

For Immediate Release

ASX Announcement

26 November 2025

TMS Development Partnering & Financing Transactions

Australis Oil and Gas Ltd ("**Australis**" or "**Company**") (**ASX:ATS**) is pleased to advise that it has entered into two transactions with different counterparties which address our long-standing business objectives of:

- securing a reputable and experienced US listed independent oil and gas company with financial capacity to deploy development capital in the TMS play;
- having value attributed to our undeveloped TMS acreage position and utilising that valuation to fund the Australis's share of an early development program ("**Carry Program**"), rather than rely on shareholder equity or debt; and
- strengthening our balance sheet, enabling repayment in full of all debt whilst establishing a materially increased cash reserve.

Development Partnering Transaction Overview (Transaction 1)

Australis has agreed to partner with an established US oil and gas company ("**Development Partner**")¹ to take forward the development of our current and future TMS undeveloped position.

- The Development Partner has agreed to deploy up to ~US\$46 million of development capital for new wells within the TMS under a Carry Program, including funding Australis for a 20% working interest in that program, to earn an 80% working interest in operated undeveloped HBP acreage and Term leasehold of approximately 46,100 net acres.
- Australis and Development Partner to form an Area of Mutual Interest ("**AMI**") within the TMS Core area allowing Australis to participate at a 20% working interest in leasing activity and future drilling activity at the conclusion of the Carry Program.

The Development Partner is a US-listed independent oil and gas company with a multi-billion dollar enterprise value and active onshore development and exploration operations in multiple US unconventional basins.

Financing Transaction Overview (Transaction 2)

The Board and Management have long sought to maximise funding flexibility to drive appraisal and development drilling and manage land without diluting existing shareholdings at what are considered to be low share prices relative to inherent asset value. The second transaction announced today achieves this by realising value from existing production assets.

- Australis has agreed to sell 90% of its working interests in its existing TMS producing wellbores only for US\$16.9 million, subject to customary closing adjustments, to an affiliate of the EQV Group ("**EQV**") (www.eqvgroup.com). Australis will retain all rights to develop its existing acreage position, i.e. the land around existing producing well bores remains part of the development acreage of the abovementioned new Development Partnering arrangement.
- Australis will relinquish operatorship of its existing TMS producing well inventory.
- Closing is expected to be at year end, subject to customary conditions.

Strategic Outcome of Transactions

- The introduction of Development Partner with an aligned interest to Australis that is directly focused on unlocking the value of the large undeveloped TMS asset.
- The monetization of producing assets allows all outstanding indebtedness to be repaid and provides for a proforma cash balance of ~US\$12 million at 1 January 2026, in addition to future revenues from retained interests in the existing TMS wells and the carried interest under the Carry Program.
- The sale of only the producing assets allows Australis and Development Partner to retain all key rights and upside of the significant undeveloped acreage.

Transaction 1 details

Australis and the Development Partner have today executed legally binding documentation securing the Development Partnering Transaction. With significant daily oil-weighted production of hundreds of thousands of boe/d and an annual development capex budget in the hundreds of millions of dollars, the Development Partner has the operating experience, expertise and capacity to undertake the Carry Program. Further, the Development Partner has net cashflow from operating activities and additional liquidity that are far in excess of the requirements needed to satisfy its obligations under the Carry Program^{1,2}

Australis has agreed the following key terms under the Development Partnering Transaction:

- Development Partner has the right to earn an 80% interest in all of Australis's undeveloped operated acreage (both HBP and term lease) and a portion of the HBP non operated acreage by carrying Australis for 20% on an estimated US\$46.25 million drilling and completion program within a specified period of time (the "**Earn in Right**") for a carry value of US\$9.25 million ("**Carry Value**") to Australis. The existing operated and non-operated interests in producing wells are excluded from this transaction (being the subject of the Financing Transaction), as is a portion of the non-operated HBP acreage (2,030 net acres), which is retained by Australis.
- The parties will establish an AMI within the Australis TMS Core and Australis will have the opportunity to participate on a 20% basis in future leasing within this AMI.
- In consideration for the granting of the Earn in Right, the Development Partner has paid Australis an initial non-refundable US\$1 million and has committed to an initial lease program within the AMI of US\$1 million, to be completed by 30 October 2026, and will carry Australis for a 20% working interest in all acquired lease interests ("**Initial Lease Program**").
- The Development Partner will pay for an Initial Test Well ("**ITW**"), to be drilled and completed by 30 October 2026, and will carry Australis for a 20% WI. The Development Partner will also have the option to pay an additional US\$1 million non-refundable fee and extend the deadline to 30 October 2027 for the ITW and the Initial Lease Program.
- Once the ITW is on production, Development Partner has up to 6 months to elect to proceed ("**Election Date**") with drilling and completing additional wells under the Carry Program and carry Australis, at a 20% working interest, until the Carried Value is achieved.
- If the Development Partner elects to continue the Carry Program they must drill at least one well per 12-month period and complete the Carry Program within three years from the Election Date.
- The Development Partner forfeits all Earn in Rights if it fails to complete any of the ITW or post-Election Date Carry Program obligations and Australis will be entitled to 100% of the lease interests acquired under the Initial Lease Program and its 20% working interest in any wells drilled.

