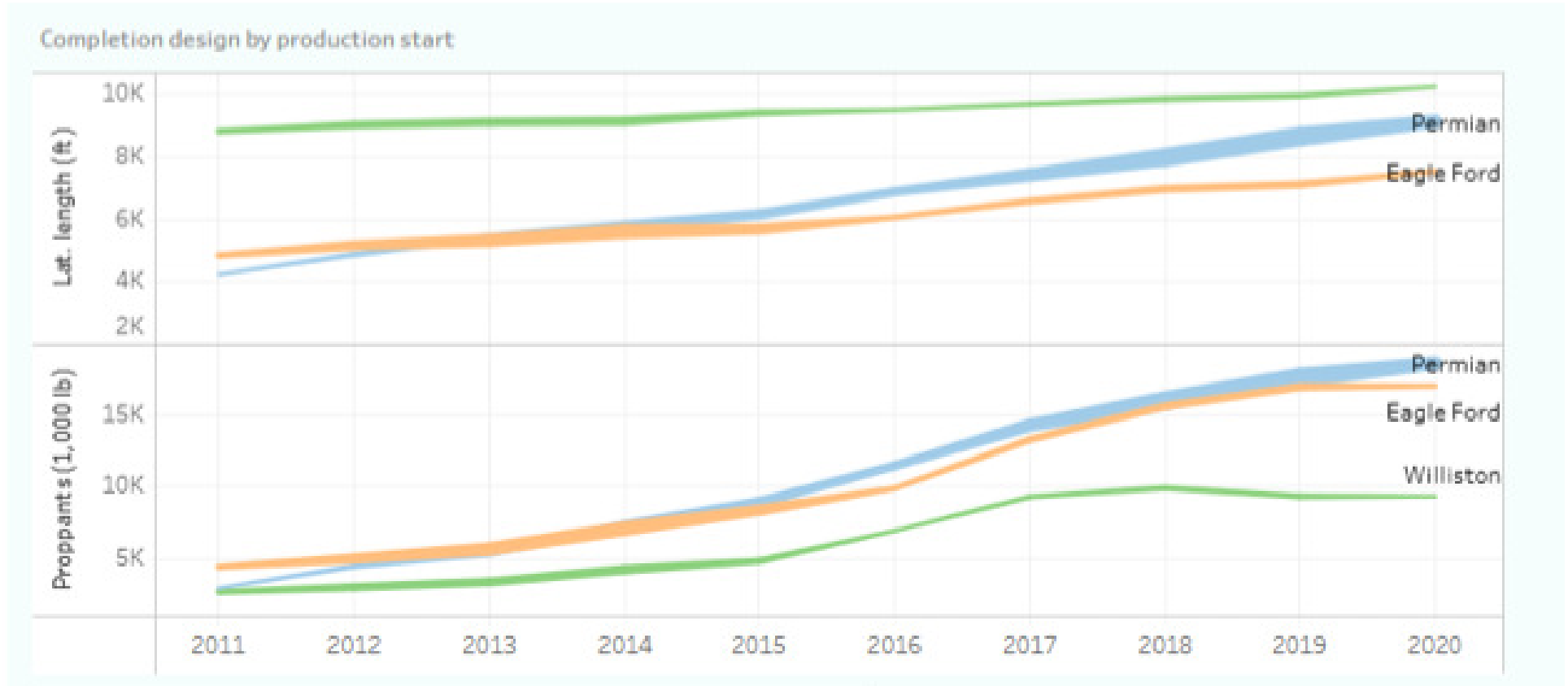
All of the key oil plays have seen improvements in recovery over time as designs have been optimised



Average well productivity (average cum. oil in the first 6 months), by basin.

