



Proven reserves provides the platform for significant value generation



Investor Presentation

March 2018

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Australis Oil & Gas Overview

Tuscaloosa Marine Shale (TMS)

Portugal

Appendix



Investment Highlights



Positioned for significant value accretion

Operator of Quality Assets	<ul style="list-style-type: none">▪ Largest acreage holder in the 'core' of the Tuscaloosa Marine Shale (TMS)▪ TMS oil production per well similar to the best areas within US shale such as Eagle Ford▪ Robust TMS production with 4 million bbls (valued at US\$80MM NPV10) PDP + PDNP Reserves¹▪ TMS is liquids rich (>95% oil)
Significant Upside	<ul style="list-style-type: none">▪ Significant reserves portfolio¹: 1P - 29 MMbbl and 2P - 47 MMbbl▪ 2C Contingent Resource: TMS of 98 MMbbl oil¹ and Portugal of 458 Bcf²▪ 95,000 net acres equates to 350 future economic net TMS well locations each with base case NPV10 of US\$6.5MM and IRR of 37%^A▪ Further upside: well downspacing, production improvement and lower costs, consistent with other prolific plays onshore USA
Proven Execution Capability	<ul style="list-style-type: none">▪ Board and management were the founders and key executives of Aurora Oil & Gas▪ Experienced in identifying, developing, operating, funding and monetising oil & gas assets▪ Proven track record in building shareholder value (Aurora A\$0.20/share to A\$4.20/share)
Disciplined Capital Management	<ul style="list-style-type: none">▪ Operatorship provides control and flexibility over capital deployment▪ Primary focus on strong liquidity and balance sheet▪ Cash of US\$17 million and positive field cashflow▪ Development optionality
Pathway to Shareholder Value	<ul style="list-style-type: none">▪ ATS owns a large strategic acreage in the productive core with 145 million bbls of recoverable oil in ground³ which the most recent reserves report demonstrates is economic to develop at current oil price.▪ Portugal acreage contains large discovered and tested gas accumulations in a country importing 100% of its oil and gas needs

A): at US\$65/bbl WTI and \$11m Capex, EUR of 656 Mboe

Company Snapshot



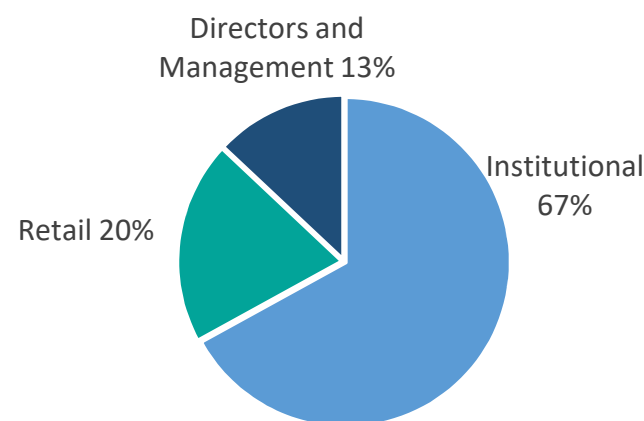
Australis has existing reserves, production and revenue, no debt and a strong institutionally dominated register with significant capital contribution from Board & Management

- Founded in 2014, listed on the ASX in July 2016
- Executing on strategy of securing an inventory of future well locations, at an accretive purchase price, which have strong economics and upside
- Built a material position in the TMS through acquisitions and an active leasing program in 2016 and 2017 with independent reserves¹ as follows:
 - 1P Reserves: 29 MMbbl
 - 2P Reserves: 47 MMbbl
 - 3P Reserves: 60 MMbbl
 - 2C Resources: 98 MMbbl
- Gas discovery in Portugal - 458 Bcf 2C Contingent Resource²
- Strong balance sheet and cash flow
 - Net cash of US\$17 million at 31 December 2017
 - Free cash flow from production and discretionary capex
- Focus for next 6 months
 - Consolidate land position – acreage and term
 - Source finance to fund initial well programs to:
 - 1) Demonstrate TMS economics and add to HBP position
 - 2) Appraise and test gas discovery in Portugal

Capital Structure

Ordinary Shares ^(A)	779 million
Share Price at 9 March 2018	A\$0.36
Market Capitalization at 9 March 2018	A\$280 million
Total Cash (31 Dec 17) ^(B)	A\$22 million
Total Debt	Nil
Enterprise Value	A\$258 million

Share Register Composition



A. Excludes 103m options (an average strike price of A\$0.30)
 B. Exchange Rate \$0.78 AUD/USD

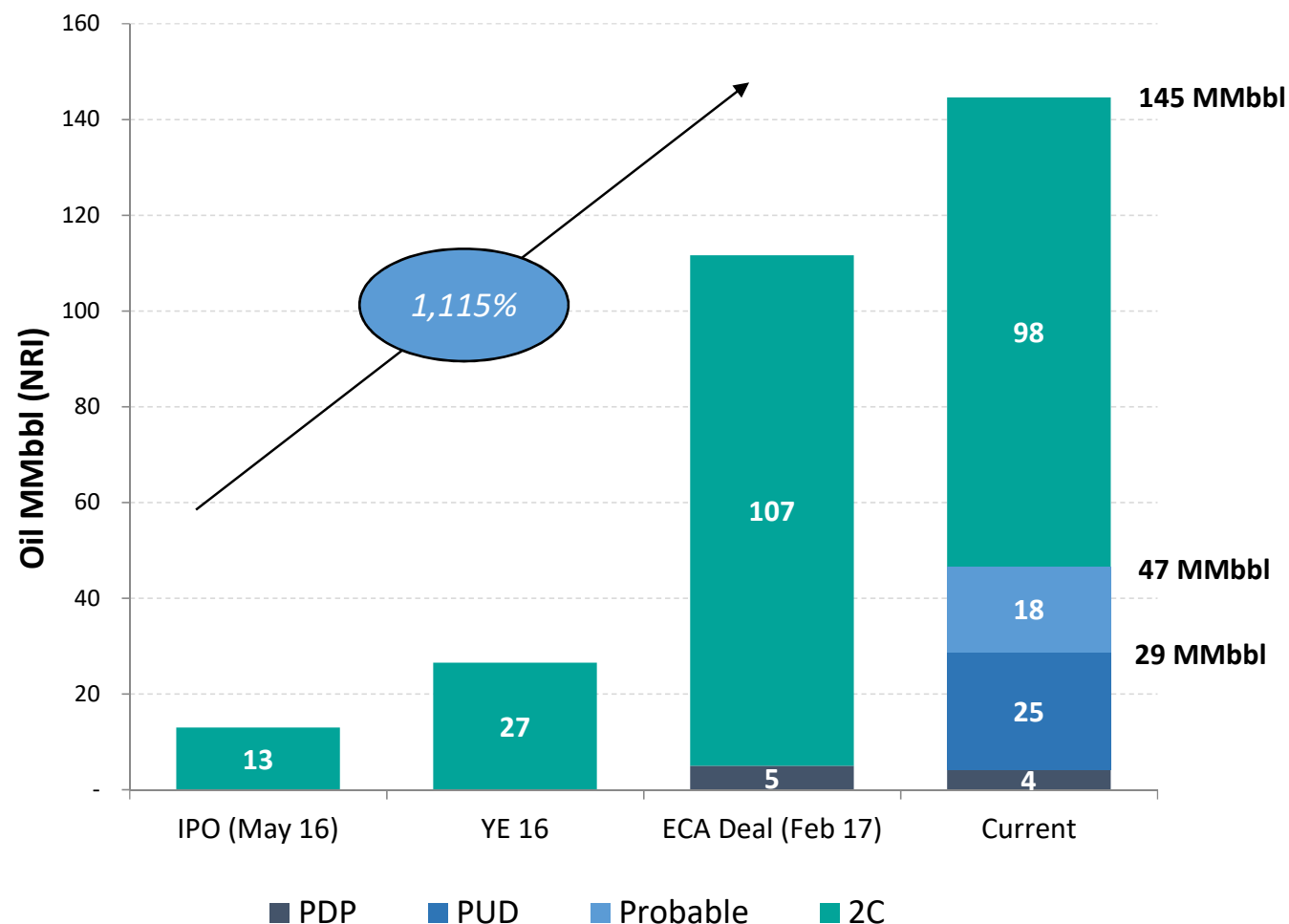
TMS Reserves and Resources



1P net oil reserves of 29 million barrels and 2P net oil reserves of 47 million barrels

