

## Key Activities &amp; Highlights

30 July 2025

**Australis Oil & Gas Limited**  
ABN: 34 609 262 937

ASX: ATS

Australis is an 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.

The Company's acreage within the core of the oil producing TMS provides significant upside potential for ATS with 65 million bbls of 2P+2C net reserves and resources including 1.62 million bbls producing reserves<sup>1,2</sup> providing free cash flow.

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.

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The Tuscaloosa Marine Shale (TMS) is an undeveloped unconventional oil play in Mississippi and Louisiana on the US gulf coast and Australis holds a material operated position within its delineated core.

**Australis believes that the unconventional industry is seeking investment opportunities in areas outside the established basins, which are becoming increasingly mature with limited quality new well inventory.**

**We remain confident in the technical merits of the TMS play and are seeking a partner to fund initial development activity.**

### Overview

- Australis holds approximately 47,400 net acres and ~160 net Tier 1 future drilling locations (65 million net bbls 2P & 2C)<sup>1,2</sup> within the production delineated core of the TMS.
- During the quarter Australis has continued with ongoing partnering discussions and multiple new parties have started evaluation and data room due diligence.

### Operations and Financial Summary – 2<sup>nd</sup> quarter 2025

- Realised oil price at \$3.26/bbl premium to WTI.
- Sales volume of 53,700 barrels (WI) (-5% vs Q1 2025).
- Lower sales volumes coupled with lower achieved oil pricing led to lower sales revenue of \$3.6 million (-12% vs Q1 2025).
- Production operating costs were higher, due to three workovers carried out during the quarter, contributing to a lower Field Netback of US\$0.9 million (-47% vs Q1 2025), however on a YTD basis this was offset with no workovers in Q1 (Note 1H 2024 also had 3 workovers in total).
- Cashflow from operations continued to cover all operating costs and corporate G&A during the quarter.
- Credit Facility principal debt decreased by US\$1.1 million, to US\$5.9 million (-16% vs Q1 2025).
- Cash balance at quarter end of US\$4.0 million (-29% vs Q1 2025).

**KEY FINANCIAL INFORMATION**

The following table summarises key financial metrics for Q2 2025 and provides a comparison to Q1 2025.

Key Metrics	Unit	Q2 2025	Q1 2025
TMS Core Land (Net)	acres	47,400	47,500
Net Oil resource (2P + 2C) <sup>1,2</sup>	MMbbls	65	65
Sales Volumes (WI)	bbls	53,700	56,700
Average Realised Price <sup>A</sup>	US\$/bbl	\$66.01	\$73.57
Average Achieved Price <sup>B</sup>	US\$/bbl	\$67.00	\$72.65
Sales Revenue (WI) <sup>B</sup>	US\$MM	\$3.6	\$4.1
Sales Revenue (Net) <sup>B</sup>	US\$MM	\$2.9	\$3.3
Field Netback	US\$MM	\$0.9	\$1.7
Field Netback / bbl (WI) <sup>B</sup>	US\$/bbl	\$15.90	\$29.31
Field Netback / bbl (Net) <sup>B</sup>	US\$/bbl	\$19.76	\$36.36
Adjusted EBITDA	US\$MM	\$0.0	\$0.7
Cash Balance (Qtr end)	US\$MM	\$4.0	\$5.6
Total Debt (Qtr end)	US\$MM	\$5.9	\$7.0

<sup>A</sup> excludes effect of hedge contracts settled

<sup>B</sup> includes the gain from the settlement of hedge contracts of US\$0.05 million (Q1 2025: loss of US\$0.05 million)

**Table 1: Q2 2025 Key Metrics**

**TMS PRODUCTION AND OPERATING PERFORMANCE**

Sales volumes were lower in the quarter, primarily due a combination of weather-related downtime, wells shut in for workovers and more marginal wells which have been switched to a periodic production schedule which generates lower production volumes but remains economic due to lower operating costs.