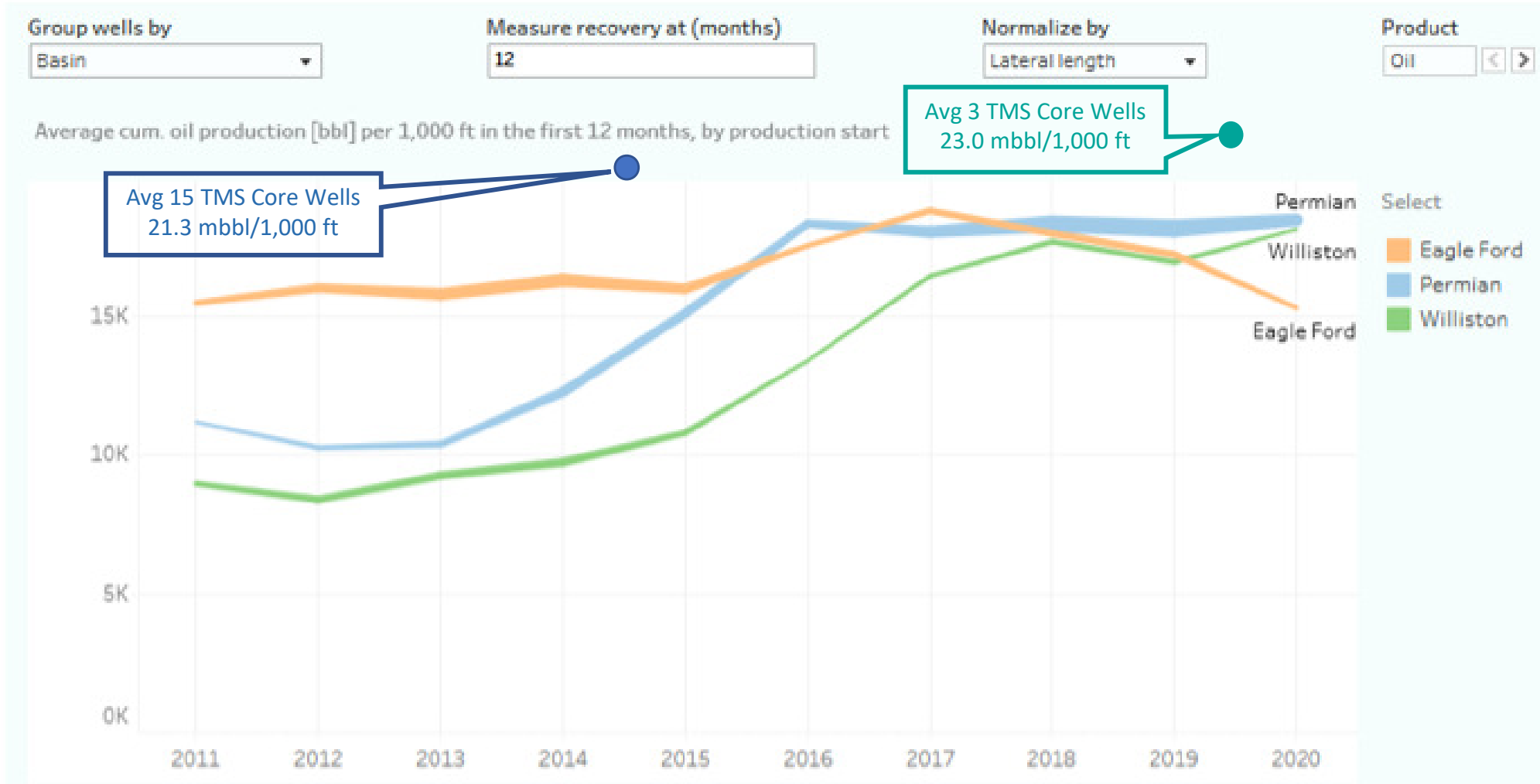
Improved well performance in key oil plays

Improvement in well performance has come from high grading acreage, longer wells and bigger/better completions



Improved well performance in key oil plays

Whilst wells have become more productive, if they are normalised for length then no real improvements since 2016