- Australis business strategy to accumulate 'oil in the ground' through the lower oil prices is clearly shown by the > 1,000% growth in 2C + 2P since IPO
- Decision to assess development for YE17 update
- Considered approximately 35% of acreage with modest development program within proscribed 5 year timeframe
- Converted in excess of 40 MMbbls to proved or probable reserve category and all locations reviewed were deemed commercial

Evolution of TMS Reserves and Resources (NRI Oil)



Australis Oil & Gas Overview



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Appendix

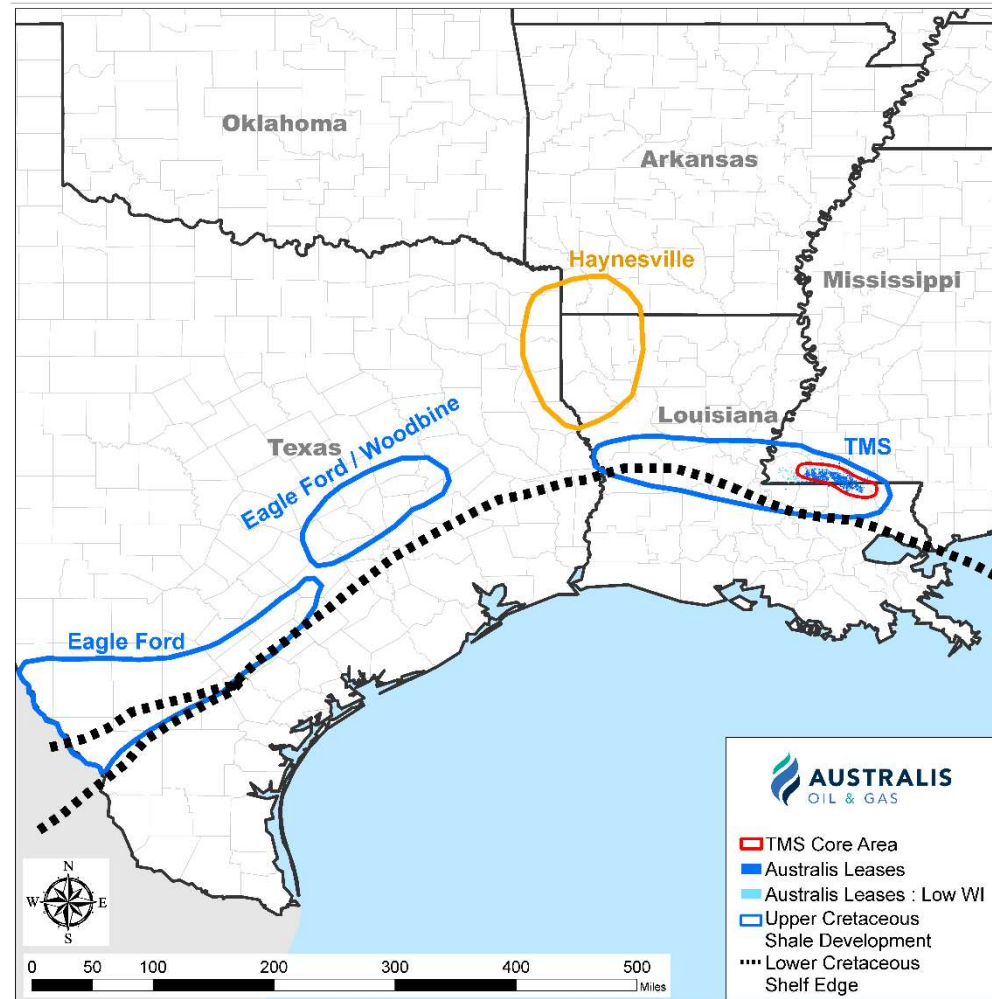


What is the TMS?

The TMS is an emerging shale play. The “Core” is comparable with other prolific shale 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 have been drilled 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 have been 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

