

For Immediate Release
ASX Announcement

26 February 2025

2024 Annual Report and Audited Financial Statements

Australis Oil & Gas (“Australis” or “Company”) is pleased to provide its 2024 Annual Report including the audited consolidated financial statements for the year ended 31 December 2024.

As a result of prudent operating and financial management, the Company achieved its key financial and operating objectives in 2024 by safely maintaining its significant undeveloped TMS asset whilst maximising liquidity and achieving reductions in net debt.

An additional US\$4 million of net debt was drawn early in 2024 to increase balance sheet liquidity to assist with the continued efforts to introduce a strategic or financial partner to recommence the development of the TMS. By year end the Group’s net debt reduced to US\$2.2 million from US\$4.2 million at 1 January 2024. This positive result was due to the Company continuing to generate surplus cashflow from operations.

As in the previous year, the disciplined restrictions on capital spending required certain leases (non HBP) to expire without renewal leading to the non-cash write down of US\$5.7 million of previously capitalised expenditure. The Company remains confident it can re-lease many of these areas subject to capital availability.

The Company’s net loss after tax of US\$8.3 million was largely the result of the abovementioned write down of expired leaseholds and depletion and depreciation expense (non-cash) of US\$4.3 million.

The nature of the Company’s large undeveloped TMS Core area and quality inventory it represents in an environment of diminishing Tier 1 undeveloped locations within the established and maturing plays, continues to provide the board with confidence that an appropriate partner or partners for the development and unlocking of the value of the Company’s TMS asset will be secured.

A summary of financial and operating results for the year are as follows:

Financial Results 2024 - (US\$)

Gross revenue from oil sales (before royalties& hedges)	\$19.8 million
Loss from hedging	\$(0.4) million
Average achieved sales price (including hedges)	\$76/bbl
Field Netback*	\$7.3 million
Field Netback (Working Interest)*	\$28.71/bbl
Adjusted EBITDA*	\$2.5 million
Net loss after taxation	\$(8.3) million
Year end cash position	\$6.2 million
Total Facility borrowings	\$8.4 million

AUSTRALIS OIL & GAS LIMITED

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Operating Results 2024

Oil sales (Working Interest)	254,000 bbls
Net oil sales (after royalties)	205,000 bbls
TMS year end independent PDP reserves (Net) ¹	1.6 MMbbls
Year end independent mid case(2C) contingent resources ¹	63 MMbbls
Total Acreage leased within the TMS Core	48,000 net acres
Acreage leased and HBP within the TMS Core	39,900 net acres

*Field Netback and Adjusted EBITDA are considered non-IFRS measures. Please refer to Non-IFRS Financial Measures below.

The 2024 Annual Report and Appendix 4E is attached.

Australis Oil & Gas Limited advises that in accordance with Clause 6.1 of the Australis constitution and ASX Listing Rule 3.13.1:

- a) The 2025 Annual General Meeting (AGM) will be held at 11.00am (WST) on Thursday 22 May 2025, and
- b) the closing date for the receipt of nominations from persons wishing to be considered for election as a director is 31 March 2025. Any nominations must be received in writing no later than 5.00 pm (WST) on 31 March 2025 at the Company’s registered office.

Shareholders of the Company (Shareholders) will be advised of further details regarding the AGM in a separate Notice of Meeting, which will be provided to Shareholders in April 2025. The Notice of Meeting will also be available on the ASX Company Announcements Platform and on the Company’s website at www.australisoil.com.

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

For further information, please contact:

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About Australis

Australis (ASX: ATS) is an ASX listed 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 contains 2.1 million bbls of recoverable producing reserves (2P - mid case) providing free cash flow and approximately 65 million bbls of mid case 2P + 2C recoverable oil.

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.

Footnotes

1. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2024 and generated for the Australis concessions to SPE standards. See ASX announcement released on 31 January 2025 titled “Quarterly Activities Report”. The analysis was based on a land holding of 48,000 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.

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 and Adjusted EBITDA are Non-IFRS financial measures commonly used in the oil and gas industry. Non-IFRS financial measures used by the Company, including Field Netback and Adjusted EBITDA, may not be comparable with the calculation of similar measures by other companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Adjusted EBITDA represents net income /(loss) for the period before income tax expense or benefit, finance costs, depletion, depreciation and amortisation charges, expire lease write off and impairment provision. EBITDAX represents Adjusted EBITDA before exploration expenditure.

The following table reconciles net profit after tax to Adjusted EBITDA:

	31 December 2024
	US\$'000
Net profit after tax	(8,271)
Adjustments:	
Net finance expenses	853
EBIT	(7,418)
Depletion & Depreciation	4,282
Expired ease write off	5,672
Adjusted EBITDA	2,536

FIELD NETBACK

Field Netback represents oil and gas sales net of royalties, production and state taxes, inventory movements, hedging gains or losses, field based production expenses but excludes depletion and depreciation.

GLOSSARY

Term	Definition
TMS	Tuscaloosa Marine Shale
bb1(s)	Barrel(s) of oil
MM	Millions
PDP	Proved Producing Reserves
2C	Most Likely Contingent Resource
TMS Core	The Australis designated productive core area of the TMS delineated by production history
HBP	Leased minerals deemed held by production by an existing producing well.

26 February 2025

APPENDIX 4E

FINANCIAL YEAR ENDED 31 DECEMBER 2024

AUSTRALIS OIL & GAS LIMITED (ASX: ATS)

ABN or equivalent company reference

34 609 262 937

This information should be read in conjunction with the Australis Oil & Gas Limited 2024 Annual Report (which contains the 2024 audited Financial Report and other information required for Appendix 4E)

Results for Announcement to the Market

Revenue from ordinary activities	Decreased by 6% ⁽¹⁾ from US\$20.7 million in 2023 to US\$19.4 million in 2024	
Loss from ordinary activities after tax attributable to members	Decreased by 46% ⁽¹⁾ from a loss of US\$15.3 million for 2023 to a loss of US\$8.3 million for 2024	
Net loss for the period attributable to members	Decreased by 46% ⁽¹⁾ from a loss of US\$15.3 million for 2023 to a loss of US\$8.3 million for 2024	
An explanation of the results is contained within the 2024 Annual Report which can be found on the ASX website or the Australis website at www.australisoil.com		
(1) Comparisons are made to the financial year ended 31 December 2023		
Dividends		
No dividends have been paid or proposed for the year ended 31 December 2024 (2023: nil)		
Net Tangible Asset per Security	31 December 2024	31 December 2023
	US\$0.04	US\$0.04
This report is based on audited accounts		

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

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2024

Annual Report



Australis Oil & Gas Limited
ABN 34 609 262 937

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CHAIRMAN'S LETTER

In recent years I have reiterated your Board's clear objective as creation and realisation of shareholder value. Our strategy to deliver this has remained consistent and we are still committed to it.



Our inability to date to execute a transaction consistent with this strategy has been very frustrating for all, and in several cases puzzling. Our strong preference remains the use of our largely undeveloped acreage as currency to generate funded activity on our asset base that will lead to an upward revaluation. We are presently engaged in discussions with multiple parties in the US and remain optimistic that the consistent recommendations made by third-party evaluation teams to do a deal will make its way through the C Suite in due course.

The macro environment for oil in the US and wider has been complex in recent years and remains so. Headlines from senior US politicians to “drill baby drill” are not necessarily consistent with stated objectives from the same parties to reduce oil prices. In our opinion, neither statements will impact significantly on oil industry corporate strategy, which remains focused on shareholder returns.

The US oil and gas industry is producing close to all-time highs, but growth in oil production has slowed and gas production has started to fall. There will be a fine balance to be found politically between an industry that remains large, active and crucially important to both the economy and domestic politics and the desire for cheap energy. U.S. oil is likely headed toward a period of decreasing growth and increasing upward price pressure. Increased international oil production could drive prices lower but is that in the best interests of those other producer nations?

U.S. oil's drilling inventory and reserves remain of value and in demand. Convincing industry players to commit capital to areas that are not presently considered their core has proven difficult in recent years.



We believe that diminishing Tier 1 oil locations in other maturing plays will reinforce the uniqueness of the TMS Core, given its productivity, attractive commercial characteristics and substantial remaining undeveloped inventory. The production history available for our wells paints a very clear picture as to performance and nature of our production, without taking in to account the potential upside associated with technological and operating practice advances in recent years.

Our Chair of Remuneration describes succinctly in his report the commitment, flexibility and preparedness to sacrifice of our staff and management in maintaining successful, safe operations and in presenting our opportunity to third parties. As a Board we are appreciative of this commitment, determination and demonstration of excellence.

Our financial results are covered in detail within this report. You will see that adjusted EBITDA was higher than the previous year at US\$2.5 million (2023 US\$1.1 million) from revenue of US\$19.8 million. Australis' 2024 operational cashflow of US\$2.8 million from its producing wells has largely enabled the maintenance of our core undeveloped asset and service of our debt obligations. A material write down was made which related to leases that expired during the year and were not released, principally giving rise to the reportable loss for the year of US\$8.3 million (2023: loss US\$15.3 million).

Our operations and management teams again deserve credit for the manner in which operations have been managed. Throughout this financial year all operations were executed with an excellent environmental, health and safety record.

Management and staff have again worked very hard during 2024 and I would like to acknowledge their contribution and service.

I would like to take this opportunity to express my appreciation to all shareholders for your loyalty and continued support.

Yours sincerely,

Jonathan Stewart
Chairman

BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS



AUSTRALIS BUSINESS STRATEGY & THE TMS

Australis was formed as a private company immediately following the sale of the executive team's previous listed vehicle, Aurora Oil and Gas Limited (AUT:ASX), to Baytex Energy Corp. for A\$1.6 billion. The new company quickly began its search for a new unconventional asset with the following characteristics.

- an oil weighted production
- demonstrable reservoir quality and production deliverability
- a low entry cost and the potential for material scale
- existing or easily accessed infrastructure and proximity to sales markets

More broadly Australis was seeking a strategic asset that would be desirable for a US independent public company which was seeking new high quality development inventory. We felt that this approach was valid as there were a limited number of oil weighted unconventional plays onshore in the US and those already in development were showing early signs of maturity.

In 2016 the Company secured its initial position in the TMS as we believed it met all of the key criteria we were seeking. A large depositional expanse had demonstrated variable reservoir performance, but activity in 2014 had clearly demonstrated a smaller delineated core where well productivity was on par with the Eagle Ford wells drilled by Aurora just prior to being sold. This was particularly impressive as there had been over 10,000 wells drilled in the Eagle Ford at that time whereas the total well count in the TMS stood at ~85 in 2016. Furthermore, the industry had continued to optimise operational execution in conditions that in 2012 – 2014 were considered challenging by the incumbent operators in the TMS. This continuing advance in technology and knowledge removed one of the potential barriers for development activity in the play.

In addition, the play is located in southwest Mississippi within 60 miles of significant refining capacity and multiple pipelines with available capacity were already running through the area. Furthermore, there was very little competition for acreage and hence the entry costs were low allowing Australis to target a material position. Finally, the state oil and gas regulations and field rules were highly favourable for development activities.

Australis focused on the delineated core area and through a series of transactions and an active lease program built a controlling position, which we felt would be a further enticement for an incoming party and act as a barrier to entry for a new participant without dealing with the Company.

BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS

TMS BRIEF HISTORY

The unconventional oil and gas industry has been built upon the application of modern development technology such as horizontal drilling and fracture stimulation, to known hydrocarbon bearing source rocks. The TMS has long been identified as the source rock for conventional reservoirs in the area and following the early success of the nearby and similarly aged Eagle Ford Shale in 2009 – 2011 a number of companies took substantial positions in the TMS and drilled several appraisal wells in order to assess its technical and economic viability. The TMS is depositionally a large area and in order to focus their efforts, companies used the Eagle Ford Shale as an analogue and targeted the equivalent characteristics that had proved to be the most productive in that play. In the TMS, these target horizons were considerably deeper and hotter than in the Eagle Ford, which generally made the drilling more difficult and expensive. The depositional history of the TMS is more complex than the Eagle Ford, which leads to variability in reservoir quality across the whole play and as a result the production results of these early wells were variable and ultimately companies such as EOG and Devon elected to exit their position at that time (between 2012 and 2013) and pursue other delineated and lower cost options within their portfolios. As a result, the TMS began to develop a reputation as being a challenging play.

A number of operators remained active in the play and over the next two years approximately 50 wells were drilled which helped delineate an area of higher quality reservoir and more consistent productivity in a shallower part of the TMS than that initially targeted, and they also largely resolved the early technical and operational challenges that all unconventional reservoirs face when first being developed.

By 2014, activity levels were picking up in the play with 7 rigs operating at one point during that year. Encana in particular implemented a structured appraisal program of leasing and drilling within the delineated core area. In late 2014 the oil price dropped dramatically from highs of ~\$100/bbl to as low as \$35/bbl and industry activity slowed considerably and practically stopped in emerging plays such as the TMS. All of the incumbent operators in the TMS went through some form of debt restructuring or bankruptcy process and the play's reputation was further tarnished, such that no TMS drilling activity took place between early 2015 and late 2018.

The wells that were drilled and completed in 2014, using a design that reflects the start of the optimisation process and benefiting from having targeted the TMS Core area generated extended production profiles. This long production history allowed high confidence and favourable comparisons to the more established and evolved plays with thousands of wells drilled within them. The comparisons clearly verified quality rock productivity within that core area.



BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS



HISTORICAL AUSTRALIS OPERATIONS

After several years of aggregating data and assimilating the base position Australis completed a six-well program in 2018/19 which had four key aims

1. **Confirm well deliverability.** The historical wells drilled within the TMS core had demonstrated productivity on a per foot basis that was on par with the established unconventional oil plays, we are able to clearly demonstrate this again from the wells drilled.
2. **Convert term lease acreage to longer term HBP status.** Leases are held for an agreed term or until a well is drilled within a formed unit. There after the acreage is deemed 'held by production' or HBP within the unit and the rights to drill the remaining undeveloped locations in the unit are held for the producing life of the well. Australis converted approximately 10,000 net acres to HBP with its work program.
3. **Demonstrate consistency in well execution.** Our results were mixed with this objective. Australis clearly demonstrated that wells could be drilled on a comparable cost basis to the more established plays with two wells coming in under budget and a similar \$/horizontal foot to comparable depth plays. Two of the wells had operational challenges which ultimately led to shorter laterals than planned. One was due to a local geological anomaly that is not expected elsewhere in the core and the other was due to operational errors. The final two wells attempted to use an alternative drilling fluid which introduced new execution challenges and on hindsight would not be used again going forward.
4. **Achieve Incremental production and revenue increase to support operations and strategy.** This was achieved, albeit the levels of incremental production (and resulting revenue) were heavily influenced by the total producing footage achieved in the campaign.

With the conclusion of our drilling campaign in late 2019 the Company switched focus to identifying a partner for the next phase of early development activity. At around this time the industry was going through a fundamental shift in business strategy which has proven to make securing a partner for a new and emerging play significantly more difficult and of course the events of early 2020 surrounding the COVID pandemic with the impact on commodity prices was also unforeseen.

During 2020 and 2021 the Company focused on maintaining shareholder exposure to the TMS opportunity and we made significant cuts to G&A costs allowing for debt repayment to be accelerated. We were hedged through the worst of the commodity price collapse and had to adjust the business model to the prevailing market challenges.

The oil price and business confidence recovered in late 2021, and by 2022 Australis was able to recommence targeted partnering efforts within the industry which have continued through 2024.

BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS



It has proven to be a challenge to convince industry participants to invest in the TMS during this period. The reasons for this reluctance have typically not been technical but have been more strategic in nature. Public companies have been forced to move from an aggressive production growth model to a lower risk, shareholder return focus. This has typically meant that companies have focused on their existing positions and carry out development activity sufficient to simply maintain production rates, ie offset natural decline profiles. This strategy works for a period of time, but with inventory naturally being high graded the focus has switched to replacement strategies. Interestingly the majority of recent US production growth has originated from private companies operating in established plays who have been seeking greater monthly volumes, rather than public company growth from development. Until this year the majority of public company transactions have either been mergers or the acquisition of these higher production private entities, both of which generate cash flow positive deal metrics and help the acquirer meet shareholder distribution targets.

BUSINESS DEVELOPMENT IN 2024

Whilst this report marks another year passing without Australis securing a partner for the TMS, there has been an evolution of the industry sentiment which has been very apparent this year and is supportive our business strategy.

Industry commentary and deal analysis moved from simply talking about production metrics to a focus on acquired inventory. Australis has for many years argued that limited oil shale development options outside of the maturing and highly consolidated established plays (the Eagle Ford, Bakken and Permian account for nearly 90% of the US unconventional oil production) meant that focus has to switch to emerging plays for those seeking additional Tier 1 drilling inventory to underwrite the longer term maintenance of shareholder returns. The alternative of drilling out lesser quality locations requires incremental capital to achieve the same production results and diversion of funds intended for shareholders or the acceptance of reduced production which is ultimately unsustainable.

During 2024 Australis carried out technical diligence with large / mid sized public companies. Whilst we continue to interact with interested parties, two completed their diligence processes with recommendations to proceed but the play was ultimately deemed incompatible with portfolio and investment plans by the executives of those companies. The opportunity was retained having passed technical diligence for potential future review if circumstances or priorities changed. We also completed diligence with a number of private equity backed companies but were unable to agree on acceptable commercial terms.

BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS

OPERATIONS IN 2024

SAFETY AND ENVIRONMENTAL PERFORMANCE

During 2024 there were no reportable spills and 5 non-reportable spills totaling 3.10 bbls (2.9 bbls of oil and 0.2 bbls of water), all contained within the wellsite pads and all immediately and completely remediated. These figures represent a further improvement on recent results (2022 – 2 reportable and 5 non-reportable, 2023 – 1 reportable and 4 non-reportable) and are yet further testimony to the operational effectiveness of the field team.

The Australis team places the utmost importance on our safety and environmental culture and awareness. There were no OSHA reportable incidents, either for Australis or contractor staff during 2024 which yet again demonstrates the field teams focus and performance in this critical area of operations. Further information is provided in the sustainability section within this annual report on these incidents.

PRODUCTION OPERATIONS

Production operations continued throughout 2024 without any major disruptions other than on 12 September when hurricane Francine crossed the Louisiana coastline as a category 2 hurricane with sustained winds of 140km/hr. The storm moved north and passed just to the east of the field having downgraded to a tropical storm. There were no injuries or major equipment damage from the storm, but power was lost to most of the field and it took time to clear debris and to re-establish electricity supply to some of the Australis pads. There was a second weather event during the last few days of the year and power was lost to some of our wellsites for up to three days, but there was no material damage and production was restarted as soon as power was restored to individual wellsites.

Production performance from the existing wells was largely in line with management's expectation and this is confirmed by the Company's recently released 2024 Year End Reserve Report, which showed only very modest adjustments in anticipated production volumes. There were several wells that were produced at lower than maximum production rates during the year, typically because of the cost associated with well intervention to restore full production rates. With increased capital availability these workover programs would be scheduled.