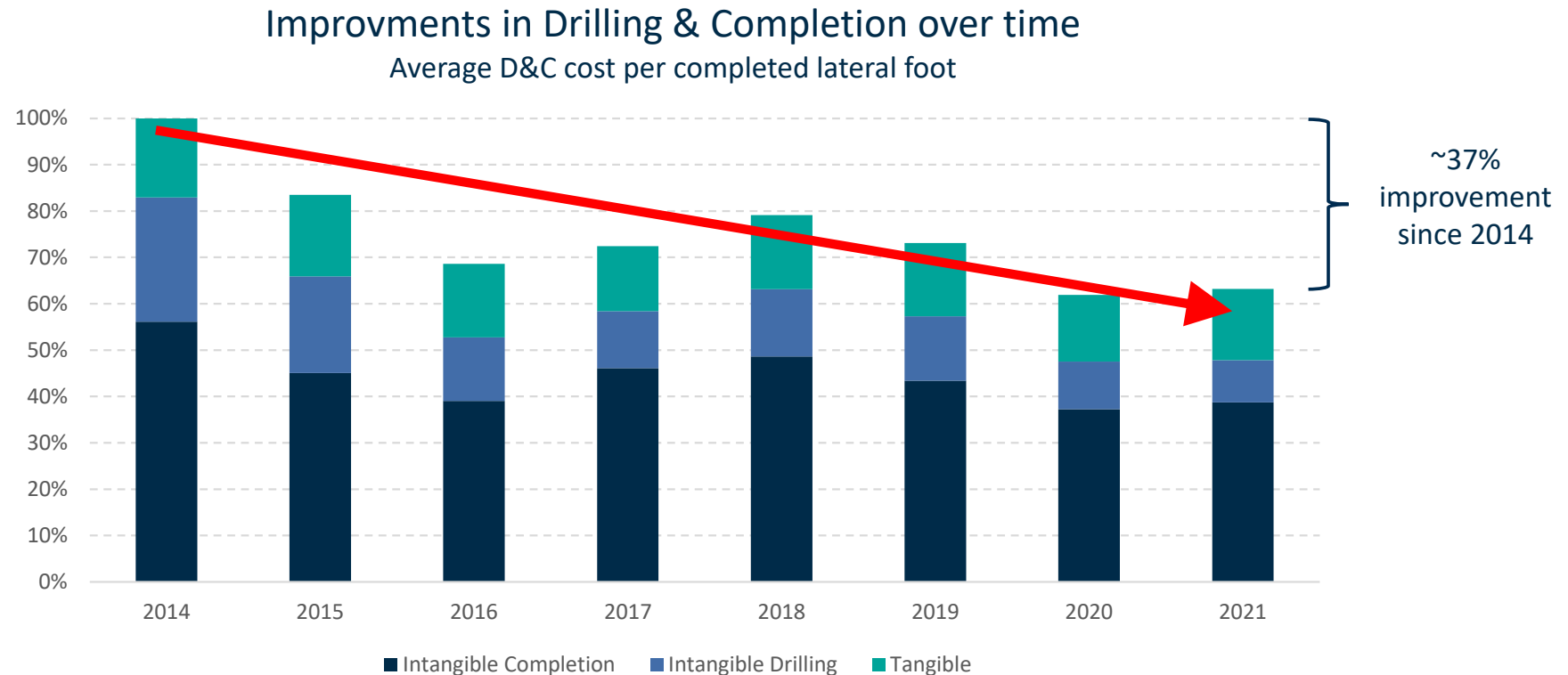


TMS 2014 well oil productivity compares very favourably to modern wells in the big three oil plays. Productivity of three wells drilled in 2019 with similar completion design to 2014 showing consistent productivity