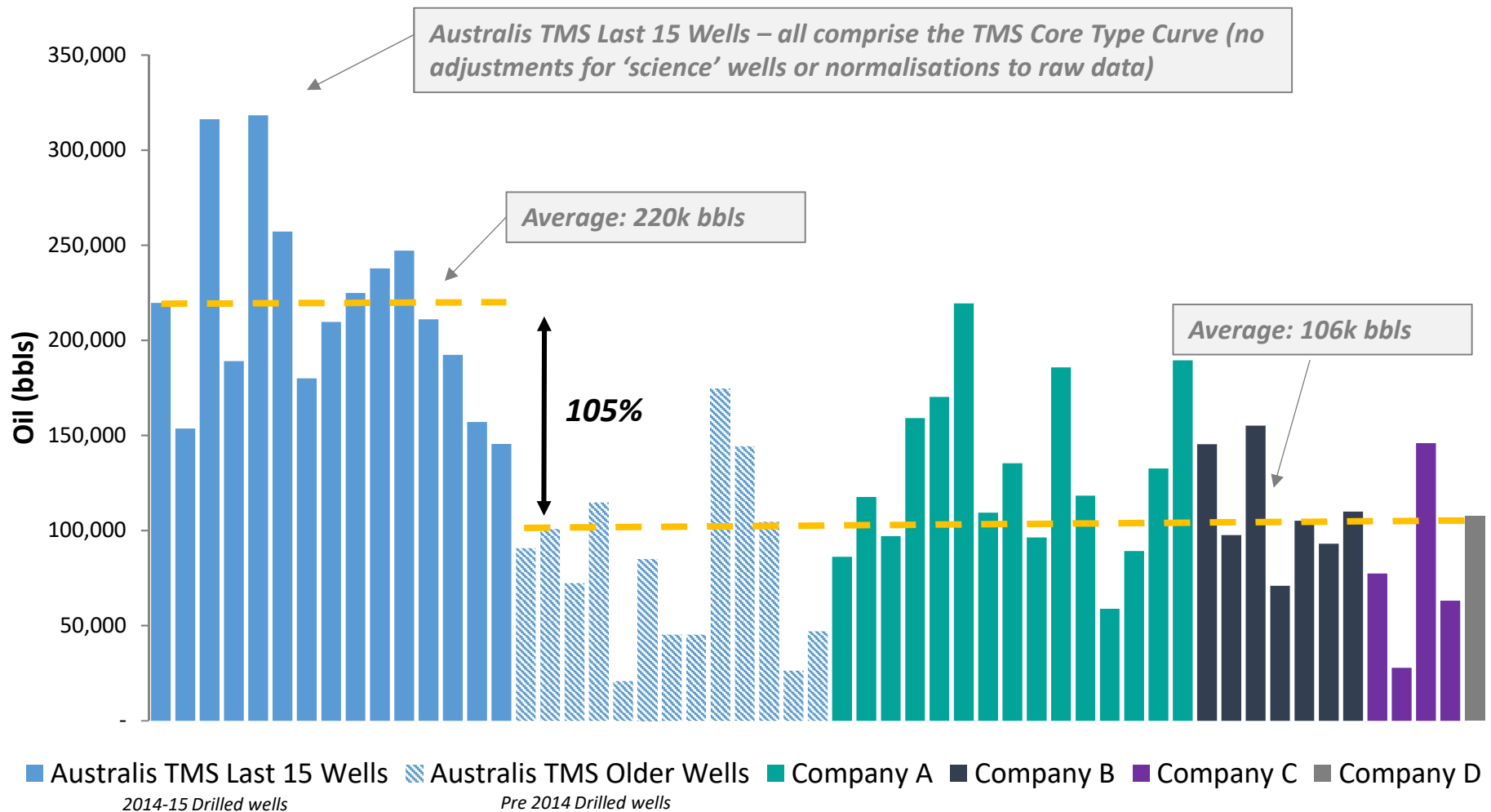


Australis TMS Well Performance



The last 15 wells drilled 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}

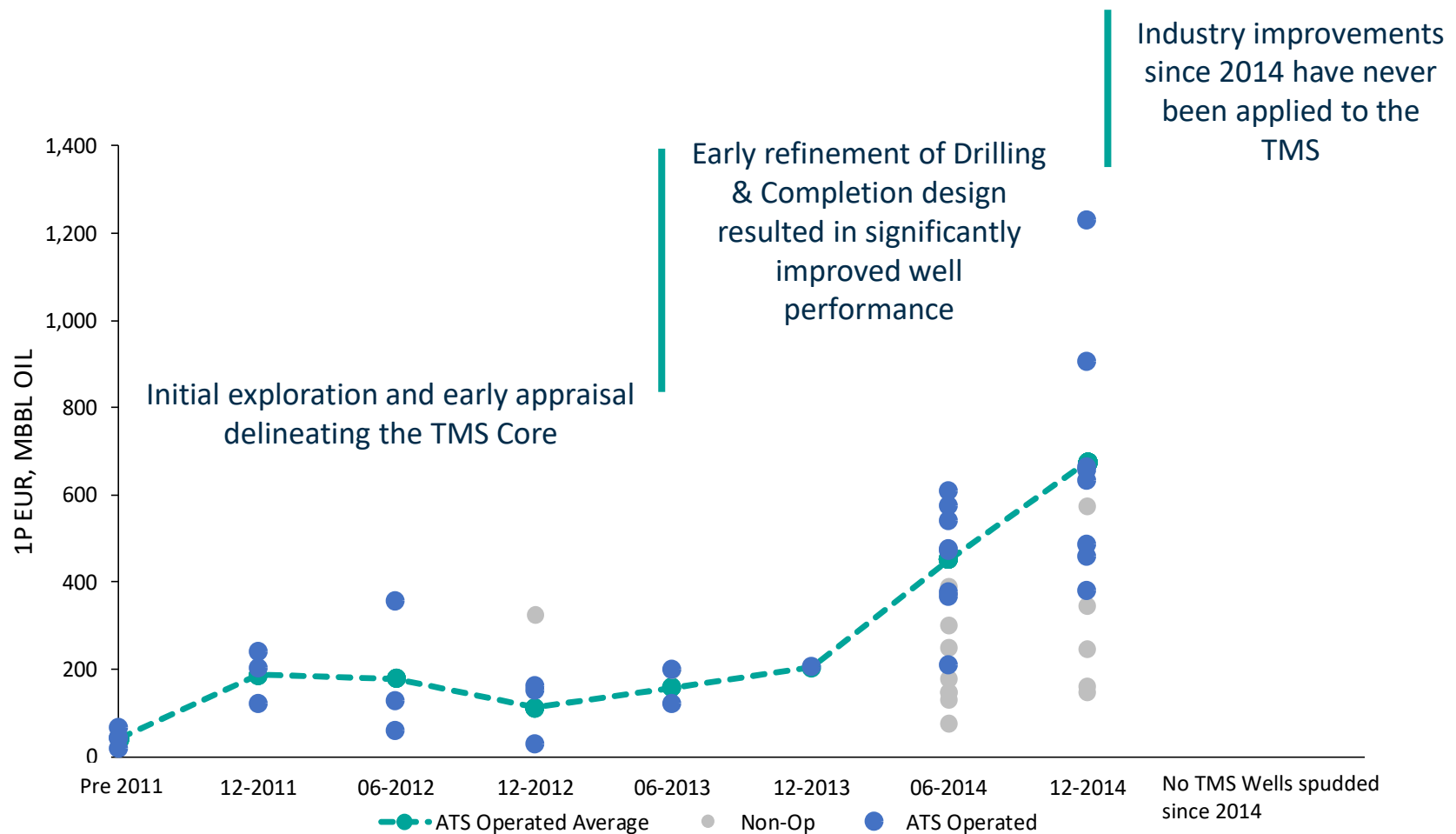


TMS Oil Productivity Improvement Over Time



Following initial delineation of the TMS Core, the early refinement of Drilling and Completion design resulted in significantly improved well performance

Ryder Scott 1P EUR for Australis TMS wells by Spud Date*



* 1P EUR per well as per Ryder Scott Reserves Report¹. All calculation of averages and graphical representation by Australis.

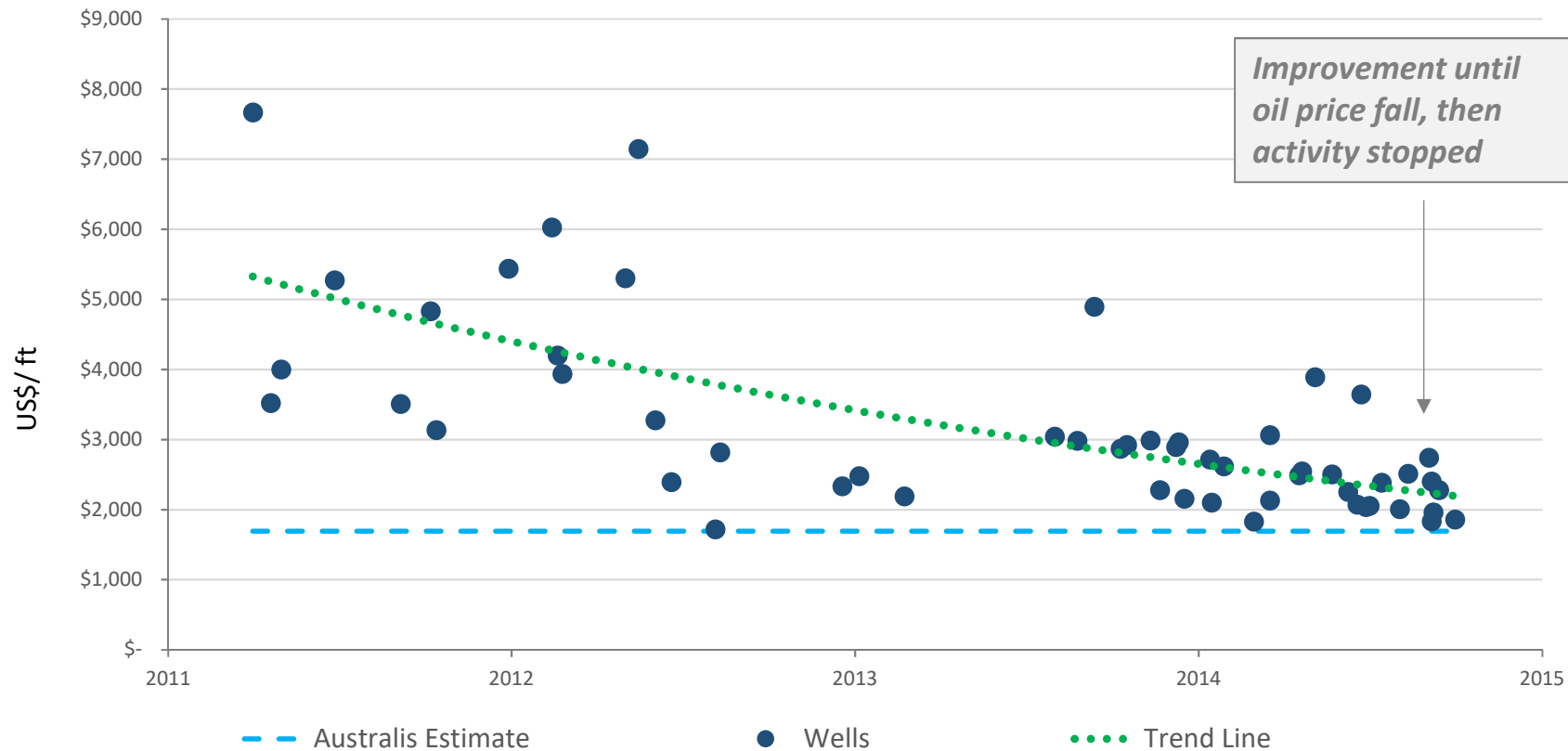
Capital Cost Profile of Early TMS Wells



Well costs have trended downwards over time in line with other plays

- Australis conservative well cost estimate – US\$10.8MM for a single well (US\$1,690/ft)⁸
- Other play participants quoted US\$8.7MM⁹
- No TMS wells have been drilled in the current lower cost environment (i.e. post 2014)

TMS total well costs 2011 - 2014⁸



Improvement until oil price fall, then activity stopped

Australis TMS Land Position



Australis holds a dominant land position within the core of the TMS, with significant undeveloped oil

Australis TMS as at 31 December 2017		Australis TMS Position
Reserves¹	Net Oil	
PDP	4 million bbls US\$80 million (NPV10)	
1P Reserves	29 million bbls	
2P Reserves	46 million bbls	
3P Reserves	60 million bbls	
Resources¹		
2C Resources	98 million bbls	
Strategic Position	Net Acres	
HBP	27,600 acres	
Total Core Area ¹²	95,000 acres	
Future Net Well Locations ^A	350	
Single Well EUR	656,000 bbls	

Future wells economic at current oil prices without any assumed productivity improvements