Overall sales volumes for 2024 are summarised in the table below. Production decline through the year was in line with expectation with inventory changes being the primary drivers for higher volumes in Q1 and lower volumes in Q3.

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total
Sales Volumes WI (bbls)	67,300	64,400	60,300	62,000	254,000



BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS

LEASE OPERATING EXPENSES (LOE)

Since the completion of our development operations in 2019 Australis has operationally focused on its production costs, both LOE and workover expenses. Optimising these activities from a cost and process perspective is valuable for future development modelling and also maximizes returns in the short term.

Each year we have been able to demonstrate continuing improvement on a range of fronts and in particular lease operating costs, with 2024 being no exception, despite ongoing cost pressure due to prevailing interest rates.

As a result of these efforts the total LOE on a gross or 8/8ths basis has reduced by 11% this year. The bulk of these savings have come from a substantial reduction in workover costs.

Production costs consist of LOE and workover expenses and are split into three categories which are described below and the performance is shown in the Figure 3 on a gross or 8/8ths basis.

- Fixed LOE– shown in blue in the chart below. These are largely labour costs and repair and maintenance. As can be seen those costs increased by a modest 3% in 2024 compared to the previous year.
- Variable LOE– shown in orange in the chart below. These are mainly third-party costs. The majority of this component is attributed to power costs and produced water disposal, both of which have seen cost pressure during 2024. Savings have been made through initiatives such as periodic production of certain wells during low power cost periods etc. As a result there has been a modest decrease in this component of 2% compared to 2023.
- Workover Expenses (or WOE) – shown in grey on the chart below. In total workover expenses decreased by 44% compared to the previous year and was the source of significant savings.



BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS

LOE & WOE Monthly Costs - January 2023 through December 2024

(Fixed and Variable LOE, WOE, Total LOE+WOE)

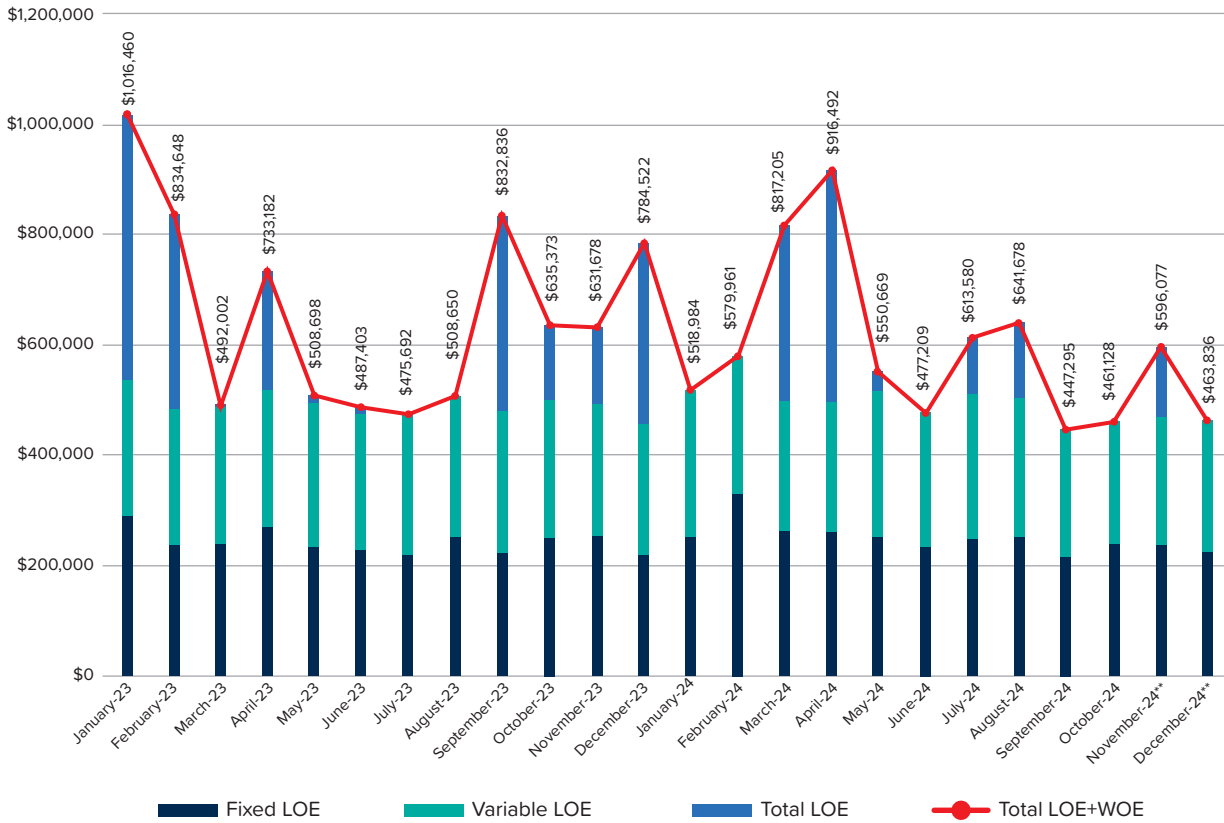


Figure 3: LOE 2023 – 2024 (Gross or 8/8ths) – (** data are accruals)

The production team have continued to focus on reducing well workover frequency as a key driver for both costs and future well economics for reserve purposes. The chart below shows that the number of workovers was kept at only 6 during 2024, a significant improvement on the previous year (10) and continuing a step declining trend in workover frequency since Australis took operatorship of the asset.



BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS

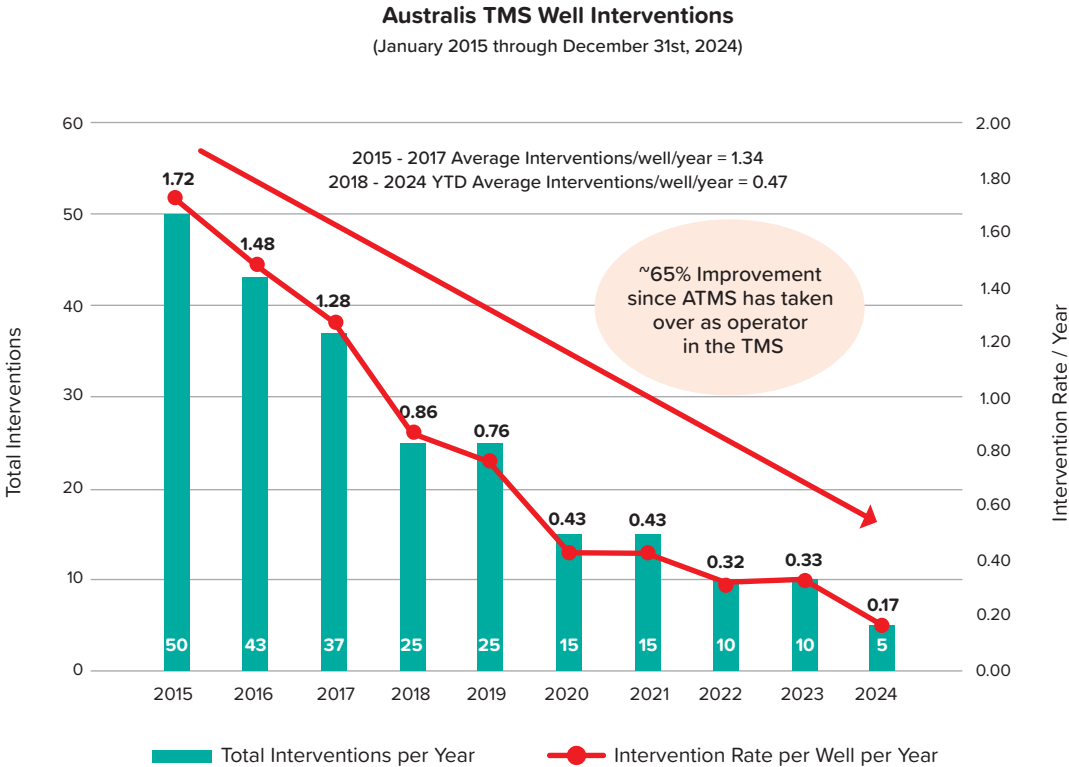


Figure 4: Operated well intervention (workovers) frequency 2015 – 2024 (Australis became operator in 2017)

With an operated well inventory of 30 wells this means that the time between workovers on any given well continues to extend.

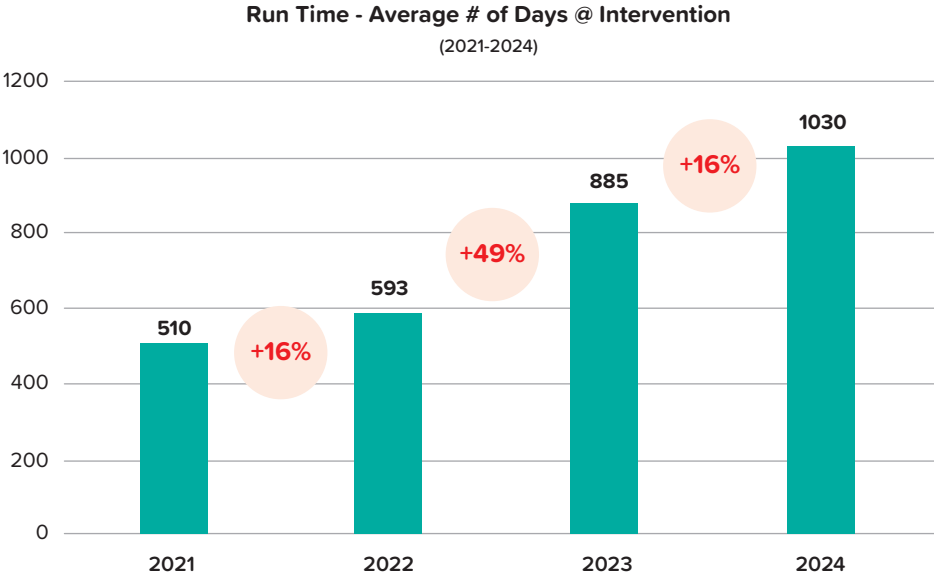


Figure 5: Average run time for wells requiring intervention

There were only 6 interventions (5 workovers and 1 cleanout) in 2024 and each well set a new maximum run time for that well. The average was 1,030 days (2.82 years) another improvement on 2023.

BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS

TMS EMISSIONS

Australis monitors and reports emissions annually to the state regulatory authorities in the US. Our CO₂e emission volumes are now below the reporting threshold for the US Federal Environmental Protection Agency, but we continue to set corporate targets then calculate and monitor these figures to measure our performance in this critical area. Australis also continues to run pilot programs that reduce emissions to gather data for use in full field development and more details are provided in the Sustainability Report.

THIRD PARTY ACTIVITY IN THE PLAY

Whilst Australis has generated significant interest in our asset base through a targeted reach out program to potential partners, there has been very limited third party activity in the play during 2024. Third party wells drilled or fraced in 2022 and 2023 have continued to produce in a consistent manner to our early stage projections.

There has been minor leasing reported occasionally through the year and in 2023 a total of 13,000 acres were recorded in the southwest portion of the TMS Core by a private equity oil and gas company.

AUSTRALIS TMS LEASE POSITION

With ~48,000 net acres and 83% of its acreage position in the TMS Core held by production (HBP), Australis retains a material position within the delineated high quality core area.

During the course of 2024 approximately 14,500 net acres expired and Australis did not add to its acreage position which led to a position as at 31 December 2024 of 48,000 net acres.

Australis has operated within budgetary constraints during 2024 and not renewed or replaced any of the expired leases this year. Similarly, the Company has not renewed any of permitted units which have expired.

When Australis elects to accelerate discretionary capex expenditure on leasing, the Company is confident that it can quickly and contiguously build the position. The Company closely monitors third party leasing activity in the area, which would be a contributing factor to any such decision to accelerate and is aware of recorded leases being taken in the south west portion of the TMS Core.

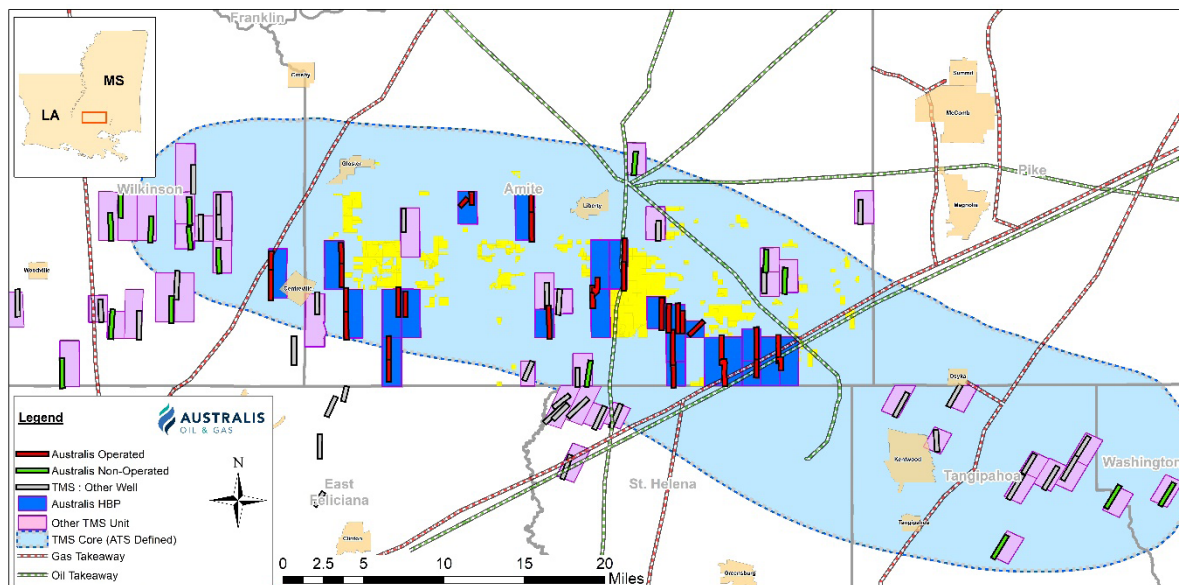


Figure 5: Australis acreage as at 31 December 2024

BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS

The acreage expiry profile is shown in the pie chart below with the remaining term lease expiring across the 2025 – 2027 period

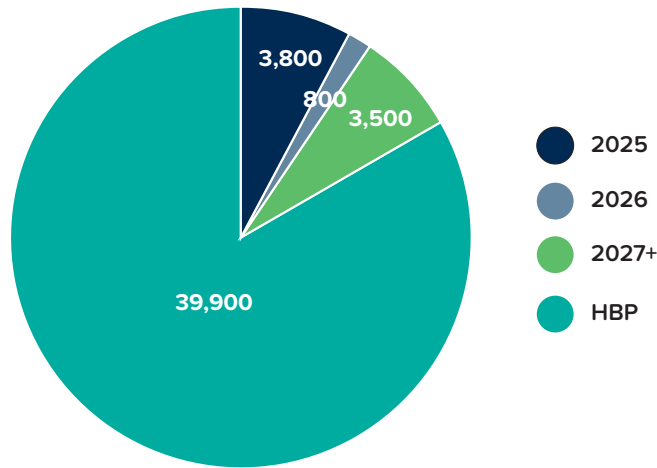


Figure 6: Australis TMS lease expiration year – TMS Core Net Acres as at 31 December 2024

RESERVES AND CONTINGENT RESOURCES

The year end 2024 reserve and resource estimate was independently prepared by Ryder Scott Company, L.P. in accordance with the Society of Petroleum Engineers – Petroleum Reporting Management System (“PRMS”) as revised in June 2018.

Consistent with our stated business strategy, the Board elected to adopt the position that any development plan is subject to securing a partner to participate in that development and hence requested that Ryder Scott evaluate producing reserves only for the year end 2024 report. The Board intends to commission an updated reserves report once a partner has been identified and a forward drilling program agreed, which can then be more accurately reflected in the reserve report.

Therefore, all recoverable volumes not attributable to the existing developed wells but associated with the Company’s large acreage position is deemed a contingent resource, subject only to a qualifying development plan. Using the acreage position at year end 2024 and the assumed well spacing derived from over ten years of production history, Australis estimates there are approximately 160 net future well locations associated with the 2C contingent resource estimates below.

	Net Oil (Mbbbls) ⁽¹⁾	% change YE24 vs YE23
Proved Developed	1,644	(22%)
Proved + Probable Developed	2,109	(22%)
Proved + Probable + Possible Developed	2,719	(21%)
1C Contingent Resource	19,333	(2%)
2C Contingent Resource	62,560	(28%)
3C Contingent Resource	113,233	(28%)

⁽¹⁾ Contingent Resources and Reserves estimated with an effective date of 31 December 2024 are taken from the Independent Ryder Scott report dated 29 January 2025 and announced on 31 January 2025, titled “Activity Report and 2024 Reserves Update”. 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 a deterministic method.

BUSINESS STRATEGY, TMS ASSET AND 2024 OPERATIONS

GOVERNANCE AND ASSURANCE

On at least an annual basis Australis engages an independent reviewer to verify and determine changes to reserves and resources.

The estimates provided in the above “Reserves and Contingent Resources” in this report pertains to the Tuscaloosa Marine Shale and is based on, and fairly represents, information and supporting documentation, prepared by, or under the supervision of, Eric Nelson, P.E., who is an employee of Ryder Scott Company, L.P. an independent professional petroleum engineering firm. Mr Nelson is a Professional Engineer in the State of Texas (Registration No. 102286). The reserve and resource information pertaining to the Tuscaloosa Marine Shale in this report has been issued with the prior written consent of Mr Nelson in the form and context in which it appears.



FINANCIAL AND CORPORATE REVIEW

SUMMARY OF FINANCIAL RESULTS AND POSITION

OVERVIEW

Through prudent operating and financial management, the Company met its financial objective in 2024 of continuing to safeguard the TMS asset with minimal capital spend whilst meeting all interest, amortisation payments and covenants associated with our Credit Facility. This objective was necessary to enable the continued efforts to introduce a strategic or financial partner to the TMS. Additional net debt funding of US\$4 million was able to be drawn early in 2024 to provide additional liquidity. This additional funding was enabled as a result of the value of the producing reserves and significant debt reduction that had occurred over the past 3 years. By year end the net debt position of Australis improved to US\$2.2 million from US\$4.2 million at the commencement of 2024.

Australis reported a net loss of US\$8.3 million for the year ended 31 December 2024 (2023: loss US\$15.3 million), which included a write down of US\$5.7 million (2023: \$9.4 million) relating to expired TMS leaseholds that were not renewed as part of the disciplined capital program.

Adjusted EBITDA of US\$2.5 million (2023: US\$1.1 million) was higher than the previous year predominantly due to lower operating costs (fewer workovers), lower personnel expenses as well as the receipt of delayed US Covid employee retention credit refunds. Operating cashflows of US\$2.8 million were maintained despite an 8% lower sales volumes due to natural decline in the Company's producing well portfolio.