Well Costs – Continued Improvement Across Industry

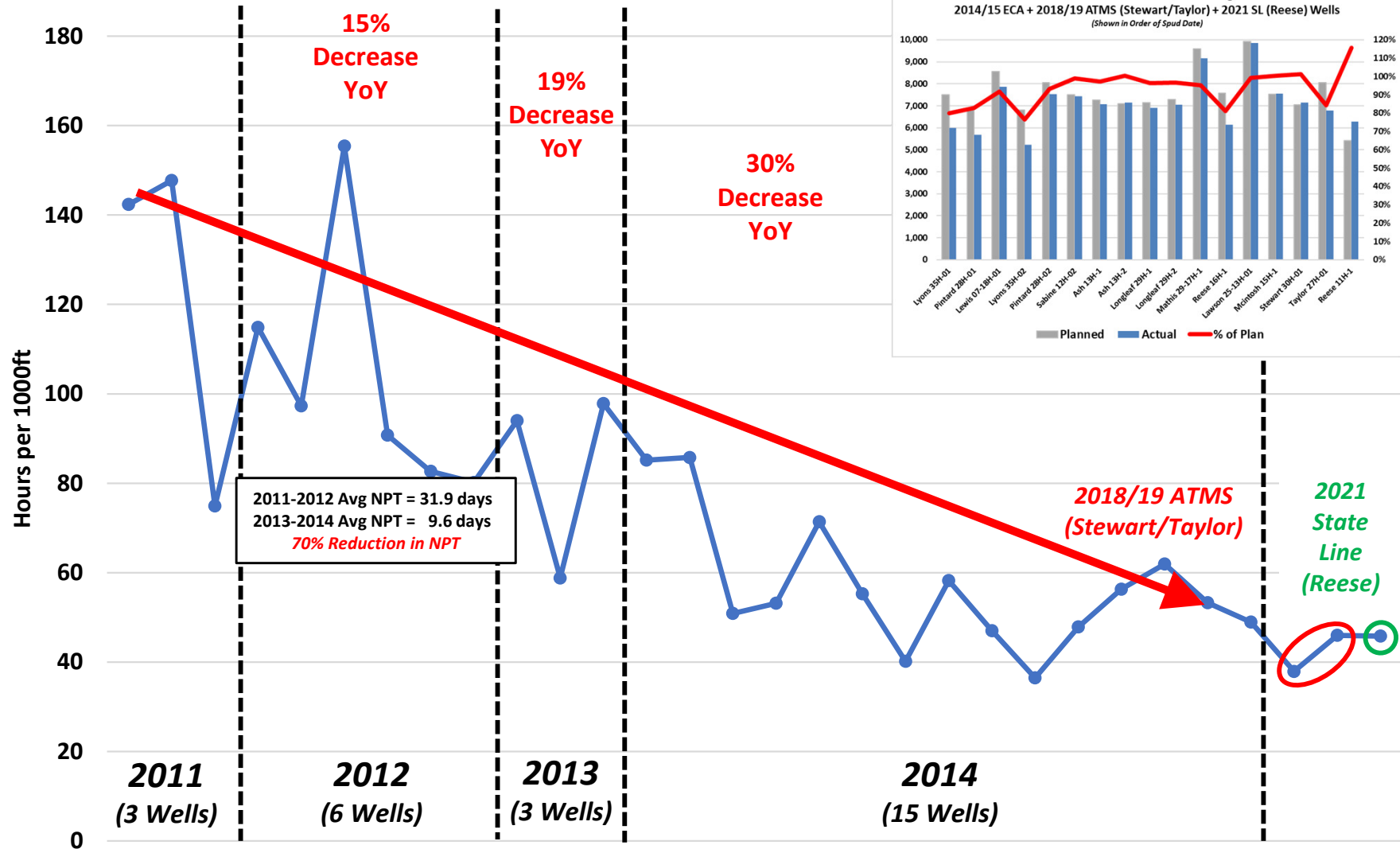
Despite significantly larger completions, average D&C costs have improved significantly across the major shale basins