(A) 250 acre spacing, based on 95,000 net acres

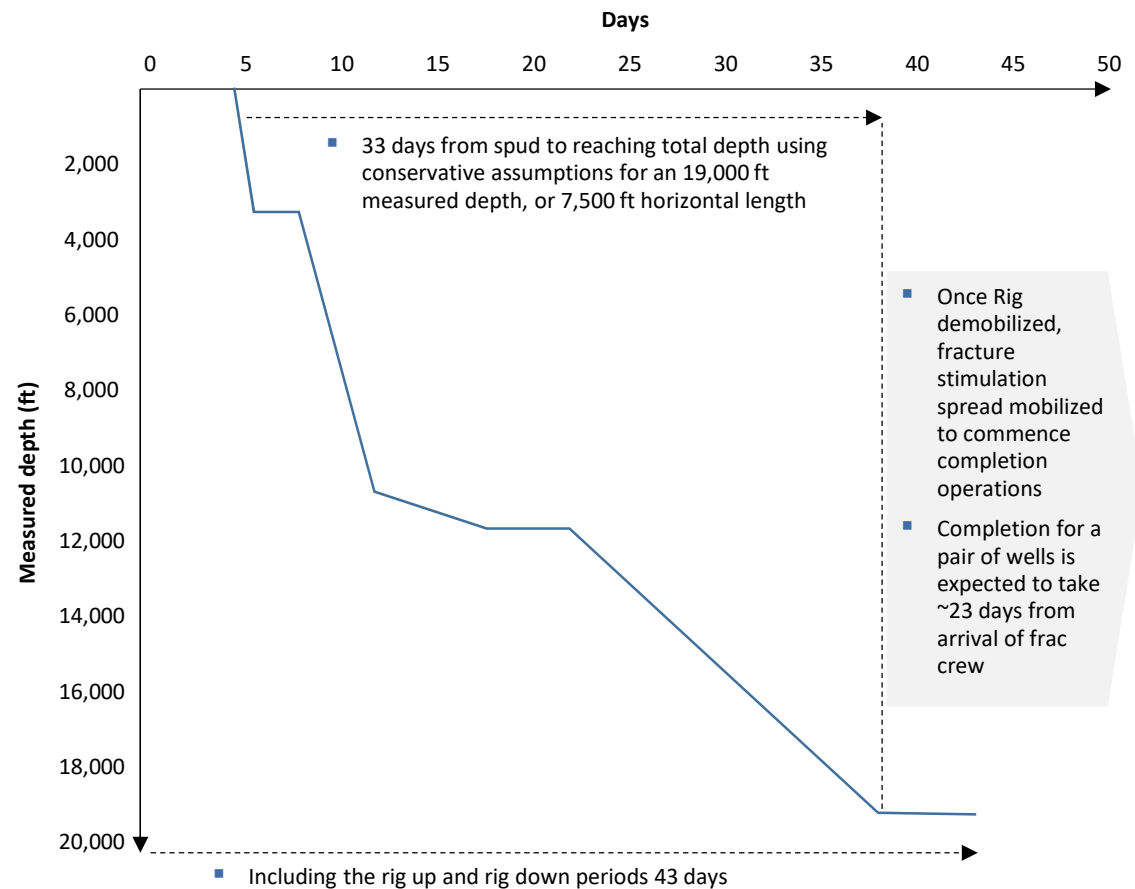
Initial Drilling Program



Australis is planning an initial program of 4 to 10 wells to commence in the second half of this year

- Initial sites have been identified for a drilling program of 4 to 10 wells within the TMS core
- Australis has commenced the process of permitting drilling locations in Mississippi
- Procurement processes well underway with suppliers and contractors
- Initial wells will be drilled in pairs from the same surface pad, reducing some of the rig move time/costs
- Opportunity to drill top holes using cheaper spudder rig ahead of main rig deployment and subsequent intermediate/production hole sections will be batch drilled.
- Wells will be stimulated and commence production in pairs once drilling activity is completed
- Surface facilities will be shared between the wells on a surface pad with many elements installed before operations commence
- The well depths vary but the TMS core area is between 11,200 to 12,200 ft vertical depth
- Horizontal lengths vary depending on unit size with the base case 7,500 ft

Single Well Drilling & Completion Summary



Financing the Initial Drilling Program



Several potential financing alternatives are under assessment

- A disciplined approach to capital management is being applied to the evaluation and negotiation of the potential financing alternatives available. Australis aims to appropriately balance:
 - Maximising the committed level of funding and its availability whilst optimising the duration of any facility
 - The flexibility of terms including security provisions and covenants
 - Minimising the cost to access, use and refinance funding
- Financing alternatives under assessment include, but are not limited to:
 - A high yield unsecured bond issue in the Nordic market
 - Reserve based lending (RBL)
 - Senior Secured Term loan
 - DrillCo financing¹
 - Farm-out to an industry partner in return for a carried drilling program
- A summary of likely terms for the types of debt financing alternatives are described in the appendix
- The progress of the evaluation and negotiation of these alternative is at various stages:
 - Certain discussions have progressed to provisional due diligence and the negotiation of indicative terms
 - Other engagements are at an exploratory stage
 - No alternative is currently near completion of binding documentation or approved by either the potential financiers or Australis
 - Potential financiers include international financial institutions with significant experience and track record in the oil and gas industry. Discussions are not sufficiently advanced to warrant further disclosure at this stage
- It is possible that several of the above potential financing alternatives will be combined to fund the initial and ongoing drilling program. New equity capital may also be considered as a component of an overall funding package for the initial development program

There is no guarantee that any of the financing alternatives will be finalised

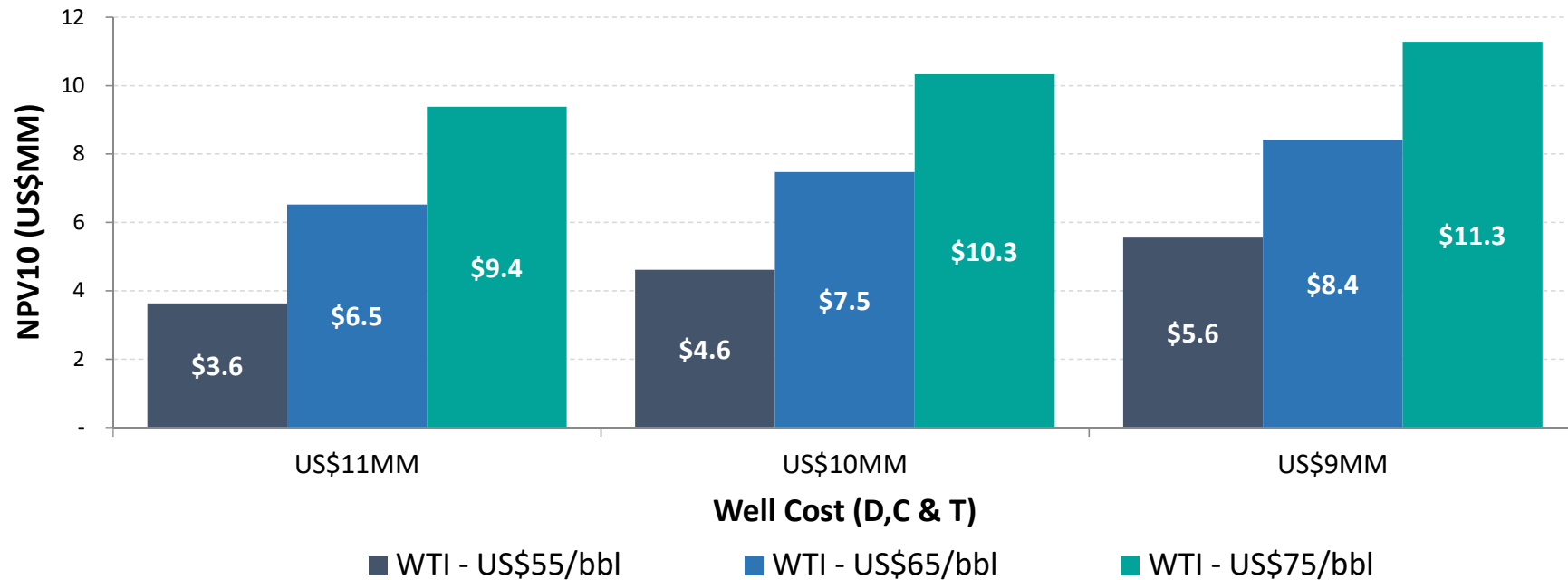
1. DrillCo – means a structure whereby a financing partner funds the drilling of one or more individual wells for a priority production return from the well(s) until the pre-agreed coupon return is achieved and thereafter the return is either capped or is a reduced share of production.