Revenue of US\$19.8 million funded all hedge settlements (US\$0.4 million), royalties and taxes (US\$4.8 million), operating expenditure (US\$7.3 million), corporate G&A and overhead (US\$4.3 million) and financing expenses (US\$1.1 million).

A review of Group operating results and financial position at year end is summarised below.

	Year ended 31 December 2024	Year ended 31 December 2023	% Change Favourable/ (Unfavourable)
	US\$'000	US\$'000	
Sales volumes (working interest)* bbls	254,000	277,000	(8%)
Revenue before oil hedges	19,792	21,771	(9%)
Oil hedge (loss) / profit	(364)	(1,059)	66%
Field Netback	7,292	7,521	(3%)
Operating Cashflow	2,829	2,793	1%
Adjusted EBITDA**	2,536	1,046	142%
Net (loss) before taxation	(8,271)	(15,315)	46%
Net (loss) after taxation	(8,271)	(15,315)	46%

* Volumes rounded to the nearest thousand barrels

** Adjusted EBITDA represents net (loss) for the period before income tax expense or benefit, finance costs, depletion, depreciation, expired lease write off and impairment.

SALES AND REVENUE

Revenue from oil sales (before hedges) for the year was US\$19.8 million, which was 9% lower than 2023 due to sales volumes being 8% lower in 2024 compared to 2023. Realised hedging losses settled during 2024 of US\$0.4 million were lower compared to the 2023 loss on hedging of US\$1.1 million.

The reduction in sales volumes compared to 2023 was primarily due to the natural decline of wells.

FINANCIAL AND CORPORATE REVIEW

Sales volume and average realised and achieved oil prices per barrel of oil by quarter and for the full year in 2024 were as follows:

	2024 by Qtr	Q1	Q2	Q3	Q4	2024 Total	2023 Total
Oil Sales (WI)	bbls'000	67	65	60	62	254	277
						2024 average	2023 average
Realised oil price (excl. hedges)	US\$/bbl	\$78	\$83	\$78	\$72	\$78	\$78
Achieved oil price (incl. hedges)	US\$/bbl	\$77	\$80	\$76	\$72	\$76	\$75

The Australis average achieved oil price (incl. hedges) of US\$76/bbl in 2024 was 1% higher compared with US\$75/bbl in 2023 due to the lower hedging loss recognised in 2024.

The LLS-based premium to WTI achieved by Australis was higher during 2024 and continued to provide higher realised pricing than other plays in onshore USA. The monthly premium to WTI averaged over US\$3.21 per barrel in 2024 (2023: US\$2.68/bbl).

FIELD NETBACK, OPERATING CASHFLOW AND ADJUSTED EBITDA

Field Netback and operating cashflow are consistent with that of 2023 however Adjusted EBITDA increased favourably compared to 2023 due to lower operating costs (fewer workovers), lower personnel expenses as well as the receipt of delayed US Covid employee retention credit refunds.

Earnings excluding non cash items increased to US\$2.6 million (2023: US\$1.2 million) due to the reduction in operating and corporate costs. Production costs (lease operating and workover expenses) of US\$7.3 million (2023: US\$8.0 million) were within the Company's internal budget and consistent year on year on a per barrel basis despite lower volumes produced as a result of lower workover expenses in 2024 as the field team continued to improve run times between workovers.

Australis TMS Production Costs (WI)

	2024		2023		Change Favourable/ (Unfavourable)	
	US\$'000	US\$/bbl	US\$'000	US\$/bbl	Change US\$'000	% Change US\$/bbl
Operating expenses	\$6,132	\$24.14	\$6,050	\$21.82	(\$82)	(1%)
Workover expenses	\$1,125	\$4.43	\$1,908	\$6.88	\$783	41%

G&A expenditure of US\$4.3 million was lower than 2023 (US\$5.4 million), due to cost reduction measures implemented.

NET LOSS

The Company reported a loss of US\$8.3 million for the 2024 year (2023: loss of US\$15.3 million) after the write off of TMS leases that have expired and are not expected to be renewed in the short term of \$US5.7 million (2023: US\$9.4 million).

FUNDING & BALANCE SHEET

Balance Sheet Summary	As at		
	31 December 2024 US\$'000	31 December 2023 US\$'000	US\$'000 Change Favourable/ (Unfavourable)
Current assets	9,687	6,863	41%
Non-current assets	54,091	63,914	(15%)
Current liabilities	(11,498)	(10,739)	(7%)
Non-current liabilities	(6,469)	(6,839)	5%
Equity	45,811	53,199	(14%)

FINANCIAL AND CORPORATE REVIEW

The Company continued to adopt a strict financial discipline regime throughout 2024 with all focus on maintaining positive operating cashflows whilst servicing debt obligations under the Credit Facility.

Included within the Company's current asset working capital deficit of US\$1.8 million are the four current scheduled principal debt repayments due in 2025 for Facility A totaling US\$2.0 million (US\$0.5 million per quarter) and US\$2.7 million due in 2025 for Facility C under the Credit Facility. Also included in current liabilities are suspended revenues (US\$4 million) held by Australis that are due to working interest and royalty owners who are currently unable to be paid, typically because the owners cannot be located. Based on the Company's experience in administering the disbursement of suspended revenues over the past 6 years, it is expected that less than 10% of the total suspended amount will be paid out in any 12 month period.

At year end, the Company had US\$6.2 million (2023: US\$3.8 million) in cash, total Credit Facility debt of US\$8.4 million (2023: US\$7.9 million) and working capital, excluding Credit Facility debt, of US\$2.9 million (2023: US\$0.1 million).

CREDIT FACILITY

The balance of the Company's secured indebtedness under the Credit Facility at year end is US\$8.4 million, (2023: US\$7.9 million) with net debt reducing to US\$2.2 million at year end from US\$4.2 million at the commencement of the year.

During the year, the Company continued to meet all required covenants under the Credit Facility.

In March 2024 the Company accessed additional net liquidity of US\$4 million through the draw of the new Facility C Loan pursuant to the restructure of the Credit Facility that occurred in late 2023.

The new Facility C Loan of US\$6 million was able to be fully drawn due to the increase in the Company's collateral position largely as a result of the reduction in the principal amount under the Facility A Loan over the past three years, down from US\$16 million in 2022 to US\$7.9 million at the commencement of 2024. Upon accessing this new loan, an amount of US\$2 million was utilised to reduce the existing Facility A loan.

At year end the Credit Facility balance of US\$8.4 million is composed of: Facility A: US\$5 million and Facility C: US\$3.4 million.

Upon accessing the funds under the Facility C loan, the Company entered into monthly WTI oil swap hedging contracts covering 100,000 barrels over the 24 month period April 2024 to March 2026. These WTI swaps secure the repayment of the full amount of the drawn Facility C loan (US\$6 million) including associated interest (US\$0.9 million) in monthly installments equaling the monthly hedge settlement values. Additional benefits from drawing down on the Facility C Loan included the extension of the Credit Facility maturity date from May 2025 to May 2026.

Australis retains the ability, without penalty, to refinance or repay either Facility in full at any earlier time.

OIL PRICE HEDGING

Hedging contracts for 2024 covered a total of 143,000 bbls (2023: 134,100 bbls) and settled for at a loss of US\$0.36 million (2023: loss US\$1.1 million). WTI swap contracts comprised 56% (2023: 32%) of the settled oil price hedges in 2024 with the balance being WTI zero cost collar (ZCC) contracts. The ratio of swaps to ZCC hedge volumes increased due to the hedges (all swaps) executed in March 2024 with the draw down on the new Facility C loan from Macquarie.

The average protected floor price for all settled hedges for 2024 increased to US\$64/bbl (2023: US\$57/bbl), however with the average floor price for the settled WTI swap contracts for the year being US\$71/bbl compared to the average WTI price of US\$76/bbl, a small hedging loss was incurred. The settled ZCC hedges provided a weighted average put (floor) price of US\$56/bbl but importantly retained the benefit of higher oil pricing up to the average call (ceiling) price of US\$83/bbl. The loss incurred from settlement of the ZCC hedges in 2024 totalled only US\$13,000.

FINANCIAL AND CORPORATE REVIEW

During 2024, the Company executed additional oil price hedges covering 109,000 bbls with settlement to occur between April 2024 to April 2026 as follows:

- 9,000 bbls WTI zero cost collars
- 100,000 bbls WTI swaps (executed in March 2024 in conjunction with the drawdown of the Facility C Loan)

At the commencement of 2025, Australis has a total of 120,000 bbls hedged over the next 2 years as summarized in the table below.

Australis' current WTI oil price hedge position as at 1-Jan-2025

Qtr/Year	WTI Swaps		WTI Collars		
	Volume 000bbls	Protected Price US\$/bbl	Volume 000bbls	Protected Price US\$/bbl	Ceiling Price US\$/bbl
Q1/2025	21	\$69	8	\$48	\$83
Q2/2025	16	\$67	8	\$48	\$82
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
	88		32		

CORPORATE GOVERNANCE

The Board monitors the operational and financial performance of the Company and oversees its business strategy, including approving the strategic goals of the Company. The Board is committed to generating and maximising shareholder value. In conducting business with this objective, the Board aims to ensure that Australis is properly managed to protect and enhance shareholder interests and that the Company, its directors, officers and employees are operating in an appropriate environment of corporate governance. Accordingly, the Board has created and maintains a framework for managing Australis, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Australis business and which are designed to promote the responsible management and conduct of the Company. Australis reviews and amends its corporate governance policies as appropriate to reflect the size and activities of the Company, current legislation and good practice. The main charters, policies and procedures that form the basis of corporate governance practices at Australis, can be found in the corporate governance section of the Australis website, www.australisoil.com.

MATERIAL BUSINESS RISKS

Australis has established a framework to identify, manage and report risks. The Board has responsibility for overseeing our risk management framework and monitoring material business risks and the Audit and Risk Management Committee assists the Board in ensuring there is an appropriate risk management system and process that identifies risks and any mitigation measures. Due to the nature of the Company's operations, there are many factors that could impact its operations and financial results. A description of the nature of material business risks that could have an adverse impact on the Company's financial prospects or performance, and how such risks are managed, is set out below. This list is not exhaustive of all risks Australis faces. Any one of the risks below could adversely impact the Company's operating or financial performance.

FINANCIAL AND CORPORATE REVIEW

(a) Strategy

Australis' strategy is predicated on the belief that the fundamental drivers are in place for renewed interest in undeveloped quality onshore US based oil plays due to the maturing of the established fields. The Company owns high quality, oil-weighted developed and undeveloped assets that have been acquired to provide potential additional leveraged upside to capital employed at a modest oil price.

There is no guarantee the oil price will be sustained for any period of time or that interest in the Company's undeveloped assets will increase. Therefore, there is no guarantee that the Company's assets will be economically developed or increase in value.

(b) Title risk – Mineral Interests

Australis has acquired and may continue to acquire leasehold and other interests in and to mineral rights from owners in Louisiana and Mississippi, USA. These interests form the basis of the Company's right to develop, produce and sell hydrocarbons from the TMS and are material to the current and potential value of the Company. Generally leasehold interests expire at the end of a primary term unless commercial production from a well on the lease is achieved and maintained or the lease is otherwise extended or renewed. Certain of our leasehold interests are, at Australis' election, capable of renewal or extension. There is no guarantee that existing leases will be renewed, extended, or reacquired prior to expiry or that leases on new areas will be acquired. The process of confirming defensible title on leases for oil and gas exploration and production has been performed by experts acting for Australis. If at any time title cannot be confirmed, it may have a financial impact on the value of that lease. In the event any of the Company's leasehold or other interests in TMS mineral rights are negatively impacted due to title issue and/or are not renewed, extended, or replaced with similar interests, the Company's right to exploit such mineral interest will terminate and size of the Company's undeveloped reserves and resources are likely to decrease.

(c) Commodity price

The prices of crude oil, natural gas and other hydrocarbon commodities are volatile. As a producer of oil and natural gas, changes in the prices of these commodities will affect Australis' financial position, financial results, cash flows, access to capital, ability to grow, and the level of Australis' reserves. Commodity prices have in recent years been characterised by significant price fluctuations driven by the market's expectations of demand for oil and natural gas, which are influenced by geopolitical events and other global phenomena beyond Australis' control, including global events such as the COVID-19 pandemic, economic downturns and geopolitical conflicts or hostilities.

The impact of such global events can affect global demand for oil and gas, and the market's expectations on future demand, for long periods of time even after the event has subsided. These factors could result in higher volatility in crude oil pricing that negatively impacts the Company's revenue and cashflows from production and sustained declines in pricing could also lead to a reduction in reserves and the carrying value of our assets.

Australis has and will continue to enter into hedging arrangements as a way to address its commodity risk exposure and has adopted a hedging policy to manage the way in which the Company seeks to mitigate downside commodity price risk. Details of the current hedges in place are detailed in this Financial & Corporate Review.

(d) Hedging activities

The Company has and will continue to enter into hedging arrangements for a portion of future estimated oil production which may include forward sales and derivatives such as puts, collars and fixed price swaps. Changes in the fair value of derivative instruments are recognised in earnings and accordingly, earnings may fluctuate as a result of changes in the fair value of the Company's derivative instruments.

Derivatives arrangements can also expose the Company to the risk of financial loss in some circumstances, including when production is less than the volume covered by the derivative instruments, or the counterparty to the derivative instrument defaults on contract obligations.

FINANCIAL AND CORPORATE REVIEW

The Company's hedging arrangements are entered into in accordance with the hedging policy approved and regularly reviewed by the Audit and Risk Management Committee. Among other things, this policy sets out maximum permitted hedge volumes based on expected forward production and establishes minimum credit-worthiness criteria for counterparties. Details of the current hedges in place are detailed in this Financial & Corporate Review.

(e) Operational risks

Australis' future financial condition and results of operations will depend on the success of its exploration, development, and production activities, which are subject to numerous risks.

Exploration and early development activities carry a degree of risk associated with the failure to find hydrocarbons in commercial quantities or at all. Selection of a drilling location and well design are influenced by the interpretation of available geological, geophysical, and seismic data, which is a subjective science and has varying degrees of success for the production of hydrocarbons. Other factors, including mineral rights, land ownership and regulatory rules, may impact the Company's decisions with respect to well locations. Further, no known technologies provide conclusive evidence prior to drilling a well that oil or natural gas is present or may be produced economically. New wells drilled may not be productive or may not recover all or any portion of the Company's investment in such wells. The cost of drilling, completing, equipping, and operating wells is typically uncertain before drilling commences. Australis employs well-established industry evaluation methodologies and when selecting drilling locations and when designing new wells. The Company also has accumulated a significant and comprehensive technical information database on TMS subsurface characteristics and has access to operational data relating to substantially all horizontal wells that have been drilled in the TMS.

The Company is exposed to the risk that existing wells may not produce hydrocarbons in quantities estimated for a variety of reasons, including the need for significant maintenance and repair or the occurrence of an adverse event impacting production due to accident or other sudden causes, and the Company may determine that the cost to repair, rework or recomplete such wells is uneconomic. A failure to maintain production could result in significant loss of revenue and operational costs to bring production back on line. The loss of revenue and/or increased capital costs could result in the requirement for Australis to obtain additional debt or equity funding and increases the risk of a default of the financial covenants and repayment obligations under its credit facilities.

Australis manages operational risk through the implementation of its procedures and policies that are based on appropriate industry standards and practices, employee training, a developed risk management system (including the use of insurance policies where prudent) and a focus on health and safety.

(f) Global event risks

Global events such as the COVID-19 pandemic and geopolitical conflicts, hostilities or trade policies can pose a material risk to our operations. These events could result in significant employee absences due to illness or quarantine requirements and significantly impede the ability of our operational and management teams to travel in support of our operations. The Company is able to employ its crisis and emergency management plans, health emergency plans and business continuity plans to manage this risk, including ongoing monitoring and response to government directions and advice. This enables the Company to take proactive steps to manage risks to the Company's staff and stakeholders and to mitigate risks to production operations.

Global supply chain shortages that result from these global events can result in an inability to source important equipment, material and services leading to a material adverse impact on our ability to conduct operations and/or materially increase our costs to acquire same. The emergence of new global events could materially increase the negative impact of supply chain, inflationary and other economic issues on our operations. To assist in mitigating this risk, Australis, where practicable, pre orders various materials into inventory in advance of requirements and retains, where possible, multiple suppliers of critical materials and inventory items.

FINANCIAL AND CORPORATE REVIEW

(g) Hydrocarbon spills

Oil and gas operational activities involve the production, storage and transport of the produced oil and gas as well as waste materials. Hydrocarbon spills may lead to damage to the environment, as well as potential safety issues and damage to Australis' reputation and fines. Please refer to the Sustainability Report for more detail around how the risk of hydrocarbon spills is managed.

(h) Reliance on key personnel

Australis' success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The contributions of the existing management team to the immediate and near-term operations are likely to be of central importance. There can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the implementation, development, and operation of its business strategy. To address this risk, we have implemented employment arrangements, such as a long-term incentive plan, that are specifically designed to secure and retain key personnel.

(i) Funding

The oil and natural gas industry is capital intensive. Australis has made, and expects to make, substantial capital expenditures for the acquisition, development and exploration of oil and natural gas reserves. As and when further funds are required the Company may need to raise additional capital, including from one or more of: the issue of equity securities; the incurrence of further debt finance; or the contribution of capital from one or more operational or financial partners in exchange for a portion of Australis' interests in its assets, if and as appropriate. There is no assurance that the Company will be able to access and secure additional funding on reasonable terms or at all. A failure to access funding may result in the loss of mineral interests and the inability to develop current mineral interests.

Australis manages financial risk through the implementation of policies and procedures that address areas such as hedging and liquidity management. Furthermore, as operator of a substantial majority of its assets, Australis has the flexibility to manage its capital program to help mitigate liquidity risks.

(j) Regulatory and political

Exploration for and development, exploitation, production and sale of oil and natural gas in the United States of America is subject to numerous federal, state, and local laws and regulations, including in the areas of taxation, environmental protection and labour and employment. Existing laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations could adversely affect the Company. Compliance with such laws or regulations may significantly increase the Company's operating expenses and the failure to comply may result in material penalties and fines. In addition to governmental action, private parties may in certain circumstances pursue legal actions to enforce these laws and regulations against industry participants.

Whilst the USA is considered by Australis to be politically stable, changes in federal, state, or local government regulations and policies (whether through change in governments or change in policy from an existing government) may adversely affect the financial performance or the current and proposed operations generally of the Company.

For example, Australis engages in the practice of hydraulic fracturing to stimulate production of hydrocarbons from tight geological formations. Public debate exists regarding the potential surface and sub-surface impact of hydraulic fracturing, including concern about the impacts of hydraulic fracturing on drinking water and seismic activity tied to re-injection of associated liquids. Additionally, hydraulic fracturing requires large volumes of water (the availability and regulation of which may change over time). Hydraulic fracturing may be subject to additional regulations or restrictions from local, state, or federal governmental authorities, resulting in increased compliance costs or even prohibitions on hydraulic fracturing in certain regions or on certain lands. Any modification to the current regulatory regime may materially adversely impact the value of the Company's assets and future financial performance.