Through innovation, technology, efficiencies and simply by drilling more wells, operators are able to reduce costs over time
The TMS will also see these benefits through additional activity further adding to economic returns



Well Costs – Continued Improvement Across Industry

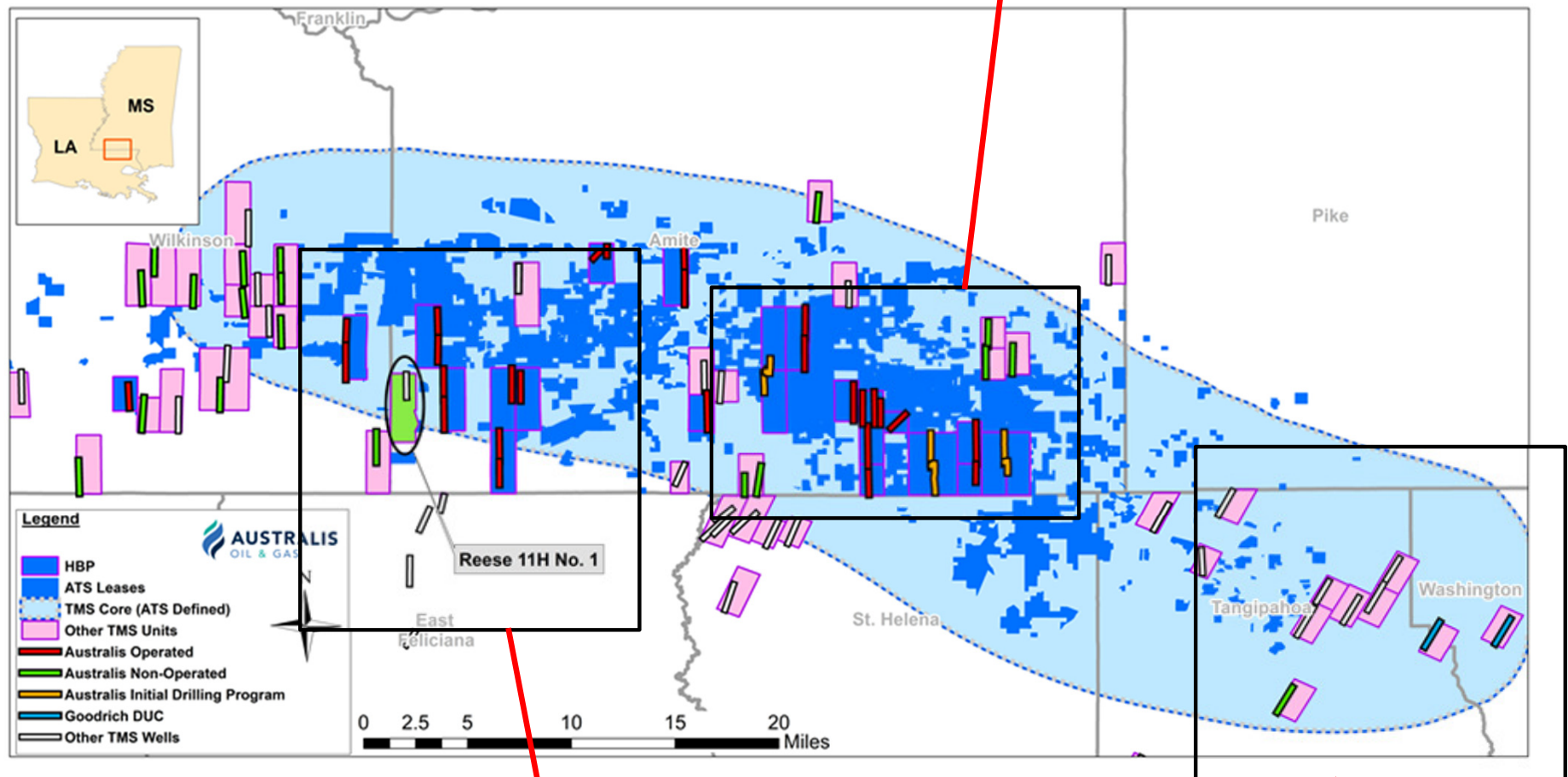
ECA Wells + ATS Stewart/Taylor + State Line Reese - Hrs/1000'
 (Shown in Order of Spud Date)