There were three workover operations in the quarter following none in Q1 2025. We continue to see an increase in the average days between workovers, but these operations led to production volumes delays in Q2 2025 while wells were shut in and to incremental production costs.

Australis has moved several wells to periodic production schedules, allowing reservoir pressure to build and then flowing the wells either without artificial lift altogether, or incurring the artificial lift costs for shorter periods. Some of these wells have maintained overall monthly production volumes, others have seen modest drops in overall production with this change in operating philosophy.

## FINANCE AND CORPORATE

### *Cash and Capital*

Results for the quarter include:

- Sales Revenue (after hedges) of US\$3.6 million, 12% lower than the previous quarter primarily due to lower sales volumes and lower achieved pricing.
- Production operating costs were higher than the previous quarter mostly due to the workover component of US\$0.4 million (Q1 2025: nil).
- Cashflow from operations covered all operating costs and corporate G&A during the quarter.
- Total debt under our Macquarie Credit Facility decreased by US\$1.1 million to US\$5.9 million as Facility C loan repayments were made from hedged production during the quarter and a Facility A repayment was made at the end of the quarter.
- The net debt position increased modestly to US\$1.9 million at the end of Q2 2025 (Q1 2025: US\$1.4) but remains US\$0.3 million below the Q4 2024 position.

### *Credit Facility*

The Facility A loan now stands at US\$4.0 million and Facility C at US\$1.9 million.

Full repayment of the Facility C loan is scheduled to occur over the next 9 months with monthly payments of principal and interest equal to the monthly oil price hedge settlement to occur as a result of the remaining 30,000 bbls WTI Swap hedge contracts entered into at the time of drawing the Facility C loan in March 2024.

### *Oil Price Hedging*

During the reporting quarter Australis realised a modest hedge gain of US\$0.05 million compared to a loss of US\$0.05 million in the previous quarter.

WTI-denominated hedge contracts representing a total volume of 23,700 bbls were settled during Q2 2025 as follows:

- Zero Cost Collars: 7,800 bbls, protecting an average downside price of US\$48/bbl and maintaining the upside in oil price up to an average of US\$82/bbl, and
- Swaps: 15,900 bbls, protecting an average downside price of US\$67/bbl.

The hedge volumes settled for Q2 2025 represented 55% of the Net Sales for the quarter (i.e. sales after royalty interests).

The table below summarises the protected WTI floor prices and the ceiling prices for all hedged volumes on future production at the end of the reporting quarter.

Australis' current WTI oil price hedge position as at 1-Jul-25					
Qtr/Year	WTI Swaps		WTI Collars		
	Volume	Protected Price	Volume	Protected Price <sup>(A)</sup>	Ceiling Price <sup>(A)</sup>
	000bbbls	US\$/bbl	000bbbls	US\$/bbl	US\$/bbl
Q3/2025	16	\$66	6	\$53	\$77
Q4/2025	16	\$64	7	\$54	\$76
Q1/2026	12	\$62	3	\$60	\$68
Q2/2026	2	\$61	1	\$60	\$67
Q3/2026	2	\$61	0	\$0	\$0
Q4/2026	2	\$61	0	\$0	\$0
	<b>51</b>		<b>17</b>		

(A) Based on weighted monthly average prices  
Table 2 : ATS hedge position as at 1 July 2025

**TMS Lease Position**

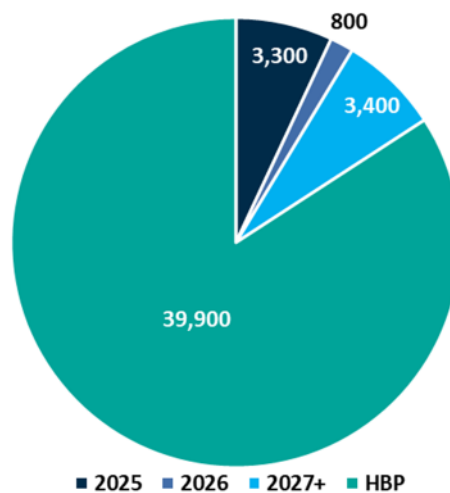
Australis has continued to manage its lease position, whilst being cognisant of cash reserves and working capital obligations. During this reporting quarter approximately 3,200 acres were extended for a 6-month period with an option for a further 12 month extension and the total only reduced by 100 net acres during the quarter.