FINANCIAL AND CORPORATE REVIEW

The ability to develop and produce oil and gas, as well as industry profitability generally, can be affected by such changes, which are beyond the control of the Company and the Company's operations, financial performance and future prospects may thereby be materially adversely affected. Australis closely monitors changes in relevant regulations and engages with regulators and governments (directly and through associations and other appropriate representation) to ensure policy and law changes are appropriately influenced and understood.

(k) Reserves and resource estimation

Calculation of recoverable oil and gas reserves and resources contain significant uncertainties which are inherent in the reservoir geology, well data, operating costs and oil prices and require management to make a series of assumptions for the purposes of preparing reserve reports. Although such assumptions may be reasonable at the time they are made and may be subject to review by independent reserves auditors, future drilling results and costs and oil prices may differ significantly from those assumptions. There is a risk that resource estimations will not convert into reserves or any actual production may significantly vary from such estimates. Australis manages the risk associated with reserves estimates through the engagement of qualified, experienced internal engineers and the engagement of independent auditors on at least an annual basis to certify reserves.

(l) Debt facility and interest rate

The Company has incurred indebtedness under its credit agreement with Macquarie Bank Limited. The requirements to make payments of interest and principal on such indebtedness, and to remain in compliance with the covenants under the credit agreement, may adversely affect the Company's cash flows and ability to operate its business.

Our ability to make required payments on our indebtedness and to remain in compliance with the credit agreement covenants will depend largely on our ability to generate cash flow available for such purpose in the future. Lower net revenues will reduce such cash flow. The Company has an oil price hedging policy in place and executes hedges to assist in mitigating lower net revenues in a low oil price environment. If we are unable to generate sufficient cash flow to service our debt and meet our other commitments and are unable to negotiate alternative arrangements with the providers of debt, we may need to refinance all or a portion of our debt, sell material assets or operations or raise additional debt or equity capital.

We cannot assure investors that we could affect any of these actions on a timely basis, on commercially reasonable terms or at all, or that these actions would be sufficient to meet our debt repayment or capital requirements. In addition, the terms of our existing or future debt agreements may restrict us from effecting any of these alternatives. If we are not able to service our debt and other commitments, we may seek or be forced into bankruptcy, or forced to reduce our operations or discontinue our operations in their entirety.

Australis' exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate under the credit agreement. A significant fluctuation in market interest rates could have an impact on Australis' financial position. The potential exposure to interest rate fluctuations could be expected to increase to the extent Australis' debt position increases.

(m) Access to services, equipment, and infrastructure

Australis' future operating and financial performance will be impacted by its ability to procure services and access to equipment and infrastructure (including drilling and completion equipment and personnel, hydrocarbon transportation systems and processing facilities) provided or owned by third parties, in order to commercialise its oil and gas reserves and resources. At the present time there are limited development activities by other oil and gas operators in the region where the Company is active. Although the Company has in the past been able to procure such services and access such equipment and infrastructure, our continued ability to do so economically, or at all, depends in large part on the desire and ability of third parties to provide them in our operating area, and any inability to access necessary services, equipment or infrastructure may have an adverse impact on future performance.

FINANCIAL AND CORPORATE REVIEW

(n) Environmental regulation

The Company is subject to numerous United States federal, state, and local laws and regulations to minimise the environmental impact of its oil and gas operations, including those that govern ongoing operations as well as those that require the rehabilitation of any areas affected by such operations. Compliance with these laws can be costly and penalties for failure to comply can be substantive.

Aside from the cost of compliance, regulatory requirements can add operational restrictions and risk on the Company, including amongst other things, the need for permits for drilling operations and reports concerning operations, restrictions on flaring of gas production, disposal of produced water and abandonment of drilled wells. The need to acquire permits and follow such requirements may limit the rate at which oil and gas could otherwise be produced from the Company's leasehold interests and may restrict the number of wells that may be drilled on a particular lease or in a particular field. Failure to obtain drilling approvals may prevent the Company from achieving its business objectives.

(o) Competition

The Company competes with numerous other organisations in the search for, and the acquisition of, oil and gas assets. The Company's competitors include oil and gas companies that have substantially greater financial resources, staff, and facilities than those of the Company. The Company's ability to maintain or increase its reserves in the future will depend not only on its ability to develop its leasehold and other mineral interests, but also on its ability to select and acquire or renew its leasehold interests associated with suitable producing properties or prospects for drilling.

(p) Severe Weather Events and Climate Change

Oil and gas production and transportation can be impacted by natural disasters and other severe weather events or trends which can result in hydrocarbon leaks or spills, equipment failure and loss of well control. Potential failure to manage these risks could result in injury or loss of life, damage or destruction of wells, production facilities and other property, damage to the environment, legal liability and damage to Australis' reputation. Additionally, such events can lead to protracted periods without power supply, leading to shut in production and loss or delays of revenue. Losses and liabilities arising from such events could significantly reduce revenues or increase costs and have a material adverse effect on the operations and/or financial conditions of the Company. Australis employs risk management framework and specific policies and processes to identify and manage risks in this area. Insurance policies, standard operating procedures, contractor management processes and facility design, amongst other things, are important elements of the system that supports mitigation of these risks.

Australis recognises that climate change is an important global challenge and poses certain physical risks to its operations, including those arising from an increase in severity and/or frequency of such severe weather events. In addition, the Company may be subject to increasing regulation and costs associated with climate change and management of carbon emissions. Please refer the Company's Sustainability Report for more detail.

(q) Cybersecurity

Our operations are and will continue to be reliant on various computer systems, software, databases and interfaces with external networks and other systems. Failures or breaches of these systems (including by way of virus and hacking attacks) have the potential to materially and negatively impact our operations. The Company, in consultation with third party experts has put in place a cybersecurity strategy that will be subject to periodic external review and, in the event of an incident, the Company would be supported by an external incident response and forensics firm. Employees are required to undertake cyber awareness training, including how to identify phishing emails and keep data safe. Notwithstanding the protections and risk management systems the Company has or will put in place, there are inherent limits to the effectiveness of such plans and systems in protecting against sophisticated cyber-attacks. Further, the Company has no control over the cyber security plans and systems of third parties which may interface with our operations, or upon whose services our operations are reliant.

FINANCIAL AND CORPORATE REVIEW

CAUTIONARY AND FORWARD-LOOKING STATEMENTS

This Report contains forward looking statements, including as to Australis' strategy, oil and gas exploration and drilling activities, and related funding, which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Annual Report, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions, and other important factors, many of which are beyond the control of the Company, the Directors, and the Management.

The Company cannot and does not give any assurance that the results, performance, or achievements expressed or implied by the forward-looking statements contained in this Annual Report will occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Annual Report, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out above. Past performance should not be relied upon as being indicative of future performance.

MATERIAL PREJUDICE

As permitted by sections 299(3) and 299A(3) of the *Corporations Act 2001*, Australis has omitted certain information from the Operating and Financial Review in relation to its business strategy, future prospects and likely developments in its operations and the expected results of those operations in future years. Such information including but not restricted to internal budgets, and forecasts and estimates, has been omitted on the basis that such information, if disclosed, would be likely to result in unreasonable prejudice for example because the information is premature, commercially sensitive, confidential or could give a third party a commercial advantage.

GLOSSARY

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

Abbreviation / Term	Description
TMS	Tuscaloosa Marine Shale
TMS Core	The Australis designated productive core area of the TMS delineated by 9 years production history
Permitted Drilling Units	Acreage within a formed and approved drilling unit but is yet to be HBP as a production well has not been drilled and commenced production
Tier 1 Location	Means an area for drilling that is considered to have a high potential for high returns on investment due to rates of oil and/or gas production, and accessibility and ease of development.
WI	Working Interest; the Company beneficial interest before royalties
Gross	Means 100% (or 8/8ths) interest
C	Contingent Resources – 1C/2C/3C – low / most likely / high
Net or NRI	Working interest after deduction of Royalty Interests
NPV(10)	Net Present Value (discount rate), before income tax
HBP	Held by Production - within a formed unit a producing well meets all lease obligations within that unit. Primary term remains valid whilst at least one well in the unit is on production
EUR	Estimated Ultimate Recovery per well
WTI	West Texas Intermediate Oil Benchmark Price
LLS	Louisiana Light Sweet Oil Benchmark Price
Opex / Operating Costs	Field operating expenditure including LOE and WO
PDP	Proved Developed Producing, a subset of Proved Reserves
PDNP	Proved Developed Non-Producing, a subset of Proved Reserves
PUD	Proved Undeveloped Producing
1P	Proved Reserves
2P	Proved plus Probable Reserves
3P	Proved plus Probable plus Possible Reserves
D, C & T	Drilling, Completion, Tie In and Artificial Lift
Capex	Capital expenditure
Ryder Scott	Ryder Scott Company LP

GLOSSARY

Abbreviation / Term	Description
SOFR	Secured Overnight Financing Rate
Field Netback	Oil and gas sales net of royalties, production and state taxes, inventory movements, hedging gains or losses, field based production expenses but excludes depletion and depreciation
EBIT	Net income or (loss) for the year before income tax expense and finance costs
Adjusted EBITDA	EBIT before depreciation depletion, expired lease write off and impairment
Performance EBITDA	Adjusted EBITA excluding share based payments and short term incentive expense
EBITDAX	Adjusted EBITDA before exploration costs
ESG	Environmental, Social and Governance
Net Sales	Oil & gas sales net of royalties
Royalty Interests or Royalty	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
Net Acres	Land the Company has leased and currently holds the mineral rights
Type Curve	The estimated ultimate recovery (EUR) and associated production profile for a future development well location
TMS Type Curve	The history matched production performance of 15 wells drilled in the TMS in 2014 and corresponds to an average treated horizontal length of 7,200ft
G&A	General & Administrative Expenditure
IRR	Internal Rate of Return
DUC	Drilled uncompleted well
LOE	Lease operating expenditure comprising fixed and variable costs
OD	Outer Diameter of a tubular
WO or WOE	Expense for “working over” (repairing) an existing well.
CO₂	Carbon dioxide
CH₄	Methane
N₂O	Nitrous oxide
CO₂e	Carbon dioxide equivalent
EHS	Environmental, Health and Safety
Aurora	Aurora Oil & Gas Limited

GLOSSARY

NON-IFRS FINANCIAL MEASURES

References are made within this report to certain financial measures that do not have a standardised meaning prescribed by Australian Accounting Standards and International Financial Reporting Standards (collectively, IFRS). Such measures are neither required by, nor calculated in accordance with IFRS, and therefore are considered Non-IFRS financial measures. EBIT, Adjusted EBITDA, EBITDAX, Field Netback and Earnings excluding non-cash items are Non-IFRS financial measures commonly used in the oil and gas industry that Australis believes provide useful information to readers in assessing the financial performance and condition of the Company. Non-IFRS financial measures used by the Company, such as EBIT, Adjusted EBITDA, EBITDAX, Field Netback and Earnings excluding non-cash items, may not be comparable with the calculation of similar measures by other companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

EBIT, ADJUSTED EBITDA & EBITDAX

EBIT represents net (loss) for the year before income tax expense or benefit and finance costs. EBITDA represents EBIT before depletion, depreciation, expired lease write off and impairment. EBITDAX represents Adjusted EBITDA excluding exploration costs.

The following table reconciles net (loss) after tax to EBIT, Adjusted EBITDA and EBITDAX:

	31 December 2024 US\$'000	31 December 2023 US\$'000
Net (loss) after tax	(8,271)	(15,315)
Adjustments:		
Net finance expenses	853	1,027
EBIT	(7,418)	(14,288)
Depletion and Depreciation	4,282	5,972
Expired lease write off	5,672	9,362
Adjusted EBITDA	2,536	1,046
Exploration expenditure	-	3
EBITDAX	2,536	1,049

GLOSSARY

FIELD NETBACK

Field Netback represents oil and gas sales net of royalties, production and state taxes, inventory movements, hedging gains or losses, field based production expenses but excludes depletion and depreciation.

EARNINGS EXCLUDING NON-CASH ITEMS

A reconciliation of net (loss) to earnings excluding non-cash items is set out below.

	31 December 2024 US\$'000	31 December 2023 US\$'000
Net (loss) after tax	(8,271)	(15,315)
Adjustments:		
Depletion	2,788	2,920
Depreciation – production equipment	1,251	2,733
Depreciation	243	319
Share based payments	840	1,121
Unrealised foreign exchange (gain) / loss	(38)	49
Disposal or write off of assets	5,694	9,409
Inventory adjustment	100	(18)
Earnings excluding non-cash items	2,607	1,218

SUSTAINABILITY REPORT

At Australis, our corporate vision is to generate shareholder value in a sustainable and responsible manner, whilst meeting expectations of all stakeholders in our business. As an active participant in the upstream oil and gas industry, we recognise our responsibility to present data relating to our activities in a transparent and concise manner, to set targets that ensure our performance is measured against industry or regulatory standards and to demonstrate commitment to improvement in that performance. To achieve this, we have implemented considered and appropriate procedures and policies to facilitate and assist in sustainable business practices which permeate all levels of the organisation including management and are factored into business decisions and processes.

The results of these efforts are presented in this section of the Annual Report. The Company includes measurable targets against which we will continue to report annually and further integrate into our executive and staff remuneration structures. This Sustainability Report includes climate related disclosures that are prepared in line with the recommendations from the Taskforce on Climate Related Financial Disclosures (TCFD).

At Australis we view sustainability as integral to all facets of our business, including:

1. our business strategy and corporate culture;
2. the health and safety of those working for us and those affected by our operations;
3. the environmental impact we have on the areas within which we operate; and
4. the social and economic impact of our operations on stakeholders in the local community and beyond.

Our performance across a number of these business elements has been monitored since Australis assumed operatorship of our producing TMS asset in 2017 and are covered in this report. For the past few years, we have included reporting of Scope 1 and Scope 2 Emissions in line with TCFD recommendations and our fiscal contribution to the community through royalties and severance tax payments and secondary economic impact arising from the use of vendors, employees and service contractors from within the local communities. We believe this level of reporting provides the reader with a clear insight into the various forms of interaction that occur.



SUSTAINABILITY REPORT

PURPOSE AND VALUES

The Company's Purpose and Values are consistent with the corporate business strategy and culture.

It can be stated as follows:

"Having identified and secured entry into undervalued upstream oil opportunity the Company's purpose is to realise material value on behalf of shareholders through the disciplined use of capital whilst protecting the safety of those who work for us and the environment in which we operate".

The Company's Values help define the way in which Australis pursues our Purpose. They seek to encapsulate the principles, culture, ethics and standards which the Company upholds and are set out below.

1. Generate an entrepreneurial culture that values collaboration, accountability and initiative from all employees and contractors.
2. Respect our stakeholders by communicating with clarity and honesty at all times.
3. Seek out opportunities to make positive impacts on the local communities within which we operate.

The Board of Australis is committed to ensuring that our Purpose and Values continue to be reviewed and, if necessary, evolve based on communication and feedback from employees and stakeholders. The Board and Management are committed to reinforcing our Values through all levels of the organisation.

ENVIRONMENTAL, HEALTH AND SAFETY

To ensure the continual improvement in the sustainability of our operations, Australis adopts specific and measurable initiatives to embed a cultural commitment Company-wide and continuously seeks ways to improve all facets of our operations with respect to EHS performance. A key initiative that Australis has adopted since 2018 has been establishing the Company's EHS performance as the overarching financial multiplier within the Company's annual Short-Term Incentive Plan ("STI Plan"), scaling the achieved bonus amounts up or down based on EHS performance. Under the STI Plan, the EHS multiplier, which ranges from 30% (poor performance) to 140% (excellent performance), is applied to all key performance indicators relating to all aspects of the Company's business, including corporate goals and targets linked to Company strategy as well as individual generic and specific targets. This helps ensure that EHS is incorporated into every facet of our business by staff, as opposed to being a stand-alone component of any bonus structure, by providing a direct correlation between environmental and safety performance and remuneration. The Company believes this structure contributed to the excellent EHS performance achieved in 2024 and preceding years. Australis adopted a CO₂e Emissions target as part of the EHS multiplier assessment for the STI Plan from 2023 aimed at achieving reductions in our emissions.

ENVIRONMENT

CLIMATE CHANGE

Australis recognises the challenges and risks facing the oil and gas industry and our role as a responsible producing operator as the global community transitions towards a lower emissions future. The Australis Board and management acknowledge that CO₂e emissions from global fossil fuel production and consumption is contributing to climate change.

However, the consumption of oil and gas continues to be an essential part of daily life all over the world, whether it be used for transportation and power generation or as part of the manufacture of industrial and everyday products such as electronics, textiles, medical supplies and household products. This is highlighted by the growth in global oil and liquids production and consumption volumes to historical highs in 2024, which are expected to increase further into the decade (source EIA). The Board believes that oil and gas will continue to be an essential source of energy and feedstock for global development and will play an important role in the transition to a lower carbon future over the coming decades.

SUSTAINABILITY REPORT

The impact of climate change is recognised as part of the Risk Management process and included in strategy development and corporate planning.

The Company has identified key climate related risks and opportunities over the short (<2 years), medium (2-6 years) and long term (>6 years)

	Physical Risks	Possible Impact	Time Frame
Operational	Increased frequency and severity of extreme weather events resulting in potential increase in equipment damage, interruptions to operations or HSE incidents	Increased downtime in operations resulting in additional cost and delay to production Additional capital expenditure may be required to refurbish or augment onshore facilities and infrastructure to minimise potential damage and downtime	Short to long term
	Transitional Risks	Possible Impact	Time Frame
Market	Changing ESG strategies of equity investors and debt providers	Additional ESG requirements on investors and debt providers potentially reduces the Company's ability to access capital for future project development leading to increased financing cost.	Short to long term
Market	Accelerated transition away from the use of fossil fuels	Leading to reduced global demand for oil and gas potentially leading to lower oil prices and Company future revenue	Long term
Technology	Improvements in technology leading to accelerated transition to lower carbon alternative energy and feedstock sources.	Leading to reduced global demand for oil and gas potentially leading to lower oil prices and Company future revenue	Long term
Regulatory	Changing ESG Regulatory and Legislative framework around climate change in the jurisdiction Australis operates.	Delay in timing and increased cost of development or prohibit future development of unconventional resources	Medium to long term
	Physical Opportunities	Possible Impact	Time Frame
Operational	Opportunities to further reduce emissions through operating efficiencies and field development	Potential to access additional revenue streams to offset some development costs	Short to medium term
	Transitional Opportunities	Possible Impact	Time Frame
Market & technology	Continue to examine opportunities to reduce or offset emissions that are complimentary to existing operations	Reduce costs to offset emissions or generate revenue from un-utilised resource	Medium Term

SUSTAINABILITY REPORT

Australis has included Scope 1 and 2 emissions as an STI Plan target and will consider other suitable targets to manage climate related risks in the future whilst continuing to evaluate opportunities to reduce and offset emissions.