Single Well Economics – TMS Core Base Type Curve*



The TMS Core is highly profitable at current oil prices and current single well cost estimates without assumed productivity improvements, batch drilling or economies that come with development scale

Single Well Economics and Sensitivities



Project IRR (per well)

IRR (%)	Well Cost – US\$11MM	Well Cost – US\$10MM	Well Cost – US\$9MM
WTI - \$55/bbl	24%	30%	39%
WTI - \$65/bbl	37%	47%	60%
WTI - \$75/bbl	53%	66%	84%

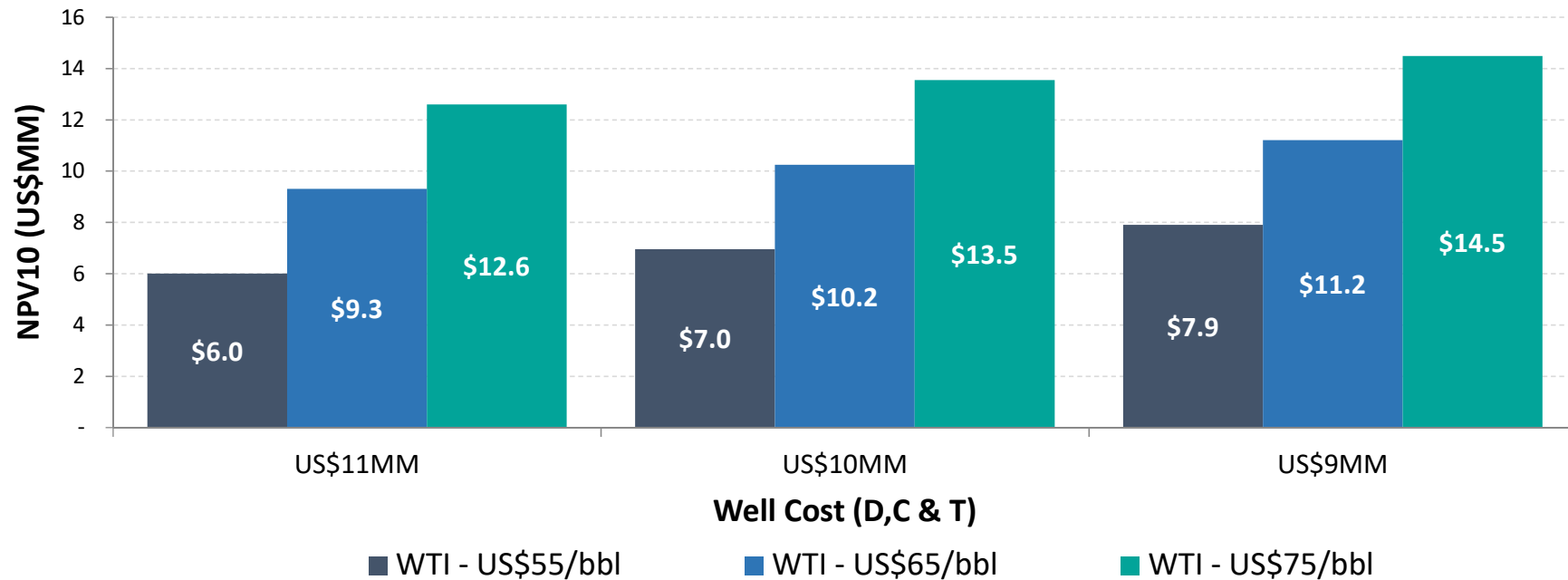
*Base Case Type Curve averages last 15 wells – see Appendix pages 23 – 25. Prices and costs escalated at 2% p.

Single Well Economics – TMS Productivity Upside¹⁰



Significant productivity improvements seen across the industry since the last TMS wells were spudded, averaging 22% uplift across 10 resource plays¹¹

Single Well Economics and Sensitivities – Assumed 15% Production Improvement



Project IRR (per well)

IRR (%)	Well Cost – US\$11MM	Well Cost – US\$10MM	Well Cost – US\$9MM
WTI - \$55/bbl	35%	43%	56%
WTI - \$65/bbl	52%	65%	84%
WTI - \$75/bbl	74%	92%	117%

Pathway to Value

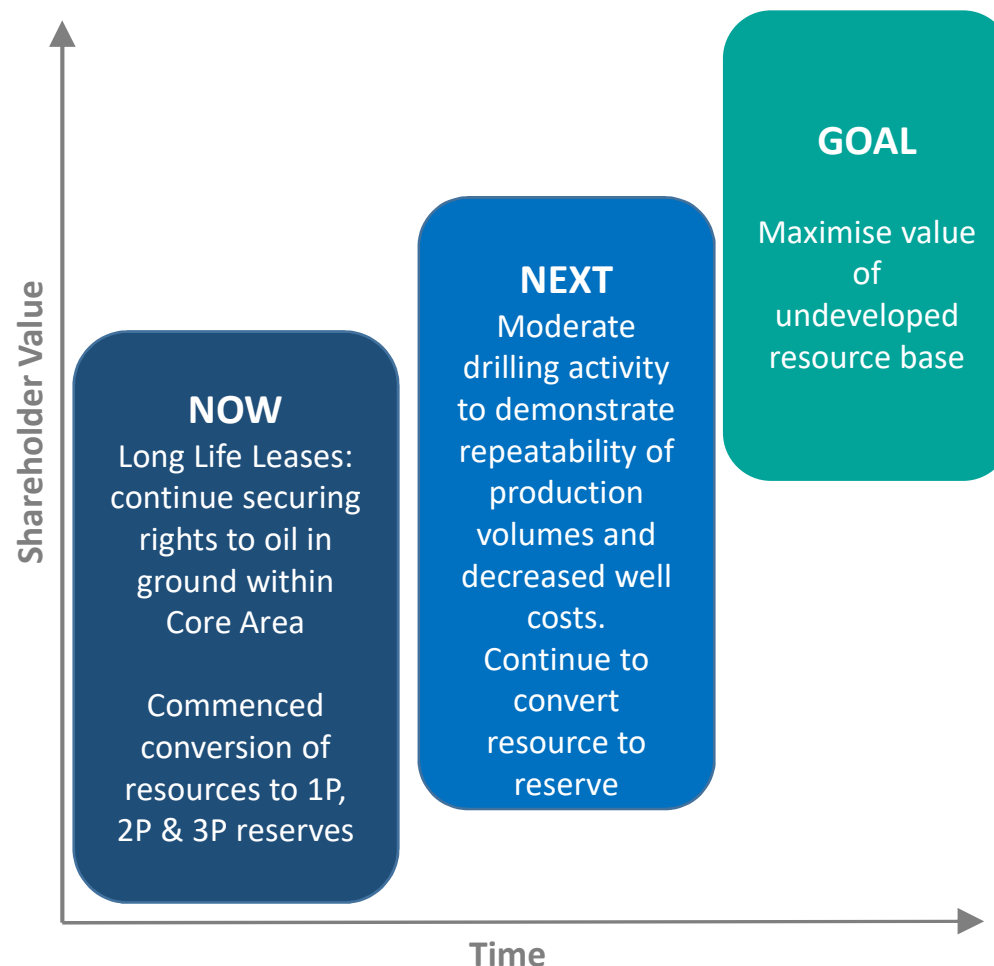


TMS Core acreage has significant upside with multiple catalysts to create and increase value

Value Catalysts

Oil Price	<ul style="list-style-type: none"> Likely to continue to recover as the global supply market rebalances
Well Cost Reductions	<ul style="list-style-type: none"> Continued refinement in design based on practice improvements over last 3 years Well locations and design optimized & economies of scale in full field development Optimised design never implemented in existing cost environment
Well Performance	<ul style="list-style-type: none"> Type curves based on historical average well productivity only - EUR Technology improvements over last 3 years not yet trialled in TMS
Well Spacing	<ul style="list-style-type: none"> 250 acres per well is only 8% oil-in-place recovery Potential for higher recovery, Eagle Ford acre spacing of 20-60 acres per well and up to 30% recovery
Additional Core Acreage	<ul style="list-style-type: none"> Additional TMS Core acres held but not included in analysis