As at 30 June 2025 Australis holds ~47,400 net acres in the TMS Core, of which ~39,900 net acres (~84%) are HBP.

The Company continues to be confident in our ability to quickly renew targeted expired acreage when either additional capital or a funding partner is secured.

Figure 1 below provides more detail on the expiry profile of the TMS Core acreage position as at 30 June 2025. Figure 2 (see “About Australis” section below) provides a map of the Australis acreage position.

**Expiration Year – TMS Core Net Acres**



**Figure 1 : Expiry profile of ATS TMS acreage**

**Business Development and Corporate Strategy**

Australis has pursued a strategy of finding a partner willing to fund the next phase of activity in the TMS and have targeted larger established public companies. These engagements have often been fairly involved and protracted, lasting several quarters. We have typically been able to address any questions or issues raised, leading in some cases to recommendations to proceed from business development teams and their engineering and subsurface colleagues with the asset having met technical hurdles and investment criteria. However, as previously reported, frustratingly final investment approvals have yet to be obtained by these companies, often for reasons unrelated to the technical or commercial merits of the project. We continue to engage in dialogue with some of these parties and pursue new potential partners.

During the quarter, the Company has had an increasing number of inbound enquiries, which we attribute to the maturity of established plays and the increasing cost to acquire the limited future drilling inventory.

Although there can be no guarantee that Australis will be able to ultimately complete a partnering transaction on satisfactory terms (or at all), we remain optimistic to do so in due course, and we are working hard but remaining patient in our approach and expectations.

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

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**Ends**

**ABOUT AUSTRALIS**

Australis (ASX: ATS) is an ASX listed 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.

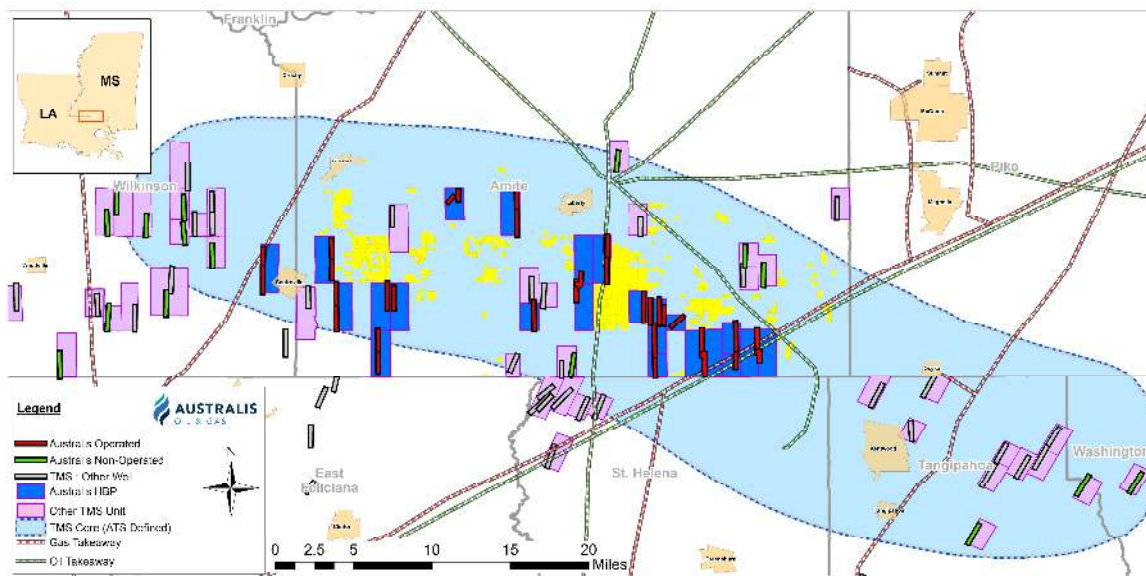
With approximately 47,400 net acres (84% HBP) within the production delineated core of the proven oil producing TMS, Australis retains significant upside potential with approximately 160 net future drilling locations.