Update on activity in the field

Recent Development Activity in the TMS

Australis development wells 2018/2019



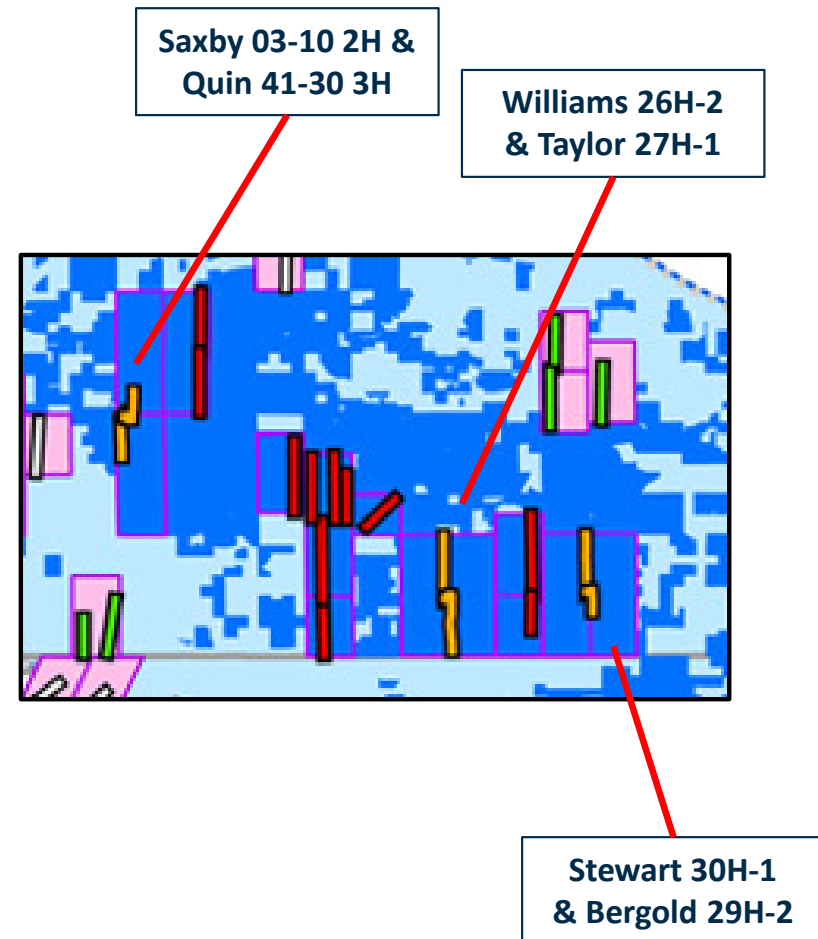
State Line Reese 11H
1 well 2021/2022

Paloma DUC completions : Painter 5H – 01 &
W Alford 10H – 1

Recent Development Activity in the TMS

Australis development wells 2018/2019

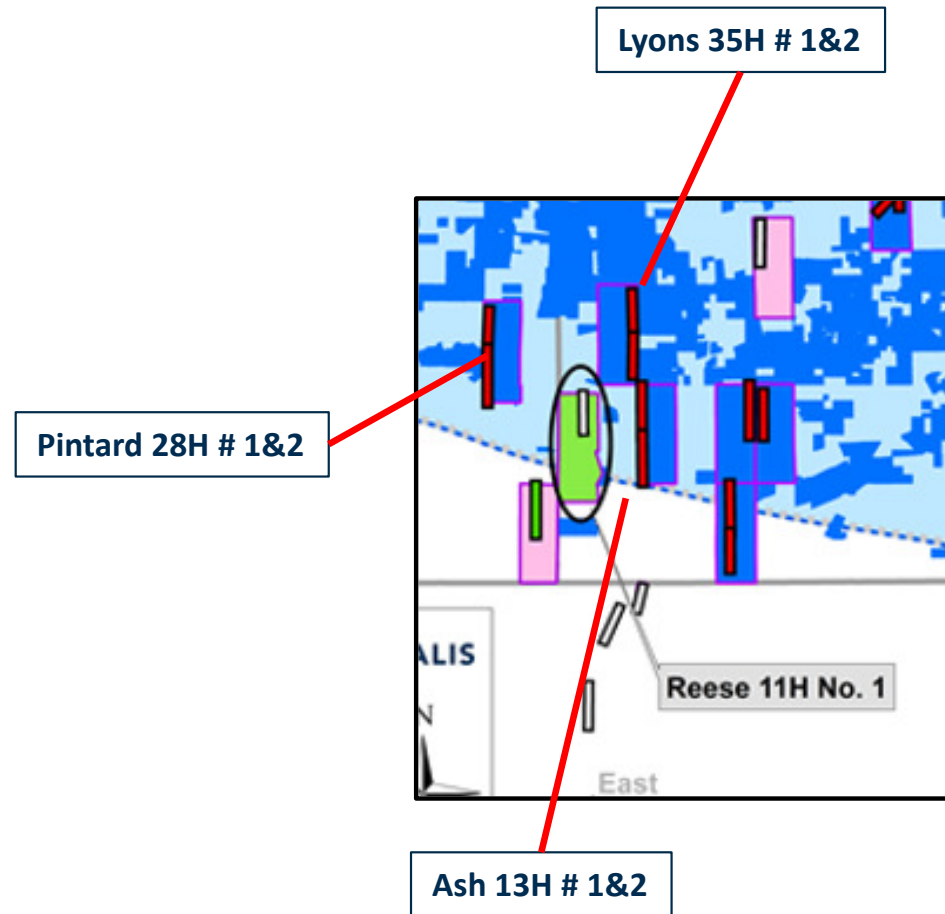
- Continued to demonstrate rock quality
- Two of the lowest cost per foot full length laterals drilled in the play
- Drilling and equipment challenges led to shorter wellbores than planned in several wells
- Continued delineation of play and added significant information and data
- Added to the Australis HBP position within the TMS Core



Recent Development Activity in the TMS

- The State Line (Juniper Capital) well was drilled during the latter part of Q4 2021
- Australis contributed operational data to State Line during the planning and execution phases
- The well was successfully drilled to a lateral length of ~6,300ft in just over 30 days (Comparable to the ATS Taylor 27H – 1) and confirms reduced execution risk
- Well was fraced during Q1 2022 using a modern slickwater design
- Australis shut in the adjacent Ash 13H – 1, Ash 13H – 2 and the Lyons 35H – 2 to monitor for pressure communication and as a precaution – no pressures noted
- State Line have run an Electrical Submersible Pump, a first within the TMS
- Initial flowback results are encouraging to demonstrate effectiveness of frac and reservoir deliverability – reported IP24 of 1,801 bopd
- ATS awaits longer term data to assess effectiveness of ESP as a completion technique
- The three Australis wells were restarted without issue during Q1