AIR QUALITY & EMISSIONS: MONITORING AND MANAGING THE EMISSIONS PRODUCED THROUGH OUR OPERATIONS

As a minimum, Australis ensures that all operations are conducted in line with local government and federal regulations, including operating production sites under state government-issued air emissions permits when required.

We are proactive with authorities such as the Mississippi Department of Environmental Quality (DEQ) to streamline the permit process and modernise permit requirements and we seek to identify opportunities to improve on regulatory requirements. For instance, Australis has transitioned our flares from steady-on pilot lights to auto-ignition systems to reduce pilot fuel consumption.

In previous years, Australis participated in the US Federal Environmental Protection Agency's (EPA) Greenhouse Gas (GHG) Reporting Program by submitting data on operations. Australis has prepared and included its estimated 2024 data in this report, even though the Company does not need to report to the EPA because GHG emissions have fallen below the minimum reporting threshold.

Australis generated the following Scope 1 greenhouse gas emission volumes from our operations in 2023 and 2024.

Scope 1 Emissions	2023	2024
mt CO ₂ e	22,613	20,629
Scope 1 Intensity		
mt CO ₂ e /bbl of oil equivalent	0.072	0.073

¹ In our 2023 Annual Report, we provided an estimate of our Scope 1 emissions at 21,591 mt CO₂e. In accordance with US EPA directed calculation methodology adjustments, this has increased to 22,613 mt CO₂e which in turn increases the carbon intensity of our Scope 1 emissions to 0.072 mt CO₂e /bbl oil equivalent.

Australis produced the following gross volumes during 2023 and 2024 (note these are 8/8th operated production volumes and not sales volumes) from our operated assets in Mississippi.

	Oil Production (bbls)	Gas Production (MMscf)	Total Production (boe)	Water Production (bbls)
2023	274,000	246	315,000	474,000
2024	245,000	225	283,000	467,000

Operated locations where Australis conducted development activities are designed and equipped with modern air emissions control equipment to minimise emissions. As part of our commitment to reducing emissions Australis continued its program of implementing periodic gas leak surveys at these locations using forward-looking infrared (FLIR) cameras to identify any sources of emission to allow remedial action to be taken.

Australis continues to actively evaluate alternatives for reducing greenhouse gas emissions generated from operations.

Nearly all of our locations operate on electricity supplied by local utility companies, which eliminates the need for engines and generators on locations, further minimising our on-site air emissions footprint.

SUSTAINABILITY REPORT

In 2021, Australis began reporting Scope 2 Emissions according to the TCFD framework reporting. All of the Company's Scope 2 Emissions are from electricity usage for field operations (wells operated by Australis) and for the Perth, Houston and field offices. The table below summarises Scope 1 and Scope 2 Emissions for 2023 and 2024. Note the emissions are based on the field wide emissions (i.e. including other owner interests in wells operated by Australis)

		2023	2024
Scope 1 Emissions	mt CO ₂ e	22,616	20,629
Scope 2 Emissions	mt CO ₂ e	87	79
Scope 1 & 2 Emissions	mt CO ₂ e	22,700	20,708
Production	bbl of oil equivalent	315,000	283,000
Scope 1 & 2 intensity	mt CO ₂ e /bbl of oil equivalent	0.072	0.073

WATER MANAGEMENT: RESPONSIBLY SOURCING AND MANAGING THE WATER WE UTILISE

Water is a precious commodity and Australis is conscious of the quantities of water consumed during drilling and completion operations as well as the volume of produced saline water from our oil wells. Australis has worked proactively with Mississippi DEQ in formulating a water sourcing strategy that satisfies the DEQ's strict industrial use requirements while ensuring plentiful supply to support our operations. For development operations Australis has invested in a dedicated water facility that sources water from below the potable water aquifer so as not to interfere with local fresh water supplies. This facility services part of the field and the Company anticipates replicating the model in other areas under a full field development scenario.

OPERATIONS WASTE MANAGEMENT: DISPOSING RESPONSIBLY OF PRODUCED WATER AND WASTE TO MINIMISE OUR ECOLOGICAL IMPACT

Australis produces just under two bbls of saline water for each bbl of oil that is produced. The volumes for 2023 and 2024 are shown in the tables on the previous page. Australis only utilises the services of permitted third-party disposal contractors to manage all of our solid wastes including water. Australis ensures all water produced through our operations is managed responsibly whilst adhering to legal requirements. At present, we use a licensed water disposal contractor, who injects the produced water into deep saline aquifers to minimise its impact on the surrounding environment. Whilst produced water volumes are relatively modest at present, field development plans contemplate recycling produced water for fracture operations and technical work to evaluate this option has taken place.

SPILL PREVENTION & REMEDIATION: MINIMISING THE RISK OF ACCIDENTAL FLUID OR WASTE SPILLS AND ENSURING A FOCUS ON REMEDIATION

To prevent spills that impact the environment, Australis operates using best practice initiatives such as full secondary fluid containment bounding around all onsite storage tanks and sophisticated data monitoring systems with alarms and automatic shut-downs. Our advanced tank battery containment systems consist of steel walls with a synthetic liner. These resist weathering, wear and tear and are easily repaired when required. Australis maintains Spill Prevention, Control and Countermeasure (SPCC) Plan documents for all operated locations, which is independently reviewed and audited every five years and was completed during 2022 as part of our regulatory compliance.

By ensuring that we operate with the latest and safest technology, we reduce the impact on the areas surrounding our operations and minimise the need for remediation in the future. Where remediation is required, Australis performs remediation work as soon as practicable and in full compliance with all regulatory requirements. To demonstrate Australis' understanding of the importance of adequate remediation, anticipated remediation costs for the end of each well's life are provided for and are incorporated in the Company's Statement of Financial Position and reserve estimates.

SUSTAINABILITY REPORT

The following table provides a summary of the spill performance of Australis operations in 2023 and 2024.

	2023	2024
Non-reportable spills ¹	4	5
Reportable spills ²	1	0
Oil volume spilled inside containment (bbls)	0	0
Oil volume spilled outside containment (bbls)	1.2	2.9
Produced water spill volume (bbls)	6	0.2

¹ Non-Reportable Spill: < 1 bbl

² Reportable Spill: meets the applicable government reporting threshold of at least one bbl of oil or five bbls of water on land

2024 EHS PERFORMANCE

In 2024, Australis met or exceeded all EHS related targets under the STI Plan. Throughout the year there were zero reportable safety incidents, 5 non-reportable spills and zero reportable spills.

The 5 non reportable spills amounted to a total of 2.9 bbls of oil and 0.2 bbls of produced water. They were all contained within the pad boundaries and cleaned up immediately following the incident.

PEOPLE

HEALTH AND SAFETY: ENSURING A SAFE WORKING ENVIRONMENT FOR ALL EMPLOYEES AND CONTRACTORS

At Australis, the safety and protection of people and the environment in which we operate has been a core principle since the Company was founded in 2014 and is now included in the Company's Purpose Statement. Working safely is a condition of employment and our employment contracts and the Company EHS Policy requires that EHS-related considerations are prevalent in all business decisions and processes. Company leadership strives to foster a culture of responsibility and EHS excellence.

Underpinning Australis' EHS framework is the Safety Observation Suggestion (SOS) program, which is a behavioural based observation program designed to document EHS-related observations and encourage active participation by all employees and contractors in building a strong EHS culture. The program aids the identification of potential hazards requiring corrective action, either immediately, if warranted, or helps identify trends which can then be targeted before they lead to an actual incident. The program also rewards positive recognition of behaviour demonstrating strong EHS leadership and increases accountability across all Australis operations. Negative EHS outcomes financially impact all employees, and thus the SOS program is a proactive component of Australis' STI Plan calculations.

Typically, corrective action is taken at the time of the safety observation, but if trends are identified, this leads to broader corrective actions being taken. SOS cards are also addressed at regular team meetings and specific safety meetings. In 2024, the Australis team in both the field and the office logged a total of 521 SOS forms.

SUSTAINABILITY REPORT

Tools such as the SOS program help drive safety performance, the following table summarises the employee and contractor safety performance in 2023 and 2024.

	Incident Type	2023	2024
Employees	Near Miss	1	0
	First Aid	0	0
	OSHA Recordable ¹	0	0
	Lost Time	0	0
	Lost Time Days	0	0
	TRIR ²	0.00	0.00
	Hours Worked	33,550	29,775
Contractors ³	Near Miss	0	1
	First Aid	0	0
	OSHA Recordable ¹	1	0
	Lost Time	0	0
	Lost Time Days	0	0

¹ OSHA: Occupational Safety and Health Administration (USA government agency)

² TRIR: Total Recordable Incident Rate = Total number of OSHA Recordable Incidents * 200,000 / Total hours worked

³ Australis does not report contractor hours.

The Company also engages in the following Health and Safety initiatives.

- compulsory Company-specific EHS orientation training for all new field employees and contractors before commencing work, as well as role-specific core safety and environmental training based upon hazard exposure at all levels within the organization;
- use of a third-party verification service, to screen and assess contractors' safety policies, EHS performance and risk management measures as an integral and mandated part of the procurement process;
- Stop Work Authority as a core safety function for all employees and contractors, which authorises any employee or contractor to stop work and correct an unsafe condition without fear of retribution.
- advanced driver safety training for employees that operate any Company vehicles;
- a Company-wide Emergency Response Plan for operations in the USA, as well as a field operations-specific Well Control Emergency Response Plan. The former was initiated in 2017, and the latter in 2018, during active drilling operations. All plans were rolled out with ongoing training exercises that include mock scenarios and collaboration with local government authorities; and
- GPS monitoring devices in our operation's fleet vehicles for location identification and to monitor driving behaviour such as speed, acceleration and braking patterns and assign driver-specific scores based upon performance. Scores are evaluated and reported monthly via internal management reports. In total operations staff drove a total of 160,000 miles in 2024 (192,000 miles in 2023) without any incidents, and compiled an average score (measuring the above mentioned driving behaviours) from the third-party monitoring system 98.6% (98.5% in 2023), which corresponds to a low risk assessment performance

SUSTAINABILITY REPORT

OPERATING WITH INTEGRITY: UNDERSTANDING THE IMPORTANCE OF TRUST IN THE WAY WE CONDUCT OUR BUSINESS AND INTERACT WITH STAFF, CONTRACTORS AND OTHER STAKEHOLDERS

The Company's Code of Conduct outlines the principles and standards of behavior expected of its directors, employees and contractors when working with each other and when interacting with shareholders, other stakeholders and the broader community. The Code of Conduct requires employees and contractors to act with honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which Australis operates. Any breaches of the Code of Conduct may be brought to the attention of management in accordance with the Whistleblower Policy, without fear of recrimination or reprisal.

The Code of Conduct and Whistleblower Policy are accessible to all employees at any time via the Company's internal intranet site and are also available for other stakeholders via the Company's website.

DEVELOPMENT & RETENTION: PROVIDING APPROPRIATE OPPORTUNITIES AND INCENTIVES FOR EMPLOYEES TO DEVELOP AND GROW THEIR CAREER WITHIN THE COMPANY

Each year, the Australis leadership team in conjunction with the Board set the general Company goals. These goals are then cascaded down through the organisation so that departmental and personal goals are set for each employee, ensuring that all targets are aligned with Australis' strategy. Employees are financially rewarded in their STI Plan for achieving and exceeding these goals.

Under Australis' Employee Equity Incentive Plan ("LTI Plan"), eligible employees are awarded performance rights annually which vest over a three-year period and can be exercised into shares once vested. In addition to aligning employee compensation with the shareholder return of the Company, the LTI Plan has the objective of rewarding employees for continuing their employment with the Company. A portion of the rights are also linked to the Company share price performance during the vesting period, the percentage that is performance tested increases with seniority.

DIVERSITY: BUILDING A DIVERSE AND TALENTED TEAM BASED ON PERFORMANCE AND MERIT

Australis understands the variety of employee backgrounds in an organisation can increase overall performance, sustainability, teamwork and creativity. To help generate this value in our business, Australis has a Diversity Policy, which is designed to augment business success by recognising and utilising the contribution of diverse skills and talent whilst fostering an environment of inclusion. The Diversity Policy is available via the Company's website.

We value gender and cultural diversity, and to encourage diversity in our team, Australis facilitates alternative working hours to accommodate for employees with family and other personal responsibilities. We are an international Company, with offices in multiple jurisdictions, which adds to our cultural and ethnic diversity.

SUSTAINABILITY REPORT

STAKEHOLDER RELATIONS

In addition to Australis' EHS performance indicators mentioned above, the Company continues to actively engage with external stakeholders relating to EHS and other matters. We value our stakeholder relationships with high regard and seek to uphold positive and frequent community engagement throughout our operations.

COMMUNITY ENGAGEMENT: MAINTAINING TRANSPARENCY IN OUR COMMUNICATIONS AND ENGAGEMENT WITH LOCAL COMMUNITIES AND STAKEHOLDERS

Mississippi:

- Australis' management team proactively meets with government regulators and legislative representatives in Mississippi to update them on the Company's progress and obtain information on specific regulatory programs pertinent to our operations.
- We maintain a 24-hour emergency hotline with posted signage for the public and landowners at all of our operated locations.
- We frequently collaborate with local governments to address public road maintenance issues at or around our field locations and work with local authorities to clear roads and accessways of downed trees etc, following weather events
- Australis carries out Emergency Response drills in collaboration with local authorities and when required, actively supports local emergency response efforts in the community.
- Australis maintains an owner relations webpage that allows royalty and mineral owners to communicate with Australis via the portal, email or an owner relations hotline regarding their ownership interests or their account information.

OIL HAULAGE AND ROAD USE

For the year, Australis' produced oil was trucked to a local pipeline gathering point in Liberty, Mississippi. Whilst the transfer of custody occurs at the oil manifold and therefore the trucking of the crude is the responsibility of the crude purchaser, the Company is very conscious of the incremental road usage these trucks generate on the local community. At a practical level we work with the local authorities on road repairs or cleaning if mud and dirt is carried onto public roads. For most of 2023, oil was trucked to a local refinery near Baton Rouge in Louisiana, approximately 100km from Liberty. So delivering produced crude to the local gathering point has significantly reduced trucking distances. We also track load counts so that we can monitor usage and look to minimise costs. Each truck can hold approximately 180-190 bbls of oil, but a number of our lower producing wells often do not have these sorts of volumes available for a single load. As a result, partial truck loads could be scheduled, but in an effort to reduce both costs and road usage, Australis and our offtaker work closely to identify 'Split Loads', where a full truck can be achieved by offtaking from multiple sites. During the year, the field team continued to manage oil inventories utilising on site storage before loads were picked up and trucked during the year.

Longer term oil evacuation options include pipeline tie-ins and once the field moves to full scale development, these options will be considered further.

SUSTAINABILITY REPORT

FISCAL IMPACT ON THE LOCAL COMMUNITY

Australis trucked 252,000 bbls of oil (gross) during 2024, from the operated production from 30 wells across 19 sites managed from our local field office in Liberty, Mississippi. This level of activity generated significant fiscal benefits to the local community, which included:

- \$2.1 million paid in royalties to local mineral rights owners
- \$4.4 million spent with local Mississippi vendors and contractors
- \$1.8 million spent with local Louisiana vendors and contractors
- \$1.3 million paid in production taxes to local Mississippi authorities.

These are significant sums and total approximately of \$10 million contributed to the local communities. These figures do not include the salaries and benefits paid directly to 7 full time field staff members who live locally to the operations.

As an active business in the local community, we are proud of the role we play and look to preferentially source services from local suppliers where available at a comparative cost.

RISK MANAGEMENT

Australis manages risk as an integral part of our business. The Company maintains a robust system of risk management and internal controls which facilitates the identification and then quantification of the severity of a given risk and its potential impact on the Company's business and stakeholders. The risk management system stipulates the frequency of review and required internal reporting required for each level of designated risk.

The Board retains overall responsibility for reviewing, ratifying and monitoring systems of risk management and internal control however, the day-to-day responsibility for the management of risk is delegated to the CEO. The Board has adopted a Risk Management Policy and associated procedures, which are reviewed by the Board on at least an annual basis. Corporate and Operation Risks, including Climate related risks, are regularly reviewed by Company staff, when identified each is allocated a severity rating which dictates the frequency with which it is reviewed.

Australis' Risk Management Policy is available via the Company's website.

Financial Risk Management

The Board has delegated responsibility for financial risk management to the Audit and Risk Management Committee (ARMC). The ARMC reports to the Board on at least an annual basis as to the effectiveness of the financial risk management and internal control systems, which are also subjected to audit as part of our annual review.

Australis' ARMC Charter is available via the Company's website.

Operational Risk Management

Australis' risk management initiatives extend beyond our employees, to include our contractors. An example of this is Australis' use of a third-party registration and monitoring system to which contractors must subscribe in order to qualify to do business with Australis. The system requires them to track and report their EHS performance, to meet minimum insurance, safety and environmental requirements in line with industry standards and thus achieve a minimum score on the third party's scoring system to be considered by Australis during the procurement process. Australis retains the right to audit vendors as part of our risk management framework.

Compliance

Australis is committed to conducting its business in compliance with the laws, regulations and rules of the jurisdictions and capital markets in which it operates or functions. In order to achieve this goal, Australis has adopted a sound system of corporate governance which is regularly monitored, developed as appropriate and communicated to employees and, where applicable, to its contractors.

DIRECTORS' REPORT

The Directors of Australis Oil & Gas Limited present their report on the consolidated entity consisting of Australis Oil & Gas Limited ("Company" or "Australis") and the entities it controlled ("Consolidated Entity" or "Group") for the financial year ended 31 December 2024.

DIRECTORS

The names of directors of the Company in office at any time during or since the end of the financial year ended 31 December 2024 are:

Mr Jonathan Stewart	Non-Executive Chairman
Mr Ian Lusted	Managing Director and Chief Executive Officer
Mr Graham Dowland	Finance Director and Chief Financial Officer
Mr Alan Watson	Non-Executive Director
Mr Steve Scudamore	Non-Executive Director

Each director held their office from 1 January 2024 until the date of this report.

DIRECTORS INTERESTS IN SHARES, OPTIONS, PERFORMANCE RIGHTS AND FEE RIGHTS

The relevant interest of each director in the ordinary share capital of Australis at the date of this report is:

	Shares	Performance Rights	Fee Rights
J Stewart	87,989,625	-	6,169,302
I Lusted	31,740,067	13,418,000	-
G Dowland	27,510,733	12,469,312	-
A Watson	7,789,163	-	2,467,713
S Scudamore	3,889,450	-	2,467,713

Details of the qualifications, experience, special responsibilities and meeting attendance of each of the directors are set out below.

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity continued to be oil and gas exploration, development and production in the United States of America.

REVIEW OF OPERATIONS

A review of Group operations is included in the Review of Operations within this Annual Report.