At year end 2024 Ryder Scott independently assessed the Australis acreage held at that time with 65 MMbbls of 2P + 2C recoverable volume including 1.6 MMbbls producing reserves providing net field cash flow<sup>1,2</sup>. The contingent oil resource is only contingent on a qualifying development program and Australis will carry out a reassessment of its undeveloped reserve position when a partner and funding is secured.

Australis was formed by the founder and key executives of Aurora Oil & Gas Limited, a team with a demonstrated track record of creating and realising shareholder value.

**TMS Assets & Background**

The map shown in Figure 2 is a representation of the acreage position that Australis holds within the TMS Core.



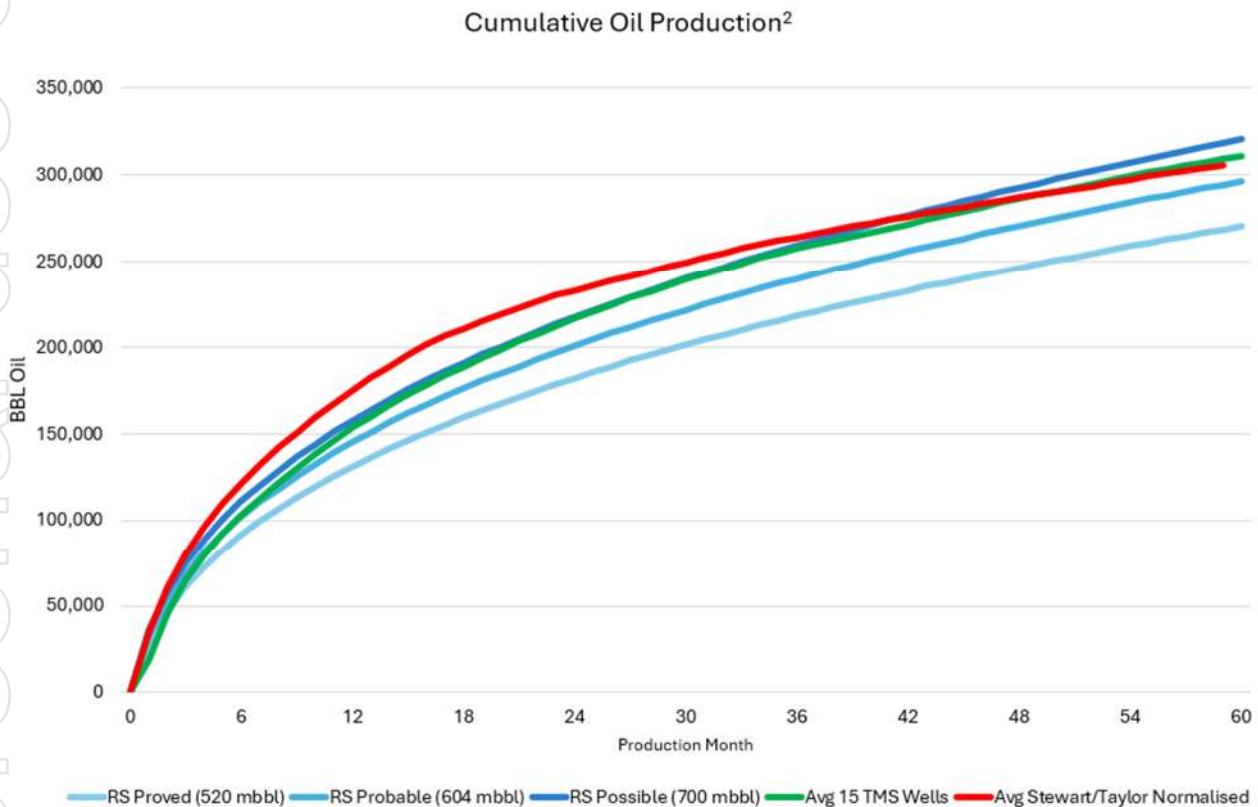
**Figure 2 : Location of Australis acreage and TMS wells**