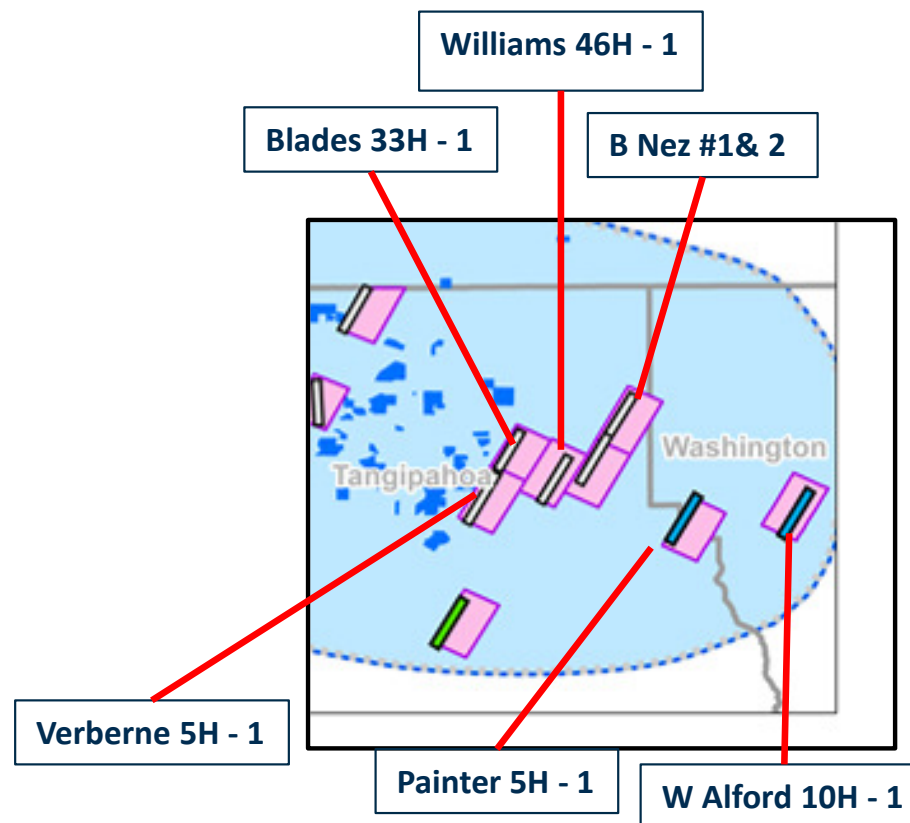
State Line Reese 11H 1 well 2021/2022



Recent Development Activity in the TMS

Paloma DUC completions – Painter 5H – 01 & W Alford 10H – 1

- Paloma have two drilled but uncompleted wells (DUCs) located in the southwest of the TMS Core
- Wells were drilled and cased in 2014, but have never been fraced
- Approximately length 5,300ft
- Adjacent Verberne, Blades and Williams are good wells when adjusted for lateral length as Goodrich wells are broadly shorter than ATS wells
- B Nez wells had completion issues which limited their performance
- Although at the periphery of our data sets, the subsurface modelling and well data suggests still within TMS core
- Australis a 10% WI participant in the two DUC wells, have worked with Paloma on frac and facilities design
- Frac an evolution of the State Line design
- Painter 5H fraced with 42 stages and plugs have been drilled out. Flowback will commence shortly



Evolution of TMS frac design

From a baseline performance established by Encana and Australis – new entrants are exploring upside with modern frac design

Frac Design	Australis/ Encana	State Line	Paloma	Comment
Proppant Intensity	2,400 lb/ft	↑	↑	Increasing intensity in line with industry
Stage length	360 ft	↓	↓	Shortening length in line with industry
Pump rate	75 bpm	↑	↓	Historical casing design on DUCs pump rate limitation
Fluid Type	Cross link gel	Slickwater	Slickwater	Further investigation on improved frac complexity with slickwater design

Single Well Economics

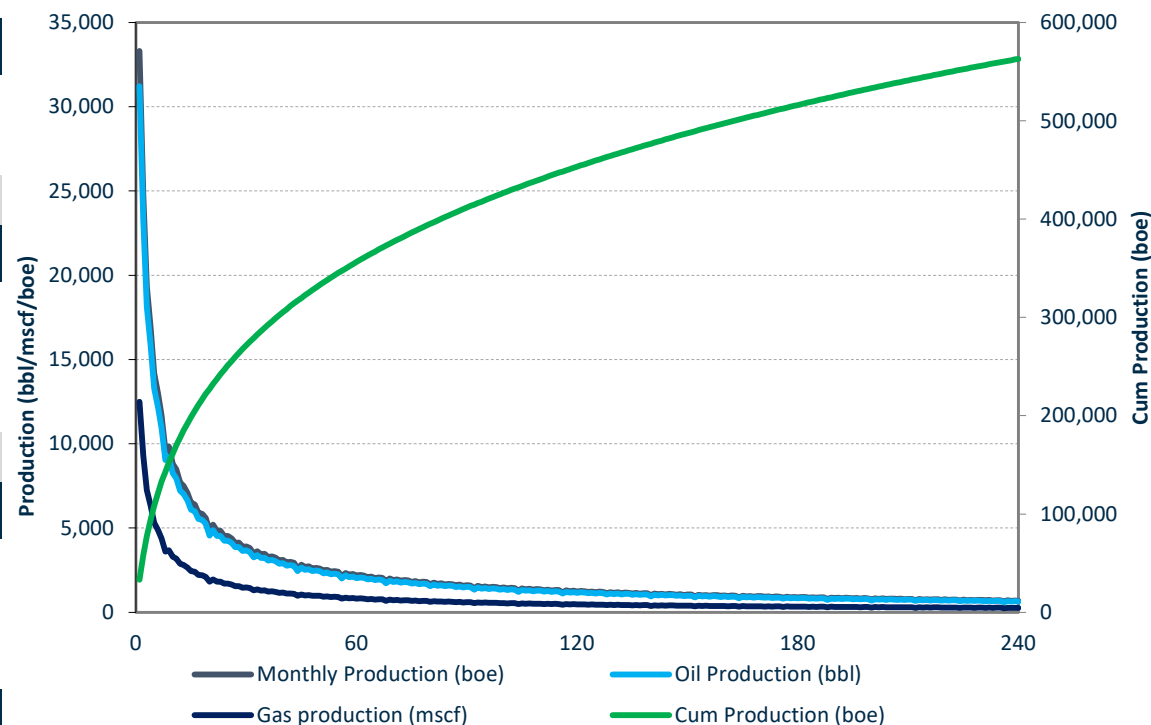
TMS Core Type Curve – Conservative Base Case Economics