DIRECTORS' REPORT

Mr Jonathan Stewart – Chairman

Qualifications - B.Com

Mr Stewart was appointed as the Non-Executive Chair of Australis on 12 November 2015. Mr Stewart was a founder of Aurora and was a director of Aurora from 22 February 2005 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd on 11 June 2014. He was Executive Chairman and CEO of Aurora until separating those roles in 2012. An experienced oil & gas executive, Mr Stewart has held a number of executive management positions in listed and unlisted companies in Australia, the United States, Canada, the United Kingdom and the former Soviet Union. He has considerable experience in the management of oil and gas exploration and production companies, structuring and financing of transactions and the broader strategic development of companies. He has also been involved helping list a number of companies in Australia, the United Kingdom and Canada. Based in Europe during the 1990s, Mr Stewart has been involved in raising significant capital from international equity markets to enable the successful development of numerous projects.

Other current directorships of Australian listed public entities

None

Former directorships with Australian listed public companies within the last three years

None

Special responsibilities

Chairman of the Board

Member of the Audit and Risk Management Committee

Member of the Remuneration and Nomination Committee

Mr Ian Lusted – Managing Director and Chief Executive Officer

Qualifications – B. Science, MBA

Mr Lusted was appointed Managing Director and CEO of Australis on 12 November 2015. Previously Mr Lusted was Technical Director of Aurora from 14 April 2008 until August 2013. As well as being responsible for all technical activities carried out by Aurora, Mr Lusted played an active role in investor and stakeholder relations. He has extensive international oil & gas experience, having begun his career in the industry in 1991 with Shell International after serving for several years as an officer in the Royal Navy. At Shell, Mr Lusted gained upstream operations experience in a variety of locations including the North Sea, SE Asia and onshore Europe. He was responsible for field operations including drilling and well operations on semi-submersibles, platform, jack-up and land facilities. In 1998 Mr Lusted established Leading Edge Advantage (“LEA”), an advanced drilling project management consultancy based in Aberdeen and subsequently in Perth, Australia. Mr Lusted led a number of multi-discipline project teams that implemented world first technology applications often in complex jurisdictions. Mr Lusted then spent 3 years as Technical Director for Cape Energy, a private oil and gas company with development assets in the Philippines and Australia, before joining Aurora and in 2008 was appointed Technical Director. Mr Lusted was responsible for all technical matters at Aurora and took on additional management roles including investor relations.

Mr Lusted holds a B.Sc (Hons.) from York University in the United Kingdom and is a member of the Society of Petroleum Engineers.

Other current directorships of Australian listed public entities

None

Former directorships with Australian listed public companies within the last three years

None

Special responsibilities

None

DIRECTORS' REPORT

Mr Graham Dowland - Finance Director and Chief Financial Officer

Qualifications - B.Com,

Mr Dowland was appointed Director and CFO of Australis on 12 November 2015. Prior to this appointment Mr Dowland was a founding director of Aurora Oil & Gas Limited (Aurora) appointed in February 2005. Mr Dowland held the position of Finance Director of Aurora from 10 November 2010 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd in June 2014. He has over 30 years corporate finance and management experience in the oil and gas industry having previously held director or senior management or advisory positions in Australian, Canadian and UK-listed companies with operations in the UK, Russia, Azerbaijan, Indonesia, Australia and New Zealand.

Other current directorships of Australian listed public entities

None

Former directorships with Australian listed public companies within the last three years

None

Special responsibilities

None

Mr Alan Watson – Non-Executive Director

Qualifications – B.Sc (Hons.)

Mr Watson was appointed as an independent Non-Executive Director of Australis on 24 May 2016 and was formerly an independent, non-executive director of Aurora from 17 November 2010 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd on 11 June 2014. Sydney-based Mr Watson is a former investment banker with 35 years of experience within various global equity markets. Over this period he established, directed and was responsible for the conduct of securities businesses both in Europe and Asia advising many companies on capital structuring, initial public offerings, takeovers and mergers and investment relations strategies. Mr Watson held positions at Barclays de Zoete Wedd Limited, Donaldson, Lufkin & Jenrette Securities Corporation, Lehman Brothers Holdings Inc and as Head of Securities Europe for Macquarie Capital (Europe) Ltd. Currently

Mr Watson is independent Chairman of ASX listed funds management company Pinnacle Investment Management Group Limited.

Other current directorships of Australian listed public entities

Pinnacle Investment Management Group Limited

Former directorships with Australian listed public companies within the last three years

None

Special responsibilities

Chairman of the Remuneration and Nomination Committee

Member of the Audit and Risk Management Committee

DIRECTORS' REPORT

Mr Stephen Scudamore AM – Non-Executive Director

Qualifications – BA (Hons) MA (OXON), FCA

Mr Scudamore was appointed as an independent Non-Executive Director of Australis on 30 November 2016.

Mr Scudamore is an experienced Australian company director. His distinguished career includes more than three decades with KPMG, including senior roles in Australia, London and PNG including Chairman of Partners WA, Head of Corporate Finance in WA and National Head of Valuations, KPMG Australia.

He is currently a non-executive Director of Pilbara Minerals Limited and Regis Resources Limited and was previously Non-Executive Director of Aquila Resources and Altona Mining Limited.

Mr Scudamore is a Chartered Accountant with a Bachelor and Master of Arts from Oxford University, a Fellow of the Institute of Chartered Accountants, England, Wales and Australia (FCA), a Fellow of the Institute of Company Directors (FAICD) and a Senior Fellow of the Financial Services Institute of Australia (SF Fin) and Honorary Doctor of Curtin University (Hon D Univ). In January 2023 Mr Scudamore was awarded a Member of the Order of Australia for significant service to business and commerce.

Other current directorships of Australian listed public entities

Pilbara Minerals Limited

Regis Resources Limited

Former directorships with Australian listed public companies within the last three years

None

Special responsibilities

Chairman of the Audit and Risk Management Committee

Member of the Remuneration and Nomination Committee

Ms Julie Foster – Vice President - Finance and Company Secretary

Qualifications – BA(Hons), ACA (ICAEW), AGIA, AGC

Ms Foster was appointed Vice President-Finance and Joint Company secretary of Australis on 12 November 2015. Previously Ms Foster was Group Controller and Company Secretary of Aurora from 2008 until its acquisition by Baytex Energy Australia Pty Ltd in June 2014.

Ms Foster holds a degree in Accounting and Finance (BA Hons) and is a member of the Institute of Chartered Accountants in England and Wales (ACA) and a member of the Governance Institute Australia (AGIA).

DIRECTORS' REPORT

INDEMNITY OF DIRECTORS AND OFFICERS

The Company has paid a premium in respect of a contract insuring the directors and officers of the Company and Group against liabilities incurred as such a director, secretary or officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

MEETINGS OF DIRECTORS

The following table sets out the scheduled number of meetings of the Company's directors held during the year and the number of meetings attended by each director.

	Meetings of committees					
	Meetings of directors		Audit		Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Jonathan Stewart	5	5	5	5	4	4
Ian Lusted	5	5	5	5	4	4
Graham Dowland	5	5	5	5	4	4
Alan Watson	5	5	5	5	4	4
Steve Scudamore	5	5	5	5	4	4

In addition to the above formal meetings there were a number of informal meetings held throughout the year to discuss a variety of operational and strategic matters. The Board and Committees also resolved several actions by circular resolution. A total of 8 Board resolutions and 3 Audit Committee resolutions were resolved by circulatory resolution during 2024.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no options on issue during the year ending 31 December 2024 nor any on issue at the balance date (2023: Nil).

SHARES ISSUED ON THE EXERCISE OF FEE RIGHTS

The following vested fee rights were exercised during the year ended 31 December 2024 with fully paid ordinary shares issued as a result to the non executive directors in lieu of non executive director cash fees.

Grant Date	Year Ended 31 December 2024		Year Ended 31 December 2023	
	Number exercised	Exercise Price	Number exercised	Exercise Price
2021 Fee Rights A	-	-	3,669,266	-
2022 Fee Rights A	3,039,629	-	-	-
Total Shares	3,039,629		3,669,266	

DIRECTORS' REPORT

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following vested performance rights were exercised and settled during the year ended 31 December 2024 through the Australis Oil & Gas Employee Share Trust (Trust) with treasury shares previously acquired on market or via a subscription for new shares. No amounts are unpaid on these shares.

Grant Date	Year Ended 31 December 2024		Year Ended 31 December 2023	
	Number exercised	Exercise Price	Number exercised	Exercise Price
2019 LTI Awards Performance Rights	48,980	-	546,305	-
2020 LTI Awards Performance Rights	2,140,107	-	3,883,331	-
2021 LTI Awards Performance Rights	3,523,491	-	2,675,512	-
2022 LTI Awards Performance Rights	2,816,529	-	1,225,907	-
2023 LTI Awards Performance Rights	2,188,939	-	-	-
Total Shares	10,718,046		8,331,055	

SHARES ISSUED ON THE SETTLEMENT OF 2023 STI

9,105,582 fully paid ordinary share were issued during the year ended 31 December 2024 as part settlement of the 2023 achieved STI.

In addition, the following performance rights were either expired, forfeited or exercised to meet employee personal tax obligations in North America upon vesting during the year:

Performance Rights – expired, exercised for tax or forfeited	Year Ended 31 December 2024	Year Ended 31 December 2023
Expired	-	-
Exercised to meet Employee tax obligations	3,791,432	2,830,637
Forfeited (failed to meet Performance conditions)	9,539,470	10,209,446
Forfeited (failed to meet Continued employment)	4,930,551	1,641,552
Total	18,261,453	14,681,635

Details of all options, performance rights and fee rights on issue and their terms and conditions as at 31 December 2024 are set out at Note 7.3 to the financial statements. The Remuneration Report outlines those granted and / or vested to KMP and the key terms and conditions.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in the state of affairs of the Consolidated Entity during the financial period and to the date of this Annual Report are set out in the Review of Operations and the Financial and Corporate Review and the events after the reporting date as set out in this Annual Report.

DIVIDENDS

In respect of the year ended 31 December 2024, no dividends have been paid or declared and the directors do not recommend the payment of a dividend in respect of the financial period (2023: Nil).

DIRECTORS' REPORT

EVENTS AFTER THE REPORTING DATE

No event has occurred since 31 December 2024 that would materially affect the operations of the Group, the results of the Group or the state of the affairs of the Group not otherwise disclosed in the Group's financial statements.

LIKELY DEVELOPMENTS

Refer to Business Development in 2024 section on page 7 of the Business Strategy, TMS Asset and 2024 Operations.

ENVIRONMENTAL DEVELOPMENTS

The Group is subject to environmental regulations under State and Federal laws in the jurisdictions where it holds mineral rights within the United States and has processes in place to ensure compliance with these regulations. Environmental performance is reported to the Board on a monthly basis. For further detail on the Group's environmental performance, refer to Environment section on page 32 of the Sustainability Report.

ROUNDING OFF OF AMOUNTS

The Company is of a kind referred to in ASIC Class Order 2016/191, dated 24 March 2016 and in accordance with that Class Order amounts in the Director's Report and Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

PROCEEDINGS ON BEHALF OF AUSTRALIS

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of Australis, or to intervene in any proceedings to which Australis is a party, for the purpose of taking responsibility on behalf of Australis for all or part of these proceedings.

No proceedings have been brought or intervened in on behalf of Australis with leave of the Court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

No amounts were paid or are payable for non audit services.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration as required by section 307C of the Corporations Act 2001 is included on page 112.

The Directors' Report is signed in accordance with a resolution of the directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the directors,



Jonathan Stewart

Chairman

Perth, Western Australia

26 February 2025

REMUNERATION REPORT

The directors of Australis Oil & Gas Limited present their Remuneration Report on the consolidated entity consisting of Australis Oil & Gas Limited (“Company” or “Australis”) and the entities it controlled (“Consolidated Entity” or “Group”) for the year ended 31 December 2024.

In accordance with section 308(3C) of the Corporations Act 2001, the Remuneration Report has been audited by BDO Audit Pty Ltd and forms part of the Directors’ Report.

In this report the remuneration and benefits reported have been presented in United States dollars unless otherwise stated. Quoted share prices and volume weighted average price of shares are expressed in Australian dollars.

Australian based KMP are paid in Australian dollars and Canadian based KMP are paid in Canadian dollars. Remuneration and benefits denominated in Australian or Canadian dollars have been converted to United States dollars at the exchange rate prevailing at the date of the transaction.

The Remuneration Report outlines the key aspects of the Australis remuneration policy and framework and the remuneration awarded as set out below:

1. Letter from the Chair of the Remuneration and Nomination Committee
2. Key Management Personnel (KMP)
3. Remuneration policy
4. Remuneration Components – Executive KMP
5. Remuneration and performance
6. Remuneration expense – Executive KMP
7. Employment agreements – Executive KMP
8. Non-executive director arrangements
9. Other statutory information

REMUNERATION REPORT

1. LETTER FROM THE CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

Dear Fellow Shareholders

During 2024 your Company's Management have worked diligently to attract capital and partners to develop and unlock the Company's large undeveloped and undervalued TMS oil asset and continue to engage with a range of interested parties. Throughout this year, whilst conducting these conversations with potential partners, it has been critical that existing producing assets have been operated effectively, and it is pleasing to note that these operations have successfully exceeded the set targets and expectations on safety, environmental and fiscal performance.

During this period the Company has been required to maintain financial discipline by limiting capital expenditure, minimising operational costs and leasehold acquisitions and by reducing general and administrative costs, which has been largely focused on Company wide remuneration. These measures have been taken whilst attempting to maintain a 'drill ready' management team in the US of qualified and experienced oil personnel to assist in achieving the partnering objective. It has and continues to be a delicate balance.

As with the previous year there was no increase to CEO or CFO's remuneration for 2024. The CFO continued to voluntarily reduce his base salary by 50% and the CEO voluntarily reduced his salary by 20% from 1 March 2024. There were also no increases to KMP remuneration packages although favourable amendments to other retention components were granted.

Consistent with the reductions in executive KMP remuneration, your Non-Executive Directors reduced their fees by 25% from 1 March 2024 and have elected to reduce their total fees by a further 40% in 2025.

SHORT TERM INCENTIVE REMUNERATION (STI)

The targets and goals established for 2024 were similar in structure to the prior year. The result was subjected to a scaling factor, both positive (for higher achievement) and negative (for poor performance) based on achieving the higher priority of safety and environment goals. As reported within this annual report the groups outstanding record in safety and environment was improved again this year and is to be commended.

For Executive KMP and senior management the key objectives for 2024 focused on partnering and financing for TMS development activity and to a lesser extent, operational cashflow. Whilst the operational cashflow target was exceeded, the partnering objective was not met and the Board determined it was not appropriate to pay an STI for 2024 for KMP and senior management.

For management and operations staff, the economic performance, the safety and environmental performance as well as individual targets meant that STI payments will be paid, although in the interests of conserving cash, certain elements will be satisfied with equity.

The partnering objective remains the key objective for 2025 whilst maintaining positive operational cashflow.

LONG TERM INCENTIVE PLAN (LTI)

The 2024 LTI plan was consistent with previous years since inception. This component of 'at – risk' remuneration seeks to align the interests of Executive KMP and staff with shareholders. Performance Rights were awarded based on the 2024 commencing base salary for all employees and will vest each year for the next three years, with over 50% vesting in the 3rd year. Vesting hurdles require continued employment, and increasingly for senior staff, Management and Executive KMP, improved share price performance measured from the commencement of the year.

REMUNERATION REPORT

For Executive Directors a total of 9.7 million Performance Rights were granted in the 2024 LTI Award, of which 12% are subject to retention only, and the balance subject to retention and absolute share price performance with thresholds for partial vesting commencing at just under 2c per share and maximum vesting occurring at 4.65c per share over the three year period.

Due to the prevailing share price at year end, none of the Executive KMP's 13.4 million Performance Rights subject to share price testing from the 2022, 2023 and 2024 LTI Awards vested following the close of the 2024 year, 6.4 million of these Performance Rights will be available for retesting over the next 2 years with the balance now lapsed. A total of 6.5 million Performance Rights vested to Executive KMP from these three LTI Awards, related to their satisfying the condition of continued employment.

For 2025 the Australis remuneration structure remains similar in characteristics to prior years with safety and environment prioritised, followed by achievement of the partnering objective, as well as corporate cashflow and operational goals.

We are fortunate to have retained the talented people working in Australis who have demonstrated a commitment to continuing in the objective of the revaluation of the TMS oil asset. Flexibility with remuneration structures will be necessary to retain and incentivise the management team and staff.

On behalf of all shareholders, the Board wishes to thank and acknowledge all Australis personnel for their continued application and diligence.



Alan Watson

Chairman, Remuneration and Nomination Committee

Sydney, NSW

26 February 2025

REMUNERATION REPORT

2. KEY MANAGEMENT PERSONNEL

The KMP disclosed in this report are as follows:

Non – Executive Directors	Position
Jonathan Stewart	Non-Executive Chairman
Alan Watson	Independent Non-Executive Director
Steve Scudamore	Independent Non-Executive Director

Executive KMP	Position
<i>Executive Directors</i>	
Ian Lusted	Managing Director and Chief Executive Officer (CEO)
Graham Dowland	Finance Director and Chief Financial Officer (CFO)
<i>Other KMP</i>	
Darren Wasylucha	Chief Corporate Officer (CCO)
David Greene	Vice President Operations

3. REMUNERATION POLICY

The Remuneration and Nomination Committee (RNC or Committee) is comprised of of Independent Non-Executive Directors: Mr Alan Watson (Chair) and Mr Steve Scudamore and Non-Executive Chairman Mr Jonathan Stewart.

The Board, together with the RNC has established a remuneration policy that it considers:

- appropriate for current activity levels and for the evolution of the Company's business;
- aligned with the achievement of the Company's strategic and business objectives;
- aligns the objectives of employees with those of shareholders; and
- competitive and reasonable, enabling the Company to attract and retain key personnel.

The Committee reviews the remuneration policy and structure on an annual basis to ensure it remains aligned with business goals and is consistent with remuneration principles and makes recommendations to the Board where appropriate.

The RNC may consider advice from external advisors who are engaged by and report to the Committee, the RNC did not receive any external remuneration recommendations during the reporting period.

REMUNERATION REPORT

Table 1: Remuneration framework

Component	Purpose	Performance metrics	Potential value										
Fixed remuneration (FR)	Provide competitive market salary including Base Remuneration (BR), post employment and non-monetary benefits	None	Median market rate for a business of similar size and current activity levels										
Short term incentive (STI)	Reward for in-year performance with an emphasis on safety, payable after lodgement of Financial Report	Goals aligned with TMS partnering, financing and development activities, Adjusted EBITDA and EHS goals and targets including Greenhouse Gas Emissions	<table border="1"> <thead> <tr> <th></th> <th>% of Base Remuneration</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>112.88%</td> </tr> <tr> <td>CFO</td> <td>97.83%</td> </tr> <tr> <td>CCO</td> <td>69.30%</td> </tr> <tr> <td>VP Operations</td> <td>61.60%</td> </tr> </tbody> </table>		% of Base Remuneration	CEO	112.88%	CFO	97.83%	CCO	69.30%	VP Operations	61.60%
	% of Base Remuneration												
CEO	112.88%												
CFO	97.83%												
CCO	69.30%												
VP Operations	61.60%												
Long term incentive (LTI)	Alignment to long term shareholder value and to attract and retain high calibre employees	<p>Vest in three annual tranches on a 1/7, 2/7, 4/7 basis over a three year period</p> <p>Absolute TSR Performance Targets as set out in Section 4.2.3.</p> <p>Retention only (continued employment) component</p>	<p>CEO and CFO: 70% of contracted Base Remuneration subject to a reduction of 70%.</p> <p>CCO: 45% of Base Remuneration subject to a reduction of 60%.</p> <p>VP Operations: 40% of Base Remuneration subject to a reduction of 65%.</p>										

The RNC is responsible for assessing performance against KPI's and determining the STI and LTI to be paid to Other KMP based on the recommendation of the CEO. The STI and LTI outcome for each Executive Director is approved by the Board after receiving recommendations from the RNC.