- Upon the Development Partner satisfying all Earn-in Rights, Australis will assign the 80% of its working interests in the undeveloped acreage described above and the parties will hold their respective participating interests in the ITW and other wells drilled under the Carry Program.
- Australis will retain operatorship of the leasing and development program and will have input on planning and execution of the Initial Leasing Program, ITW and the rest of the Carry Program. The Development Partner has the right to assume operatorship at any point during the Carry Program or thereafter.

Transaction 2 details

Australis has also today executed a purchase and sale agreement with an affiliate of EQV to sell 90% of Australis' interests in its existing TMS wellbores to materially strengthen its balance sheet through the retirement of debt and to support future activity initiated by the Development Partnering Transaction.

EQV is a traditional energy asset manager specializing in the acquisition, management, and optimisation of producing oil and gas properties, while selectively pursuing other established, asset-intensive opportunities in the traditional energy sector. Over the past twelve months, EQV has executed more than US\$1.0 billion in transactions. Today, EQV owns over 1,800 oil and gas properties collectively across a diversified portfolio spanning ten states within the USA.

Australis has agreed the following key terms with EQV under the Financing Transaction:

- EQV will acquire 90% of Australis' working interest in all existing operated and non-operated wellbores, with an effective date of 1 July 2025, for US\$16.9 million, subject to customary closing adjustments.
- Australis retains its interests in all undeveloped acreage in the production units within which the wells are located.
- EQV will assume operatorship of the Australis-operated wellbores at closing.
- Australis will retain 10% of its existing working interest in the wellbores and the associated rights under the existing operating agreements applicable to the wells.
- Australis and EQV have also entered into a Development Cooperation Agreement which governs future concurrent operations within the units, facilitating both EQV production operations and future development activity by Australis and the Development Partner (and any future partners of Australis).
- The closing of the Financing Transaction remains subject to confirmatory land title diligence and other customary closing conditions standard in the industry but is not subject to any financing conditions.
- EQV has made a US\$1 million deposit towards the purchase price for the wellbore interests, which deposit would be retained by Australis if EQV fails to close despite all closing conditions in its favour having been met.
- Australis would be required to pay EQV a US\$1 million break fee if the Company chooses not to close despite all closing conditions in the Company's favour having been met.
- The Financing Transaction is expected to close by 31 December 2025 and Australis will remain operator of production activities until closing.
- Australis will retain industry standard pre-closing liabilities, including the management and release of the suspended revenue balances accumulated prior to closing.

Financial position following the Transactions

Concurrently with the closing of the Financing Transaction, Australis will repay all outstanding indebtedness under Facility A and Facility C with Macquarie Bank Limited (estimated to be an aggregate of US\$4.9 million as at closing). Following such repayment, management anticipates a *proforma* available cash balance at year end of US\$12 million, net of purchase price adjustments under the Financing Transaction and net of paying all costs associated with the Development Partner and Financing Transactions.

Upon close of Transaction 2, the unvested performance rights granted under the Australis Employee Equity Incentive Plan (“**Plan**”) will vest pursuant to the Plan terms relating to material asset disposals. This incentive plan has been a critical and successful retention component for the Company over the past few years whilst staff have agreed to part-time roles, salary reductions and sacrificed bonus payments as needed to reduce costs whilst maintaining capability. On close of Transaction 2, a total of approximately 133.7 million Performance Rights will vest, with 50.5 million held by KMP requiring shareholder approval. A meeting will be held in early 2026 to seek approval for the KMP vesting. Note that net of US and Canadian tax the total estimated shares to be issued for all vestings, including KMP, is 106 million new shares (7.4% of the diluted ordinary shares on issue).

Mr Ian Lusted, CEO Australis Oil and Gas, made the following comment

“We are very pleased to have executed the Development Partner Transaction with a company with the financial and technical capacity to move the play forwards. Their diligence and participation in the forward program further validates the play and the opportunity it presents, and we look forward to working closely with them as we progress the Carry Program to create value for Australis shareholders. We are also pleased to have found a partner for our production operations in EQV, who have an exemplary track record of creating value with producing assets and have built a large business through similar transactions. For our patient shareholders, these Transactions provide a clear and funded way forward for achieving our longer-term goals.”

Advisors

Redfield Energy Partners (“REP”) served as exclusive financial advisor to Australis. REP is a leading A&D advisory firm serving the upstream and minerals markets with deep technical, financial and marketing expertise. Having executed over 200 transactions approaching \$30 billion in value, REP specializes in customized, senior-led advisory including corporate M&A, asset sales and buy-side engagements.

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

Further Information:

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Ends

GLOSSARY

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

Notes

1. As per section 4.15 of Guidance Note 8, which sets out guidelines on the contents of announcements made under Listing Rule 3.1, including guidelines on the naming of counterparties to market sensitive contracts and as updated in Compliance Update No. 02/05 dated 5 March 2025, Australis makes the following statements
 - a. Australis confirms that it does not consider the identity of the counterparty to the Development Partner Transaction to be information that a reasonable person would expect to have a material effect on the price or value of the Australis' securities.
 - b. Australis confirms that this announcement contains all material information relevant to assessing the impact of the contract on the price or value of the Australis' securities and is not misleading by omission.
2. Financial and operating information based on data contained in Development Partner public reports
 - a. Net cashflow and production data from operating activities based on the last 12 months to September 2025
 - b. Undrawn borrowing capacity and the annual capital expenditure estimate are based on 3Q 2025 quarterly report

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.