Growth Strategy



Australis Oil & Gas Overview

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Appendix



Portugal Concessions Overview

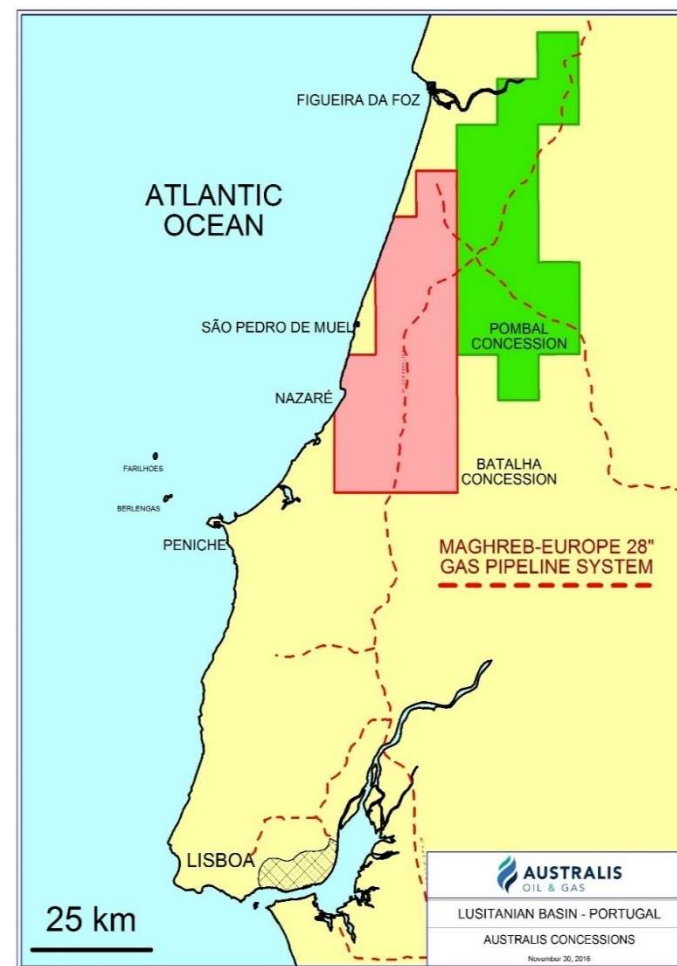


Australis owns two concessions onshore Portugal with significant development potential

Asset Highlights

Significant Gas Resource	<ul style="list-style-type: none"> Large in-place discovered and tested gas accumulation with 2C resources of 458 Bcf Limited exploration activity but regular oil and gas shows and tests demonstrate an active hydrocarbon system
Multiple Plays	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Gas pipeline infrastructure with excess capacity crosses both concessions Modern road system with easy access to exploration and development areas
Favourable Gas Markets	<ul style="list-style-type: none"> All oil and gas currently imported, domestic market undersupplied No export restrictions Attractive commodity pricing above US\$7/GJ
Superior Fiscal Regime	<ul style="list-style-type: none"> Royalties 0-9%, 21% corporate tax No government participation

Asset Location



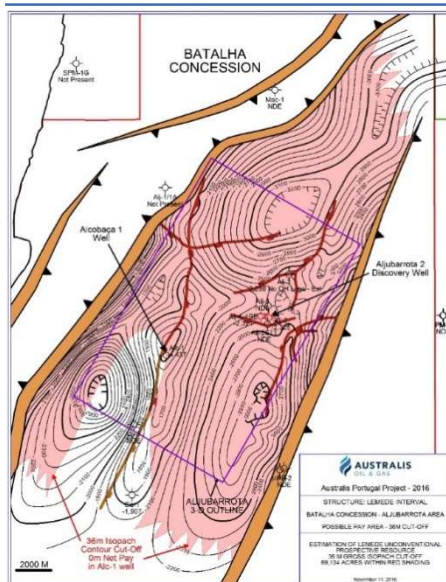
Portugal Prospectivity & Volumetrics

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

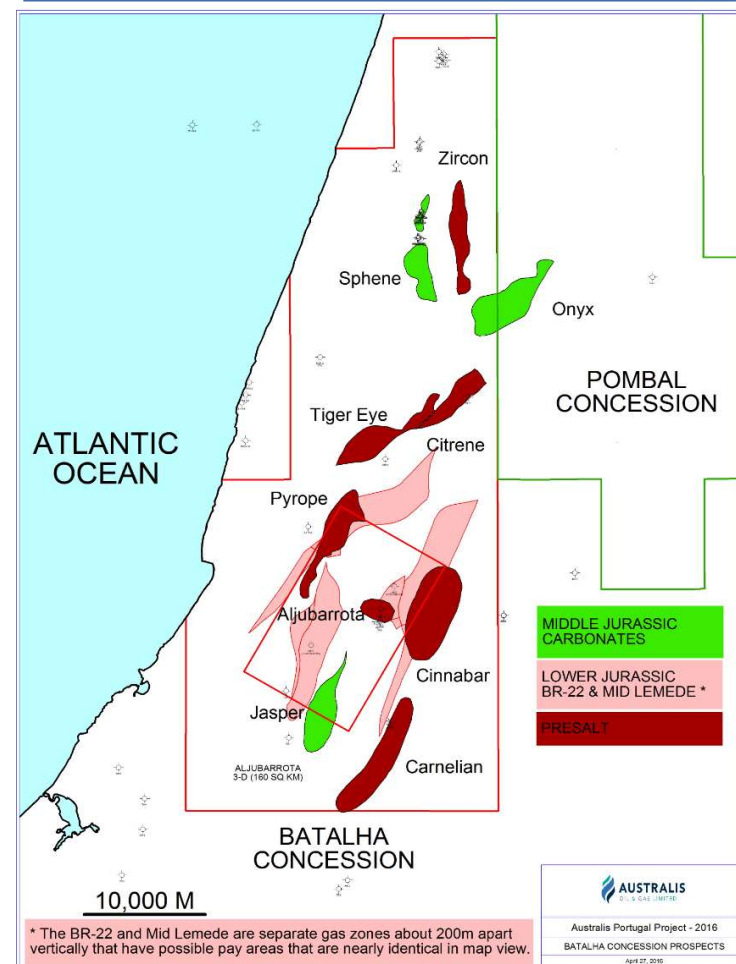
Proposed Work Program

- 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, 13

	Net Contingent Resources			Net Risked Prospective Resources		
	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

Note: 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.

Australis Oil & Gas Overview

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Portugal



Appendix



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



- 36 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
- Former Non Exec Director of Aquila Resources
- Non Executive Director at Altona Mining

TMS Core Type Curve



Summary of monthly oil production data for the most recent 15 Encana 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 2017. 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

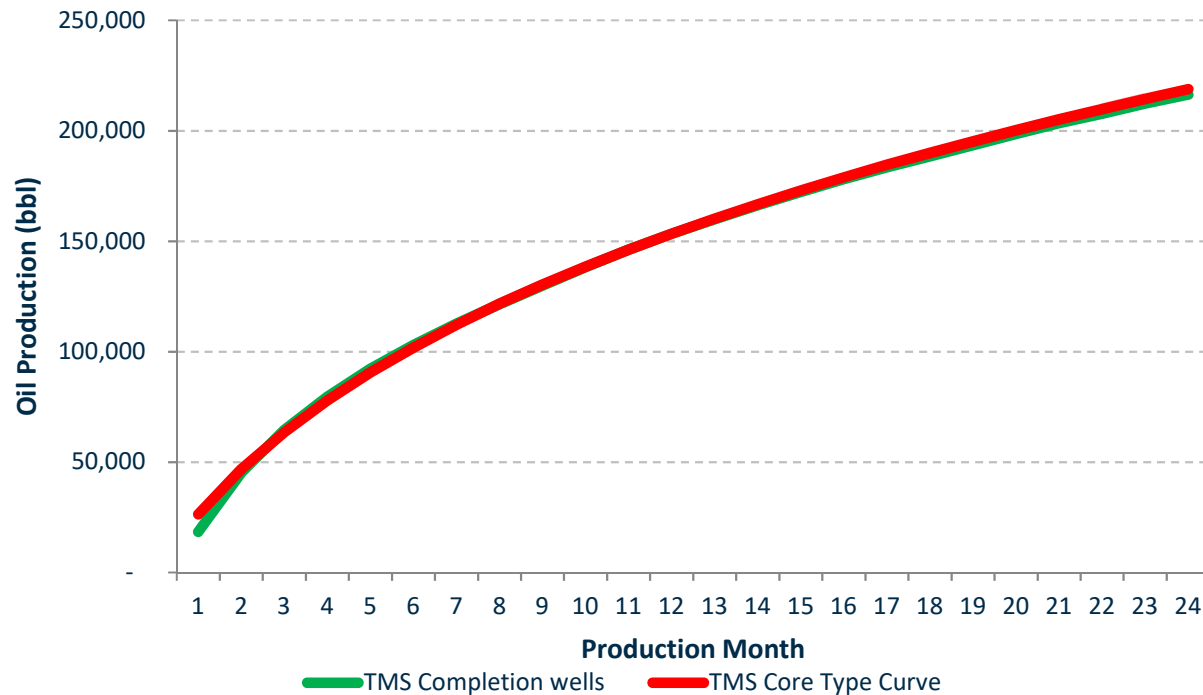


ATS type curve history matched to production from the most recent 15 Mississippi ECA wells