The Company has adopted a Claw Back Policy which permits the claw back of vested and unvested short and long term incentives granted to Executive KMP and other senior executives, in accordance with the terms of the applicable incentive, including if the Company becomes aware of a material misstatement in its Financial Statements or other reports for the immediately preceding financial year for LTI's and STI's or becomes aware of an event that has occurred, including but not limited to fraud or dishonesty, which would deem that some or all of the performance based remuneration should not have been paid to Executive KMP and other senior executives.

REMUNERATION REPORT

4. REMUNERATION COMPONENTS – EXECUTIVE KMP

Table 2: Remuneration Components

4.2.1 Fixed remuneration

Base Remuneration	<ul style="list-style-type: none"> Base remuneration for Executive KMP is reviewed at least annually by the RNC as part of the Company's annual performance review processes. Consideration is given to comparable roles in organisations of a similar size, industry and complexity in the country in which the executive operates. Where relevant, remuneration information derived from relevant remuneration surveys conducted by independent third parties are used to supplement this data. There was no change in base salary for the CFO, CCO and VP Operations during the reporting period. Mr Dowland (CFO) continued to voluntarily reduce his base salary by 50% until a partnering transaction is achieved. Base salary for the CEO was voluntarily reduced by 20% on 1 June 2024.
Post-employment benefits	<ul style="list-style-type: none"> Superannuation Guarantee contributions are made for Australian based Executive KMP at an average of 11.25% of the base salary for the year. Superannuation Guarantee contributions in excess of the maximum cap are paid as base salary. USA based Executive KMP receive a contribution towards "401k" retirement plans which matches their own contributions to such plans. In 2024, contributions were matched for USA Executive KMP up to a maximum of 4% of base salary. Canadian based Executive KMP receive a contribution towards a Registered Retirement Savings Plan ("RRSP") as part of an annual medical/post retirement benefit allowance. The maximum allowance is C\$15,831 and the allocation of the funds to medical insurance and RRSP is at the discretion of the CCO. In 2024 the contribution to RRSP was C\$8,300 (2023: C\$7,595). Termination benefits are payable to Executive KMP as part of their contractual agreements as set out in section 7. These termination benefits were approved by shareholders on 27 June 2016 and 29 April 2019 for Executive KMP other than the VP Operations.
Other benefits	<ul style="list-style-type: none"> For the reporting period, the following benefits or allowances (including fringe benefits tax where applicable) were made available to Executive KMP: Car parking – CEO, CFO and VP Operations. Health, dental and life insurance benefits – CCO and VP Operations (a standard benefit for North American based employees).

4.2.2 Short term incentives

Maximum achievable short-term incentive (STI)	<ul style="list-style-type: none"> The maximum amount of STI awarded to Executive KMP is expressed as a percentage of their 2024 earned base remuneration and is based on employment level and may be settled in cash and / or equity. The STI percentage for individual Executive KMP is pre-approved by the Board or RNC. The Target and Maximum achievable as a percentage of base salary is as follows:
---	--

	Target %	Max Stretch Target
CEO	75%	112.88%
CFO	65%	97.83%
CCO	45%	69.30%
VP Operations	40%	61.60%

REMUNERATION REPORT

Table 2: Remuneration Components (Continued)

- Performance Metrics** • For 2024 Company performance was assessed based on weighted components that included:

Corporate KPI's		As a % of Target STI	Range (subject to minimum threshold achievement)		EHS Multiplier ⁽¹⁾
			Target ⁽²⁾	Base ⁽²⁾	
1. Goals aligned to TMS partnering, financing and development activities	Executive Directors	70%	n/a	70%	
	Other KMP	60%	n/a	60%	
2. Performance EBITDA ⁽³⁾	Executive Directors	30%	9%	37.5%	
	Other KMP	40%	12%	50%	
Total not greater than	Executive Directors	100%	79%	107.5%	0.3 to 1.4 x
	Other KMP	100%	72%	110%	0.3 to 1.4 x

⁽¹⁾ The Board and management of Australis are committed to supporting a culture of prioritising safety. The EHS KPI relates to specific statistical targets for reportable incidents. These targets are monitored on a regular basis. Due to the importance attributed to the safety culture the EHS KPI overrules the existing corporate and individual KPI's. A multiplier of between 0.3 to 1.4 times, dependent on the level of achievement of EHS targets, will be applied to the achieved STI %.

⁽²⁾ The Board assesses achievement based on a pre-determined range as follows:

- Base – minimum performance necessary to qualify for an award, other than Goals which require a subjective assessment by the board as to achievement.
- Target – where performance requirements are met.
- Stretch – where performance requirements are exceeded.

⁽³⁾ Performance EBITDA means Adjusted EBITDA (as defined in Glossary on page 26) excluding share based payments and short term incentive expense

- Board Discretion** • The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes.
- The Board retains the right to grant STI's in recognition of, however is not restricted to, additional workload and ad hoc assignments.

- Payment of STI** • The payment of STI's will occur after lodgement of the 2024 Financial Statements.

REMUNERATION REPORT

Table 2: Remuneration Components (Continued)

4.2.3 Long term incentives

Long term incentive (LTI) awards

- LTI's are awarded under the Australis Oil & Gas Limited Employee Equity Incentive Plan (EI Plan) which has been approved by Shareholders in general meeting and can include options, performance rights and shares. For the reporting period the following awards, which are unchanged from previous year, were approved by the Board.
- The total number of LTI Awards for 2024 were capped at 4% of the issued share capital of the Company at grant date and as such the number of Awards to KMP (and all other employees) were subject to a scaling factor which increased with seniority.

Executive KMP	Award as % of Base Remuneration	Scaling Factor	Service Condition Only	Absolute TSR Performance and Service Condition
CEO	70%	65%	0%	100%
CFO	70%	65%	25%	75%
CCO	45%	60%	40%	60%
VP Operations	40%	65%	50%	50%

Performance Conditions

- LTI awards vest in three annual tranches on a 1/7, 2/7 and 4/7 basis over a three-year period.
- A proportion of the awards, as set out above for the 2024 Performance Year, are subject to Absolute TSR Performance Targets being the Company's weighted average price (VWAP) for December 2023 to the VWAP of the Company for the month of December prior to the particular vesting date as follows:

ATS TSR increase compared to December 2023 VWAP of A\$0.0155	Up to 120%	120% to < 150%	150% to < 200%	200% to < 250%	250% to < 300%	300%+

Vesting date for:

Tranche 1*	0%	40%	60%	80%	100%	100%
Tranche 2**	0%	20%	40%	80%	100%	100%
Tranche 3***	0%	10%	20%	60%	80%	100%

* being 31 Jan 2025 (December 2024 VWAP)

** being 31 Jan 2026 (December 2025 VWAP)

*** being 31 Jan 2027 (December 2026 VWAP)

- For the 2024 LTI award and all previous awards, the LTI Plan incorporates a retest facility whereby any performance rights that do not vest under the LTI awards on the Tranche 1 (1/7) and / or Tranche 2 (2/7) Vesting Dates pursuant to the Absolute and / or Relative TSR Performance Targets will be retested at the Tranche 3 (4/7) Vesting Date in accordance with the Tranche 3 Performance Targets.

REMUNERATION REPORT

5. REMUNERATION AND PERFORMANCE

2024 PERFORMANCE

The corporate goal for 2024 for Executive KMP was linked to securing asset level partners or alternative sources of funding for development operations in the TMS and achievement was subject to Board discretion after consideration of a range of factors.

In addition, Executive KMP had a corporate target for 2024 based on Performance EBITDA being Adjusted EBITDA (as defined on page 26 excluding share based payments and short term incentives) with the target based on the 2024 Board approved budget.

A multiplier is applied to the target for achievement of between 65% to 115% of the budgeted Performance EBITDA.

To reinforce the Company's commitment to a culture of safety an STI target focussed on Environment, Health and Safety (EHS) was introduced from 2017 and is applied to all employees including Executive KMP. The EHS STI target measures all lost time incidents by employees or contractors on Company sites, motor vehicle incidents causing injury or above a financial value threshold and reportable and non-reportable spills and an emissions component. The overall result of the EHS assessment generates a multiple with a maximum of an increase of up to 40% of achieved STI for achieving all EHS targets or reduction of up to 70% of achieved STI depending on the extent and number of EHS targets missed.

The RNC determined and recommended to the Board, the KPI outcomes based on the Company's activity during 2024 and assessed achievement of certain components of Company performance based on a pre-determined range as detailed in 4.2.2.

Whilst management continued to develop a number of partnering and financing interests during 2024 the Board determined that the goal to secure asset level partners or alternative sources of funding was not achieved by the year end.

The Board have determined that whilst the Performance EBITDA for the financial year did exceed the threshold performance requirements, in the absence of a partnering transaction it was deemed appropriate to disregard this outcome when assessing KPI achievement.

Operational KPI's in place for employees below Executive Management level were achieved and represent the continued success of the operations team to maximise output from the producing wells including through the continual improvements in run times between workovers. In recognition of the leadership of the COO in this operationally based achievement, the Board have determined that a discretionary bonus payment of US\$20,000 inclusive of 401K be awarded to Mr Greene which will be settled 50% in cash and 50% in ordinary shares (based on the ATS 2024 volume weighted average price of A\$0.012) after the lodgement of the 2024 Financial Report.

The Board note that whilst the goal of finding a partner or development financing has not yet been achieved a number of discussions have been undertaken with several remaining active and the effort of the Executive Management team during the reporting period is recognised.

Due to the continued diligence of the operations team, for 2024 an EHS multiplier of 125% was achieved.

Statutory Performance Indicators

The table below shows measures of the Group's financial performance as required by the *Corporations Act 2001*. There may not be a direct correlation between the statutory performance indicators and the measures used to determine short term incentives awarded to Executive KMP.

REMUNERATION REPORT

Table 3: Statutory Performance Indicators

	Year Ended				
	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
Revenue from oil sales (US\$'000)	19,428	20,712	28,378	22,909	26,148
Adjusted EBITDA* (US\$'000)	2,536	1,046	6,122	2,735	7,027
(Loss)/profit after impairment and taxation (US\$'000)	(8,271)	(15,315)	1,967	(2,408)	(125,208)
Profit / (Loss) per share					
- Basic (US cents)	(0.64)	(1.21)	0.16	(0.21)	(0.12)
- Diluted (US cents)	(0.64)	(1.21)	0.14	(0.21)	(0.12)
Share price at end of year/period	A\$0.009	A\$0.016	A\$0.036	A\$0.048	A\$0.06

* Adjusted EBITDA is defined in the glossary on page 26.

REMUNERATION REPORT

6. REMUNERATION EXPENSE EXECUTIVE KMP

Table 4: Executive KMP Remuneration (all US\$)

Executive Directors	Short term benefits			Post-employment benefit	Total Cash	Annual/Long Service leave provision	Share-based		Total	Performance related
	Cash salary & fees	STI Cash ⁽¹⁾⁽²⁾	Other benefits ⁽³⁾	Super-annuation	Remuneration		STI Shares ⁽¹⁾⁽²⁾	Options/Rights ⁽⁴⁾	Remuneration	
Ian Lusted										
31 Dec 2024	187,443	-	1,585	16,299	205,327	(14,665)	-	90,184	280,846	19%
31 Dec 2023	223,901	(835)	1,595	17,903	242,564	2,595	-	125,125	370,284	23%
Graham Dowland										
31 Dec 2024	90,646	-	-	18,372	109,018	(21,877)	-	82,229	169,370	28%
31 Dec 2023	93,103	(456)	1,595	16,322	110,564	16,744	-	108,664	235,973	31%
Other KMP										
Darren Wasylucha										
31 Dec 2024	251,150	-	5,628	6,135	262,913	30,429	-	69,663	363,005	8%
31 Dec 2023	255,282	9,261	6,358	5,707	276,608	(5,319)	28,890	86,822	387,001	21%
David Greene ⁽⁵⁾										
31 Dec 2024	316,725	10,000	18,010	12,047	356,782	(6,968)	10,000	75,184	434,998	10%
31 Dec 2023	316,725	10,452	19,485	12,669	359,331	(2,349)	31,356	92,038	480,376	17%
Total										
31 Dec 2024	845,964	10,000	25,223	52,853	934,040	(13,081)	10,000	317,260	1,248,219	
31 Dec 2023	889,011	18,422	29,033	52,601	989,067	11,671	60,246	412,649	1,473,633	

⁽¹⁾ STI represents the amount earned in relation to the financial year and settled in the subsequent financial year after the release of the Annual Financial Statements. Amounts were translated to USD using closing spot rate on 31 December 2024 and 2023 respectively.

⁽²⁾ KMP did not achieve the KPI's set for 2024.

⁽³⁾ Other benefits include car parking, health and travel benefits and associated fringe benefit tax, where applicable.

⁽⁴⁾ AASB 2 – Share Based Payments requires the fair value at grant date of the performance rights granted be expensed over the vesting periods. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual KMP may ultimately realise should these equity interests vest. No options, performance rights or fee rights were granted to directors during 2024 other than as set out in Section 9.

REMUNERATION REPORT

7. EMPLOYMENT AGREEMENTS EXECUTIVE KMP

Table 5: Executive KMP Employment Contract Summary

Name	Employing Company	Contract Duration	Termination – Material Diminution	Termination notice period company	Termination notice period executive	Post-employment restraints
Ian Lusted	Australis Oil & Gas Limited	Unlimited	1 month	12 months	12 months	12 months
Graham Dowland	Australis Oil & Gas Limited	Unlimited	1 month	12 months	12 months	12 months
Darren Wasylucha	Australis Oil & Gas Limited	Unlimited	2 months)	9 months.	3 months	6 months
David Greene	Australis TMS Inc	Unlimited	2 months	6 months	3 months	12 months – non solicitation only

REMUNERATION REPORT

8. NON-EXECUTIVE DIRECTOR ARRANGEMENTS

NEDs receive a fee for chairing or participating on the Board and its Committees. Fees are reviewed annually by the Board. Superannuation contributions are made in relation to fees that are settled in cash. NED's do not receive performance based pay.

On 1 March 2024 the NEDs reduced their total fees (Base and Additional) by 25%.

The maximum annual aggregate directors fee pool limit is \$600,000 and was approved by Shareholders at the general meeting on 27 June 2016.

Base Fees	To-28 Feb 2024	From 1 Mar 2024
Chair	A\$228,310	A\$171,232
Other NEDs	A\$77,624	A\$58,218
Additional fees		
Audit Committee Chair	A\$13,700	A\$10,275
Remuneration and Nomination Committee Chair	A\$13,700	A\$10,275

For 2024 and 2023 50% of the NED's fees were settled in equity awards and 50% in cash. The equity awards were issued in the form of Fee Rights approved by shareholders at the 2024 AGM. The 2024 Fee Rights vest on 31 Jan 2025 subject to the NED continuing to hold office. Each Fee Right is exercisable at any time up to 31 January 2027 into one ordinary share. The Fee Rights were issued based on the Australis VWAP for the year to 31 December 2023 of A\$0.0272.

Table 6: Non-Executive Director total remuneration per Corporations Act (all US\$)

Non-Executive Directors	Short term benefits	Post-employment benefit	Total Cash	Share based	Total	Performance related
	Cash salary & fees	Superannuation	Remuneration	Equity settled fees ⁽¹⁾	Remuneration	
Jonathan Stewart						
31 Dec 2024	49,186	17,215	66,401	30,680	97,081	n/a
31 Dec 2023	65,618	18,595	84,213	64,336	148,549	n/a
Alan Watson						
31 Dec 2024	23,877	2,683	26,560	12,272	38,832	n/a
31 Dec 2023	30,417	3,268	33,685	25,734	59,419	n/a
Steve Scudamore						
31 Dec 2024	23,877	2,683	26,560	12,272	38,832	n/a
31 Dec 2023	30,417	3,268	33,685	25,734	59,419	n/a
Total						
31 Dec 2024	96,940	22,581	119,521	55,224	174,745	
31 Dec 2023	126,452	25,131	151,583	115,804	267,387	

⁽¹⁾ 50% of the non-executive director fees for 2024 and 2023 were settled in performance rights (Fee Rights A) – Mr Stewart A\$85,616 (2023: A\$114,155), Mr Watson and Mr Scudamore A\$34,246 (2023: A\$45,662) each. AASB 2 – Share Based Payments requires the fair value at the grant date to be expensed over the vesting period.

REMUNERATION REPORT

9. ADDITIONAL STATUTORY INFORMATION

A) PERFORMANCE BASED REMUNERATION GRANTED AND FORFEITED DURING THE YEAR

The table below shows the STI achieved and forfeited for each KMP and the value of the performance rights granted, forfeited and exercised during 2024. The number of performance rights vested and or forfeited for each grant is set out in Table 10.

Table 7: Performance based remuneration granted, forfeited and exercised during the year

Executive KMP	Maximum Available ⁽¹⁾	STI*			LTI		
		Achieved	Forfeited ⁽²⁾	Bonus ⁽³⁾	Value Granted ⁽⁴⁾	Number Exercised	Value Exercised ⁽⁵⁾
Directors	US\$	% of Maximum Available STI Achieved	% of Maximum Available STI Forfeited	US\$	A\$		A\$
I Lusted	214,145	-	100%		40,628	966,022	12,558
G Dowland	99,251	-	100%		45,200	701,207	9,116
Other							
D Wasylyucha	179,763	-	100%		46,290	528,405	15,720
D Greene	195,103	-	100%	20,000	46,395	989,986	19,701

⁽¹⁾ Maximum Available STI calculated on average base salary paid for 2024 by Australis

⁽²⁾ KMP forfeited 100% of their maximum available STI. See Section 4.2.2 for details.

⁽³⁾ Mr Green was awarded a discretionary bonus of US\$20,000 inclusive of 401k which will be settled 50% in cash and 50% in ordinary shares based on the ATS 2024 volume weighted average price, being A\$0.012 after the lodgement of the 2024 Financial Report.

⁽⁴⁾ The value at the grant date of the 2024 LTI Award calculated in accordance with AASB 2 Share-based Payments of performance rights granted during the year as part of remuneration.