The Tuscaloosa Marine Shale is a Cretaceous shallow marine unconventional shale that is present across central Louisiana and southwest Mississippi. The play is the same geological age as the Eagle Ford Shale in South Texas and the Woodbine Shale in East Texas.

The play is relatively deep, high pressured and oil weighted. As experienced in most unconventional plays, early results (2010 – 2014) demonstrated variable production performance and relatively high well costs, driven by initial operational difficulties encountered whilst drilling and completing the wells. The activity that did take place delineated a core area of the play where production results were consistent and comparable to other, far more developed, unconventional plays such as the Eagle Ford and the Permian. This area is shown in the blue polygon in Figure 2 and represents Australis’ interpretation of the TMS Core.

The comparison of the 2014 production results from the core of the TMS (the 15 wells drilled in the Australis TMS core leasehold area in 2014 and which comprise the TMS Type Curve) with the three type curves generated by Ryder Scott for the YE 2020 reserve report is shown in Figure 3 below.

To qualify as a reserve Ryder Scott must assess a future location as economic and the YE 2020 reserve report was evaluated assuming a flat oil price of US\$47.02/bbl<sup>4</sup>. Note the YE 2024 Reserve Report<sup>1</sup> did not assess undeveloped reserves as any assessment is dependent on a drilling plan for the next 5 years. Australis made the decision to defer the assessment until a partner is introduced and a development plan is determined.



**Figure 3 : Average oil production of ATS 2014 TMS wells vs Ryder Scott Proved, Probably and Possible Type Curves and performance of the full length laterals drilled by Australis in 2018**

The 2014 fall in commodity price generated the opportunity for the two low cost acquisitions by Australis in the TMS and for an ongoing cost-effective and strategic leasing program where longer lease life was targeted together with improved commercial terms. Australis has remained very disciplined and focused only within the production delineated TMS Core.

The appraisal activity by Encana and other participants in the TMS during 2013/2014 also addressed many of the operational challenges that were initially experienced. Costs and performance repeatability were improving, and activity levels were increasing during 2014 until evolution in the play was interrupted by the oil price drop in late 2014. As a direct result, Australis is the only company to have drilled new wells in the play since the beginning of 2015 other than in the last quarter of 2021, when State Line Exploration successfully drilled and cased their first well in the play. Consequently, none of the numerous industry improvements that have continued to drive forward the economics of other unconventional plays have yet been applied to the TMS. The production results of the full length laterals drilled by Australis in 2018<sup>3</sup> are also shown above on Figure 3.

**GLOSSARY**

Unit	Measure	Unit	Measure
<b>B</b>	Prefix – Billions	<b>bbl</b>	Barrel of oil
<b>MM</b>	Prefix – Millions	<b>boe</b>	Barrel of Oil equivalent (1bbl = 6 mscf)
<b>M or k</b>	Prefix – Thousands	<b>scf</b>	Standard cubic foot of gas
<b>/d</b>	Suffix – per day	<b>Bcf</b>	Billion cubic feet of gas