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)⁸
- 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)
TMS Productivity Upside ^{10,11}	754 Mboe	15% uplift of the TMS Core Type Curve reflecting less than the industry average improvement in well performance (normalised) since 2014

TMS Base Case Economics – Key Assumptions

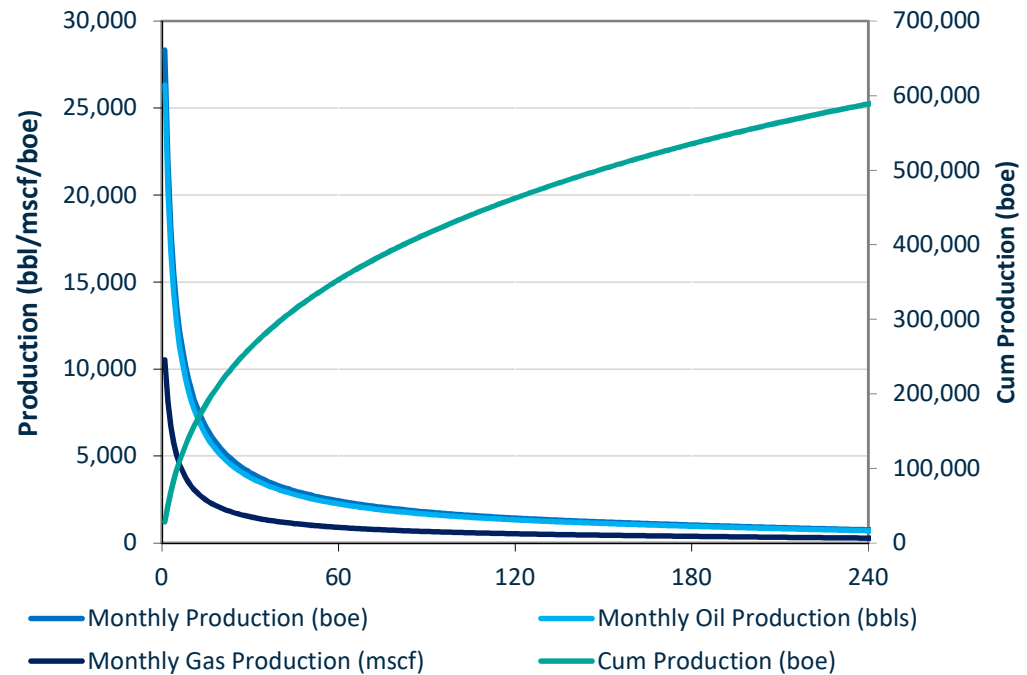


The production and opex assumptions are based on history and the capex costs are current third party service providers' estimates

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	2.25	\$ per bbl
Abandonment cost	1.0%	of well cost
Escalation	2.0%	

Production Forecast



Oil Price - WTI US\$/bbl	Cashflow US\$ million	NPV10 US\$ million	IRR %	Payback Months
\$55.0	\$10.4	\$3.6	24%	31
\$65.0	\$15.0	\$6.5	37%	22
\$75.0	\$19.6	\$9.4	53%	16

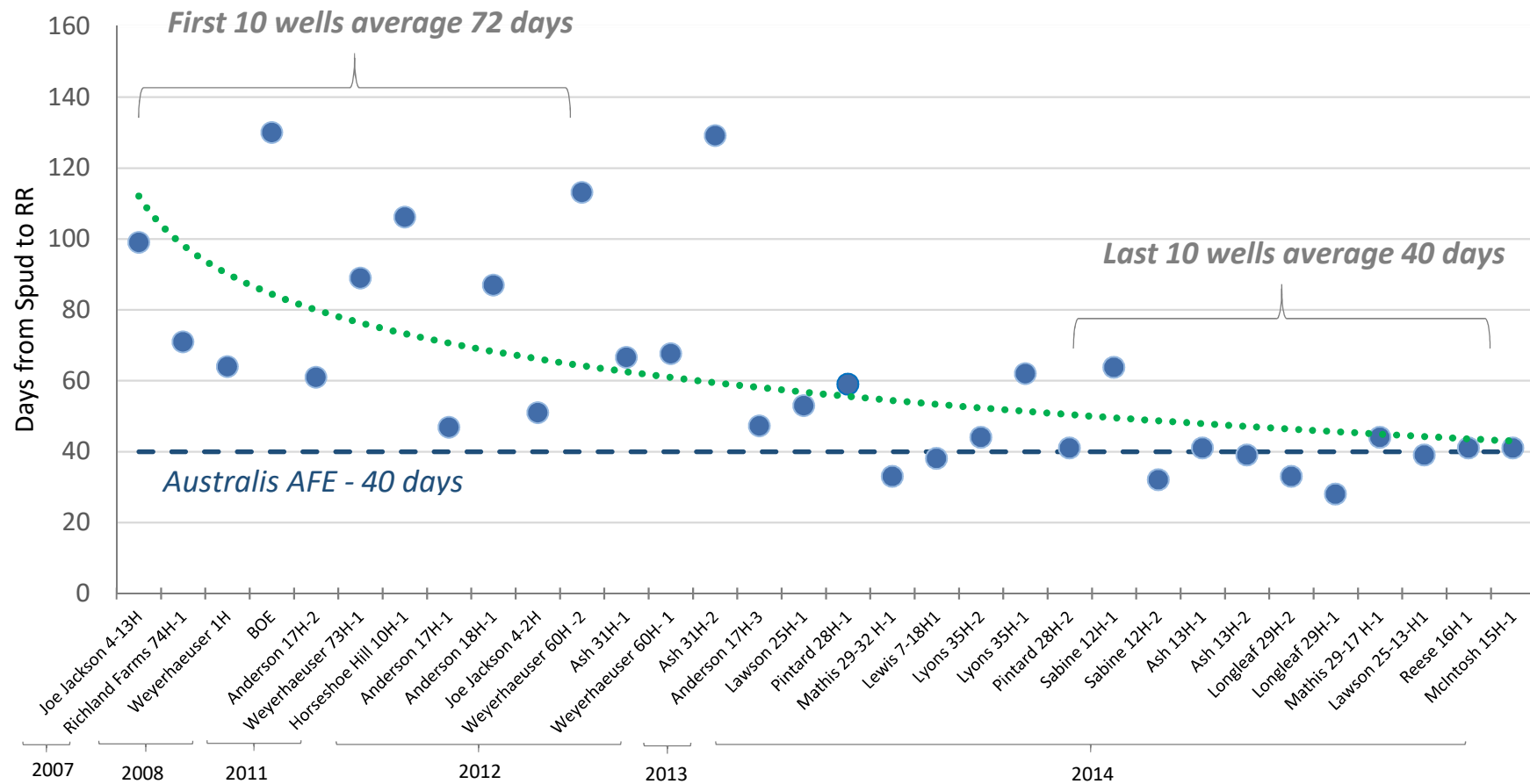
* Economics based on 20 year cash flows from first production

TMS Well Drilling Times



TMS drilling trending downwards over time as operational challenges resolved

Australis operated well drilling performance (rig mobilization to rig release)