Assumes completed lateral length of 7,200 ft only, opex assumptions are based on history and the capex costs are current full field development projections – no future upsides are assumed in the base case

Base Case Assumptions*

EUR (30 Years)		
Gas	0.24	Bcf
Oil/Condensate	587	Mbbl
EUR/well^A	626	Mboe
Well Cost ^D US\$		
Drilling	\$3.9	million
Completion	\$4.3	million
Tie in & Title work	\$0.8	million
Total Well Cost	\$9.0	million
Operating Expenditure US\$		
Fixed Opex	\$8,935	/well/month
Variable Opex ^B	\$1.07	per bbl fl
Variable Opex	\$1.93	Per bbl
Other Assumptions		
NRI	80%	
Realised Net Differential ^C	\$2.00	\$ 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
\$65	\$15.9	\$8.0	63%	14
\$75	\$20.2	\$10.8	91%	10
\$85	\$24.5	\$13.7	125%	8

A. TMS Core Type Curve history matched average of most recent 14 wells drilled by Encana in 2014 (~7,200 ft completed lateral)

B. Includes water disposal

C. Australis sells its oil at LLS benchmark, which trades at a premium to WTI. Realised differential represents LLS premium less local differential.

D. Well cost include drilling, completion, facilities and artificial lift in Full Field Development mode as at Q3 2021.

*Economics based on 20 year cash flows from first production

Summary & Next Steps



Tier 1 Oil Asset with Scale

- ✓ ~94,300 net acres in the 'core' of the TMS
- ✓ Well inventory of ~360 locations at 250 acre spacing
- ✓ Flexible lease position – 79% either HBP or expiry after Jan 2023
- ✓ 150 MMbbl 2P+2C recoverable oil (39 – 41 API)
- ✓ Infrastructure capacity and access



Strong financial results

- ✓ Premium LLS oil pricing due to quality and location
- ✓ Single well economics NPV(10) of US\$8.0m to US\$13.7m (IRR 63% - 125%)
- ✓ Substantial long term value generation in all development scenarios
- ✓ Austin Chalk and Eagletusc horizon optionality



Strategic Opportunity

- ✓ Limited available new drilling inventory in established oil plays
- ✓ Limited exploration potential remaining
- ✓ TMS wells oil production on par with other more mature USA basins, despite early stage of development cycle
- ✓ 3rd Party activity in field indicative of increased interest
- ✓ Australis has a controlling position within production delineated TMS Core



Next Steps

- ✓ Find a suitable partner to continue the evolution and rerating of the play
- ✓ Post partnering phase, anticipate additional drilling program, driving both HBP acreage and incremental revenue relative to today

Footnotes

1. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2021 and generated for the Australis concessions to SPE standards. See ASX announcement released on 7 February 2022 titled “Reserves and Resources Update Year End 2021”. 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. Source: Woodside Petroleum Ltd 2021 Annual Report. The Sangomar Field Development Phase 1 development 2P Reserves of 149 MMbbl oil (Woodside economic share).
3. Updated PDP NPV(10) of US\$77 million uses the PhDWIn model created by Ryder Scott for the PDP year end 2021 estimates¹ with an updated oil price assumption using the WTI forward strip on 16 May 2022 (2022 US\$102.87/bbl; 2023 US\$90.51/bbl; 2024 US\$80.70/bbl, 2025 US\$73.93 and 2026+ US\$69.09/bbl) with an effective date 31 March 2022. All other assumptions on production profiles and operating cost and differentials were retained as per Ryder Scott model inputs and Australis is not aware of any new information or data that materially affects them. The PDP NPV(10) does not include the effects of existing or future hedging.

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	Tuscaloosa Marine Shale		
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		
Opex	Operating Costs		
Capex	Capital Costs		
PDP	Proved Developed Producing		
PUD	Proved Undeveloped Producing		
2P	Proved plus Probable Reserves		
3P	Proved plus Probable plus Possible Reserves		
D, C & T	Drilling, Completion, Tie In and Artificial Lift		
G&A	General & Administrative		
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, inventory movements, field based production expenses, hedging gains or losses but excludes depletion and depreciation.		
EBITDA	Net loss / profit for the period before income tax expense or benefit, finance costs, depreciation, depletion, amortisation and impairment provision		
Net Acres	Working Interest before deduction of Royalty Interests		
IP24	The peak oil production rate over 24 hours of production		
TMS Type Curve	The history matched production performance of 14 wells drilled in the TMS by Encana in 2014. Corresponds to an average treated horizontal length of 7,200ft.		
IRR	Internal Rate of Return		
NPT	Non Productive Time		