Term	Definition
<b>TMS Core</b>	The Australis designated productive core area of the TMS delineated by production history
<b>WI</b>	Company beneficial interest before royalties
<b>Royalty</b>	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
<b>Net or NRI</b>	Company beneficial interest after royalties or burdens
<b>C</b>	Contingent Resources (1C/2C/3C equivalent to low/most likely/high)
<b>NPV(10)</b>	Net Present Value (@ discount rate)
<b>EUR</b>	Estimated Ultimate Recovery of a well
<b>WTI</b>	West Texas Intermediate oil benchmark price
<b>LLS</b>	Louisiana Light Sweet oil benchmark price
<b>D, C&amp;T</b>	Drill, Complete and Tie - in
<b>SOFR</b>	Secured Overnight Financing Rate
<b>Opex</b>	Operating Expenditure
<b>G&amp;A</b>	General & Administrative Expenditure
<b>HBP</b>	Held by production – within a formed unit a producing well meets all lease obligations within that unit. Primary term remains valid whilst well is on production.
<b>PRB</b>	Probable Reserves
<b>PDP</b>	Proved Developed Producing Reserves
<b>PDNP</b>	Proved Developed Not Producing Reserves
<b>PUD</b>	Proved Undeveloped Reserves
<b>Net Acres</b>	Working Interest before deduction of royalties or burdens
<b>Field Netback</b>	Oil and gas sales net of royalties, production and state taxes, inventory movements, hedging gains or losses and field-based production expenses but excludes depletion and depreciation
<b>Adjusted EBITDA</b>	Earnings before interest, tax, depreciation, depletion, amortisation expenses and the write off of previously capitalised expired exploration leases
<b>IP30</b>	The average oil production rate over 30 days of production following clean up
<b>YOY</b>	Year on year
<b>YE</b>	Year end
<b>TMS Type Curve</b>	The history matched production performance of 15 wells drilled in the TMS by Encana in 2014. Corresponds to an average treated horizontal length of 7,200ft. Refer to the Appendix of the Australis Corporate Presentation
<b>IDP</b>	Initial drilling program of 6 wells in the TMS by Australis commencing late 2018
<b>DUC</b>	Drilled uncompleted well

**Notes**

1. Estimates from the independent Ryder Scott report, effective 31 December 2024 and dated 29 January 2025 which was initially disclosed in the announcement titled "Quarterly Activities Report" issued on 31 January 2025. 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 deterministic methods. 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.
2. The figure quoted is the rounded arithmetic sum of the 2P reserve and 2C resource estimate as reported in the Ryder Scott reserve report dated 29 January 2025. That report included the following reserve and resource estimates of oil.

	Net Oil Reserves (Mbbbls)		Contingent Oil Resources (Mbbbls)
1P	1,644	1C	19,333
2P	2,109	2C	62,560
3P	2,719	3C	113,233

The 1P, 2P and 3P figures provided are the arithmetic summation by category and are referenced to the individual well oil metering at each producing well location.

The 1C, 2C and 3C figures provided are the arithmetic summation by category.

3. Average production from Stewart 30H-1 and Taylor 27H-1 wells normalized to 7,200 ft completed horizontal length and adjusted for production curtailments during COVID low oil prices Q2 2020.
4. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2020 and generated for the Australis concessions to SPE standards. See ASX announcement released on 5 February 2021 titled "Reserves and Resources Update Year End 2020". Australis is not aware of any new information or data that materially affects the information included from the referenced announcement and all the material assumptions and technical parameters underpinning those estimates from the original announcement continue to apply and have not materially changed.

**Non-IFRS Financial Measures**

References are made within this report to certain financial measures that do not have a standardised meaning prescribed by International Financial Reporting Standards (IFRS). Such measures are neither required by, nor calculated in accordance with IFRS, and therefore are considered Non-IFRS financial measures. Field Netback, Adjusted EBITDA and EBITDA, as defined within the Glossary, are Non-IFRS financial measures commonly used in the oil and gas industry or financial measures that are relevant to Australis. Non-IFRS financial measures used by the Company may not be comparable with the calculation of similar measures by other companies.

**Forward Looking Statements**

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Australis' planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Australis believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.