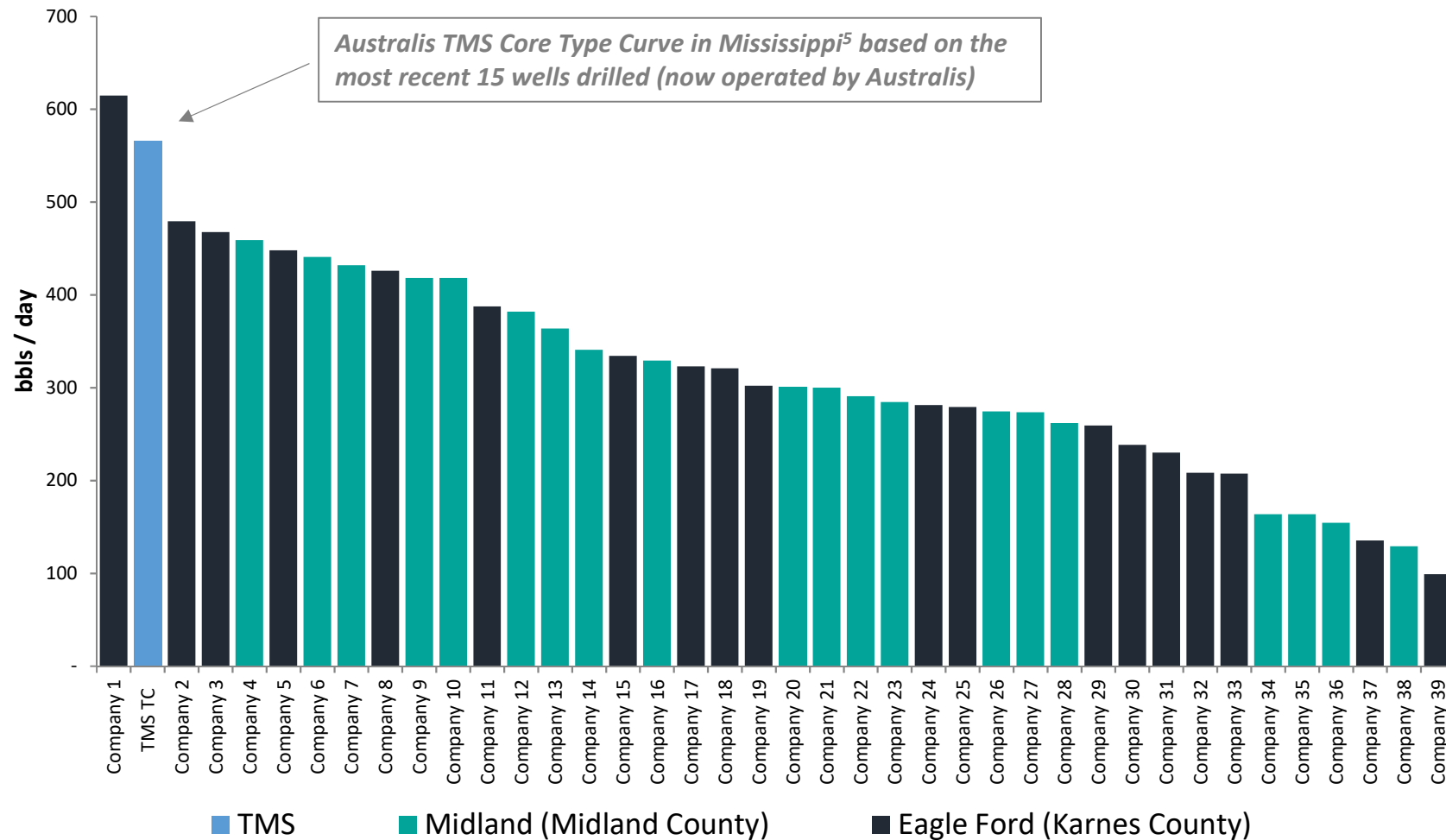
*All wells drilled by Encana

TMS Oil Productivity vs Other Major Plays



TMS core productivity is very strong when compared to the more established Eagle Ford and Midland plays

Average barrels per day oil production over the first 180 days^(6,7)



Reserves and Resources Update



Maiden undeveloped reserve assessment

- As an ASX participant Australis reports to the SPE PRMS. This requires that undeveloped reserves are assessed within a 5 year development timeframe.
- For the purposes of the YE17 reserve assessment, development assumed a conservative 1 x rig from mid 2018 and 3 x rigs from 2019 and 4 x rigs from 2020, focused on HBP acreage and 9 undeveloped units, which is equivalent to ~35% of the Australis net acreage within the TMS core area and a total of 126 gross wells.
- Remaining acreage that has not been assessed for reserves was allocated contingent resource.
- The assumptions used for the reserves remains 250 acre spacing and the recovery factor for the resources is 9%, both conservative.

Reserve Categories	Net Oil (MMbbls)
Proved Developed Producing	3.9
Proved Developed Non Producing	0.2
Proved Undeveloped	24.8
Total Proved (1P)	28.9
Probable	17.7
Total Proved + Probable (2P)	46.6
Possible	13.6
Total Proved + Probable + Possible (3P)	60.2
Low contingent resource (1C)	8.9
Most likely contingent resource (2C)	98.0
High contingent resource (3C)	177.8

Note: The above figures have been rounded for presentation purposes, arithmetic sums may not tally as a result

Financial & Operational Summary



Positive Field Cashflow financing overhead and land capex program in 2018

Key financial metrics	
Sales (WI – before royalties) exit rate December 2017	1,700 bbls/d
Sales (net – after royalties) exit rate December 2017	1,350 bbls/d
Sales Revenue (2017)	US\$23.3 million
Gross Profit (2017)	US\$11.0 million
Underlying EBITDAX (2017)	US\$2.4 million
Reported Loss	US\$(1.2) million
PDP and PDNP reserves (net – after Royalties)	4.1 million bbls
PDP and PDNP NPV(10) – as at 31 December 2017 (Ryder Scott)	US\$80 million
Cash as at 31 December 2017	US\$17 million
Debt	Nil
Hedges as at 1 March 2018:	
- LLS swaps @ US\$59 / bbl	54,000 bbls
- WTI collars (floor US\$55/bbl / ceiling US\$70/bbl)	52,000 bbls

Financing the Initial Drilling Program



Possible terms relating to the debt financing alternatives

- Based on ongoing discussions, Australis expects that the terms of potential debt financing alternatives under assessment, including any Norwegian bond, RBL and Term loan, might include the following key features:
 - Amount of committed funding: up to US\$50 - \$100 million to finance 4-10 new TMS wells.
 - Availability of funds: Drawdown to a portion of the funds may be contingent upon initial well performance hurdles
 - Security: For secured financing (RBL & Term loan) there would be usual guarantee and security requirements
 - Coupon Rate: Range between 7-12% depending on structure and specific terms
 - Term: 3 to 4 years, with moderate amortisation or repayments during the funding term
 - Fees: Customary upfront and drawdown fees payable for structured bank finance, customary investment bank advisory and book running fees for a bond issue and in certain circumstances, fees paid by way of equity consideration (e.g. options or warrants (less than 5% of issued capital) with exercise prices at premiums to share price
 - Financial Covenants: Maintenance and incurrence financial covenants as would be customary for each financing structure including one or more of the following: current ratio, liquidity reserve, leverage ratio and PDP value
 - General covenants: Customary positive and negative covenants and undertakings and typical events of default for each financing structure, including restrictions on additional debt incurrence and disposal of significant and/or secured assets
 - Conditions Precedent to Funding Commitments: Customary, including due diligence on title (for secured finance)
 - Early prepayment: Allowed under all financing alternatives, however the costs of prepaying for high yield bonds would be likely to require a make-whole payment in the initial years of the term with a decreasing premium on principal thereafter

There is no guarantee that any of the financing alternatives will result in binding documentation, on terms similar to those set out above, or at all

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 ECA wells are detailed in the appendix slide titled "Single Well TMS Core Type Curve"
5. Data sourced from the Mississippi Oil & Gas Board. Other TMS wells drilled by Goodrich, Halcon, Comstock and Sanchez
6. Data sourced from industry and company disclosures from 2014 and to 2016. Companies included for the Eagle Ford Basin (Karnes County) BHP, CHK, COG, COP, CRZO, DVN, ECA, EOG, EPE, MRO, MTD, MUR, NBL, NEU, PVA, PZD, SME, STO, and TLM.
7. Data sourced from industry and company disclosures from 2014 and to 2016. Companies included for the Midland Basin : APA, AREX, CPE, CXO, DVN, EGN, EGO, ECA, END, EPE, FANG, PLI, OXY, PE, PXD, QEP, RSP, SME and XOM
8. Australis TMS Core single well cost estimate is based on cost estimates received as at December 2016 from service providers for the drilling and completion of a 7,500ft horizontal well.
9. Assumptions taken from company investor presentations since 2013 including : Goodrich, Halcon, Comstock and Encana.
10. 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
11. 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
12. The Non HBP core leaseholds comprise leases within Mississippi and Louisiana. In addition to the leasehold extensions and acquisitions, in early November 2017, Australis acquired the remaining 50% WI in approximately 30,000 net acres from Paloma Partners.
13. 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

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 & T	Drill, Complete and Tie-In
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