⁽⁵⁾ The value at the exercise date of performance rights that were granted in prior years as part of remuneration and were exercised during the year has been determined as the intrinsic value of the performance rights (ie the Australis share price) at that date.

REMUNERATION REPORT

B) PERFORMANCE & FEE RIGHTS

The key terms and conditions of each LTI award (performance rights) and Fee Rights granted during the reporting period are set out below:

Table 8: Terms and conditions of performance and fee rights granted to KMP

Type of grant	Grant date	Tranche	Vesting Date	Expiry date	Exercise Price	Value per right at grant date ⁽¹⁾	Vesting condition	Vested
Performance Rights 2024 LTI Award	14 May 2024	1 ⁽²⁾	31 Jan 2025	31 Jan 2027	Nil	A\$0.014	Service condition ⁽³⁾	N/A
						A\$0.0093	Absolute TSR Performance hurdle ⁽⁴⁾⁽⁵⁾	
		2 ⁽²⁾	31 Jan 2026	31 Jan 2028	Nil	A\$0.014	Service condition ⁽³⁾	N/A
						A\$0.009	Absolute TSR Performance hurdle ⁽⁴⁾⁽⁵⁾	
		3 ⁽²⁾	31 Jan 2027	31 Jan 2029	Nil	A\$0.014	Service condition ⁽³⁾	N/A
						A\$0.0075	Absolute TSR Performance hurdle ⁽⁴⁾⁽⁵⁾	
Fee Rights A	14 May 2024	1	31 Jan 2025	31 Jan 2027	Nil	A\$0.014	Service condition ⁽³⁾	N/A

⁽¹⁾ The value at grant date of performance rights granted are calculated in accordance with AASB 2 Share-Based Payments. Refer to Note 7.3 of the Financial Report for details of the assumptions used in calculating the value of each performance right as at their effective grant date.

For Executive KMP a percentage (see note 4 and 5 below) of each tranche of Performance Rights granted under the 2024 LTI Awards require both continued employment and achievement of TSR based performance hurdles. The Fee Rights granted under the Fee Right Award have only a continued employment requirement. Refer to section 8 of this Report for details.

⁽²⁾ Tranche 1 – 1/7th of total performance rights awarded
Tranche 2 – 2/7th of total performance rights awarded
Tranche 3 – 4/7th of total performance rights awarded

⁽³⁾ The following vesting conditions will be assessed for the KMP on the Vesting Date:

- Service based vesting condition: subject to the participant being employed by the Company throughout the relevant test period being the period from the grant date up to and including the Vesting Date for each tranche of an LTI Award or a Fee Right Award.

⁽⁴⁾ The following vesting conditions will be assessed for the Executive KMP on the Vesting Dates for the 2023 LTI Awards:

- Absolute TSR Performance hurdle: up to 100% for CEO and 75% for CFO and 60% for CCO and 50% for VP Operations of the relevant tranche of award that may vest on a particular Vesting Date will vest in accordance with the vesting schedule in Table 2 above dependent on the performance of the Company's Absolute TSR performance measure, being the increase of the Company's volume weighted average price ("VWAP") for December 2023 to the VWAP of the Company for the month of December prior to the particular Vesting Date.

⁽⁵⁾ If either of the relevant TSR performance hurdles for Tranche 1 or Tranche 2 of an award are not satisfied on the relevant Vesting Date for either of the tranches, the portion of awards eligible to vest but which do not vest on the relevant Vesting Date will be re-tested on the Tranche 3 Vesting Date in relation to the Tranche 3 Performance Targets subject to continued employment at the Tranche 3 Vesting Date.

REMUNERATION REPORT

C) SHARES

The following ordinary fully paid shares (Shares) have been issued to key management personnel during the year ended 31 December 2024. The Shares were issued for nil consideration as part settlement of their 2023 achieved short term incentive based on the ATS 2023 volume weighted average price of A\$0.0272.

	Grant date	Number
Darren Wasylucha – Chief Corporate Officer	17 June 2024	721,576
David Greene – Vice President Operations	17 June 2024	1,276,511

D) RECONCILIATION OF PERFORMANCE RIGHTS, FEE RIGHTS AND SHARES HELD BY KMP

The number of shares, performance rights and fee rights in the Company held during the financial year by KMP, including their personally related parties, are set out below.

Table 9: 2024 KMP shareholding and performance rights holding reconciliation

	Type of Equity	Balance at start of year	Granted	Exercised	Net other changes	Balance at end of year
Non-Executive Directors						
Jonathan Stewart	Shares	86,300,942	-	-	1,688,683	87,989,625
	Fee Rights A	4,535,441	3,322,544	(1,688,683)	-	6,169,302
Alan Watson	Shares	7,113,690	-	-	675,473	7,789,163
	Fee Rights A	1,814,176	1,329,010	(675,473)	-	2,467,713
Steve Scudamore	Shares	3,213,977	-	-	675,473	3,889,450
	Fee Rights A	1,814,176	1,329,010	(675,473)	-	2,467,713
Executive Directors						
Graham Dowland	Shares	26,809,527	-	-	701,207	27,510,733
	Performance Rights	13,990,433	4,689,142	(701,207)	(1,720,397)	16,257,971
Ian Lusted	Shares	30,774,045	-	-	966,022	31,740,067
	Performance Rights	16,110,865	4,963,226	(966,022)	(2,089,553)	18,018,516
Other KMP						
Darren Wasylucha	Shares	3,138,330	721,576	-	528,405	4,388,311
	Performance Rights	10,059,850	4,403,788	(528,405)	(1,699,850)	12,235,383
David Greene	Shares	4,660,653	1,276,511	-	989,986	6,927,150
	Performance Rights	10,305,410	4,182,405	(989,986)	(1,310,652)	12,187,177

REMUNERATION REPORT

The table below sets out how many performance rights and fee rights were granted, vested and forfeited during the year.

Table 10: Summary of options, performance rights and fee rights (as at 31 December 2024)

Name	Year granted	Number granted	Number vested	Vested %	Number retest	Retest ⁽¹⁾⁽²⁾ %	Number forfeited	Maximum value yet to vest ⁽⁴⁾ A\$
Non-Executive Directors								
Jonathan Stewart	2023	-	2,846,758	100%	n/a	n/a	-	-
Alan Watson	2024	3,322,544	-	-	n/a	n/a	-	46,516
Steve Scudamore	2023	-	1,138,703	100%	n/a	n/a	-	-
	2024	1,329,010	-	-	n/a	n/a	-	18,606
	2023	-	1,138,703	100%	n/a	n/a	-	-
	2024	1,329,010	-	-	n/a	n/a	-	18,606
Executive Directors								
Ian Lusted	2021	-	398,010	25%	-	-	2,089,553	-
	2022	-	438,144	25%	1,314,433	75%	-	229,637
	2023	-	240,798	25%	722,393	75%	-	167,053
	2024	4,963,226	-	-	-	-	-	40,628
Graham Dowland	2021	-	327,695	25%	-	-	1,720,398	-
	2022	-	360,825	25%	1,082,474	75%	-	189,113
	2023	-	227,500	25%	682,500	75%	-	1,157,828
	2024	4,689,142	-	-	-	-	-	45,200
Other KMP								
Darren Wasylucha	2021	-	421,113	40%	-	-	1,105,423	-
	2022	-	405,057	40%	607,585	60%	-	129,641
	2023	-	296,662	40%	444,994	60%	-	133,164
	2024	4,403,788	-	-	-	-	-	46,290
David Greene	2021	-	510,519	50%	-	-	893,408	-
	2022	-	486,996	50%	486,996	50%	-	122,741
	2023	-	409,715	50%	409,715	50%	-	150,468
	2024	4,182,405	-	-	-	-	-	46,395

⁽¹⁾ The performance rights that did not vest for Tranche 1 and Tranche 2 of the 2022 LTI award will be retested along with Tranche 3 of the 2022 LTI Award at 31 January 2025.

⁽²⁾ The performance rights that did not vest during the year for Tranche 1 of the 2023 LTI award will be retested along with Tranche 3 of the 2023 LTI Award. At 31 January 2026

⁽³⁾ Performance Rights have no exercise price, therefore no cash to be received on exercise.

⁽⁴⁾ The maximum value of the performance rights yet to vest has been determined by independent valuer, RSM Australia Pty Ltd as the fair value at grant date of the rights that are yet to be exercised.

E) LOANS TO AND TRANSACTIONS WITH KMP

No loans were made to KMP during 2024.

No other transactions were entered into with KMP during 2024

F) VOTING OF SHAREHOLDERS AT THE LAST ANNUAL GENERAL MEETING

At the Company's last general meeting held on 14 May 2024, the Remuneration Report for the financial year ended 31 December 2023 was carried by a majority vote of more than 75%.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Revenue from continuing operations			
Operating revenue	2.1	19,428	20,712
Cost of sales	2.2	(16,175)	(18,844)
Gross profit		3,253	1,868
Other income	2.1	392	144
Other expenses	2.2	(11,063)	(16,300)
Operating (loss)		(7,418)	(14,288)
Net finance (expenses)	2.7	(853)	(1,027)
(Loss) from continuing operations before income tax expense		(8,271)	(15,315)
Income tax expense	2.8	-	-
Net (loss) from continuing operations attributable to owners of the Company		(8,271)	(15,315)
Other comprehensive (loss) / income			
Items that may be reclassified to profit or loss;			
Change in fair value of cash flow hedges	4.3	(90)	1,434
Other comprehensive (loss) / income for the year net of tax		(90)	1,434
Total comprehensive (loss) for the year attributable to the owners of the Company		(8,361)	(13,881)
(Loss) per share attributable to owners of the Company			
Basic (loss) per share (cents per share)	2.9	(0.64)	(1.21)
Diluted (loss) per share (cents per share)	2.9	(0.64)	(1.21)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	31 December 2024 US\$'000	31 December 2023 US\$'000
Current assets			
Cash and cash equivalents	4.1	6,235	3,763
Trade and other receivables	5.1	2,665	2,133
Inventories	5.2	787	967
Total current assets		9,687	6,863
Non-current assets			
Oil and gas properties	3.1	50,239	58,699
Plant and equipment	3.3	3,641	5,006
Other receivables	5.1	211	209
Total non-current assets		54,091	63,914
Total assets		63,778	70,777
Current liabilities			
Trade and other payables	5.3	(6,110)	(6,083)
Provisions	5.5	(360)	(354)
Derivative financial instruments hedge	5.4	(239)	(132)
Borrowings	5.6	(4,725)	(4,000)
Lease liability		(64)	(170)
Total current liabilities		(11,498)	(10,739)
Non-current liabilities			
Provisions	5.5	(2,666)	(2,734)
Borrowings	5.6	(3,704)	(3,925)
Derivative financial instruments hedge	5.4	(99)	(116)
Lease liability		-	(64)
Total non-current liabilities		(6,469)	(6,839)
Total liabilities		(17,967)	(17,578)
Net assets		45,811	53,199
Equity			
Contributed equity	4.2	183,452	183,702
Treasury shares	4.2	-	(248)
Share based payment reserve	4.3	15,123	14,148
Foreign exchange reserve	4.3	(467)	(467)
Cash flow hedge reserve	4.3	(338)	(248)
Accumulated losses	4.3	(151,959)	(143,688)
Total equity		45,811	53,199

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year to 31 December 2024

	Contributed Equity US\$'000	Treasury Shares US\$'000	Other Reserves US\$'000	Accumulated Losses US\$'000	Total US\$'000
Balance as at 1 January 2023	183,779	(325)	10,958	(128,373)	66,039
(Loss) for the year	-	-	-	(15,315)	(15,315)
Other comprehensive income					
Change in fair value of cash flow hedges	-	-	1,434	-	1,434
Total comprehensive Income	-	-	1,434	-	1,434
Transactions with owners, in their capacity as owners					
Contributed equity net of transaction costs	125	-	-	-	125
Purchase of treasury shares	-	(125)	-	-	(125)
Release of treasury shares	(202)	202	-	-	-
Share-based payments	-	-	1,041	-	1,041
Balance as at 31 December 2023	183,702	(248)	13,433	(143,688)	53,199
Balance as at 1 January 2024	183,702	(248)	13,433	(143,688)	53,199
(Loss) for the year	-	-	-	(8,271)	(8,271)
Other comprehensive (loss)					
Change in fair value of cash flow hedges	-	-	(90)	-	(90)
Total comprehensive income	-	-	(90)	-	(90)
Transactions with owners, in their capacity as owners					
Contributed equity net of transaction costs	(2)	-	-	-	(2)
Purchase of treasury shares	-	-	-	-	-
Release of treasury shares	(248)	248	-	-	-
Share-based payments	-	-	975	-	975
Balance as at 31 December 2024	183,452	-	14,318	(151,959)	45,811

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year to 31 December 2024

	Notes	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Cash flows from operating activities			
Receipts from customers		19,187	21,698
Payments to suppliers and employees		(16,750)	(19,049)
Other revenue		392	144
Net cash inflow from operating activities	2.11	2,829	2,793
Cash flows from investing activities			
Payment for property, plant and equipment		-	(469)
Payment for capitalised oil and gas assets		(70)	(1,468)
Refund of security deposits and bonds		328	104
Interest Received		66	222
Net cash inflow / (outflow) from investing activities		324	(1,611)
Cash flows from financing activities			
Share issue costs		(1)	(2)
Proceeds from borrowings		6,001	-
Repayment of borrowings		(5,553)	(4,000)
Debt facility costs		(1,164)	(1,219)
Net cash (outflow) from financing activities		(717)	(5,221)
Net increase / (decrease) in cash and cash equivalents		2,436	(4,040)
Cash and cash equivalents at the beginning of the year		3,763	7,848
Effect of exchange rates on cash holdings in foreign currencies		36	(45)
Cash and cash equivalents at the end of the financial year	4.1	6,235	3,763

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

Corporate information

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SECTION 1: BASIS OF REPORTING

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For the year ended 31 December 2024

CORPORATE INFORMATION

The consolidated financial report for the year ended 31 December 2024 comprises the financial statements of Australis Oil & Gas Limited, the parent entity and its controlled entities (“Group” or “Consolidated Entity”). Australis Oil & Gas Limited (“Company” or “Australis”) was incorporated in Australia as a private company on the 12 November 2015 as Australis Oil & Gas Holdings Pty Limited. On 10 June 2016 the Company converted to a public company and changed its name to Australis Oil & Gas Limited.

In July 2016, the Company successfully completed an initial public offering and was admitted to the Official List of the Australian Securities Exchange (Ticker code: ATS). The Company’s shares commenced trading on the ASX 25 July 2016.

The principal activity of the Group is oil and gas exploration, development and production.

1.1 FINANCIAL REPORT

The notes to the consolidated financial statements are set out in the following sections:

1. **Basis of Reporting** – summarises the basis of preparation of the financial statements.
2. **Results for the Year** – sets out the performance of the Group and highlights the material accounting policies impacting on the results for the year.
3. **Invested Capital** – sets out expenditure during the year on oil & gas properties, property, plant and equipment and the commitments of the Group.
4. **Capital and Debt Structure** – provides information about the Group financing structure.
5. **Other Assets & Liabilities** – sets out the working capital balances of the Group.
6. **Group Structure** – sets out the ownership and intra-group transactions with subsidiaries.
7. **Other Notes**

SECTION 1: BASIS OF REPORTING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1.2 BASIS OF PREPARATION AND COMPLIANCE STATEMENT

The consolidated financial statements of the Group are general purpose financial statements prepared in accordance with Australian Accounting Standards applicable to for profit entities, Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Australian Accounting Standards incorporate International Financial Reporting Standards (IFRS's) as issued by the International Accounting Standards Board. As such, the consolidated financial statements comply with IFRS. The accounting standards have been consistently applied to all financial years presented.

The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in US dollars and are rounded to the nearest thousand dollars (US'000) as permitted under ASIC Corporations Instrument 2016/191.

There are a number of amendments to accounting standards that were issued with an effective date of 1 January 2025 however Management do not consider that these amendments materially impact the Australis financial statements.

In addition, there are a number of additional amendments or revisions issued which are not applicable to the Group.

GOING CONCERN

The financial statements have been prepared on the basis that the Consolidated Entity is a going concern, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. For the year ended 31 December 2024 the Consolidated Entity recorded a loss of US\$8.3 million (2023: Loss US\$15.3 million). The loss was largely due to non-cash charges relating to the expired mineral lease write off US\$5.7 million (2023: US\$9.4 million). The Group recorded a net cash inflow from operating activities of US\$2.8 million (2023: US\$2.8 million) and the balance date cash reserves are US\$6.2 million (2023:US\$3.8 million) (excluding bank balances held as guarantees of US\$211k).

The financial statements have been prepared on the basis that the Group is a going concern for the following reasons:

- Earnings for the year excluding non-cash items and finance expenses were US\$2.6 million;
- Net hedge book position at 31 December 2024 protecting a sales price of >US\$61/bbl for approximately 50% of the Groups forecast 2025 net sales of oil;
- At the reporting date the Consolidated Entity recorded a working capital deficit of US\$1.8 million. This deficit includes amongst other items the recognition of:
 - Credit facility amortisation payments of \$2 million due in the next 12 months for Facility A and payments of \$2.6 million for Facility C however amortisation will be repaid in full through the hedging contracts executed at the time of accessing Facility C.
 - Liabilities due of US\$4.0 million of 'suspended' royalties (i.e. uncontactable or disputed / unverified ownership balances) which historically have had less than 10% settled on an annual basis and accordingly Management do not expect these amounts to be settled within the next 12 months.

SECTION 1: BASIS OF REPORTING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1.3 BASIS OF CONSOLIDATION

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of Australis and its controlled entities as at 31 December 2024 and the financial performance of the Company and its controlled entities for the year then ended.

In accordance with AASB 11, the arrangements have been classified as joint operations (whereby the jointly controlling parties have rights to the assets and obligations for the liabilities relating to the arrangement). The Group therefore recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations and have been incorporated into the consolidated financial statements under appropriate classifications. Details of joint operations can be found in Note 7.1.

1.4 FOREIGN CURRENCY

(i) Functional and presentational currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The functional currency of the Company and its subsidiaries is US dollars. The Australian subsidiaries have a functional currency of US dollars. The presentational currency of the Company and its subsidiaries is US dollars.

(ii) Translation and balances

Foreign currency transactions are translated into functional currency of the Group using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into the functional currency as at the exchange rate existing at reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year and the amortised costs in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency difference arising on retranslation are generally recognised in profit or loss.

SECTION 1: BASIS OF REPORTING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions about future events. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are consistent with previous years other than as set out below:

DEPLETION

Australis uses the units of production (UOP) approach when depleting producing oil and gas assets. Australis compares the actual volumes produced to the producing reserves to calculate a depletion rate which is applied to producing oil and gas assets.

The other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

OIL AND GAS PROPERTIES

Future restoration costs

The Group estimates the future rehabilitation costs of production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of restoration activities and the future removal technology available and liability specific discount rates to determine the present value of these cash flows.

Reserve estimates

Estimation of reported recoverable quantities of Proven and Probable reserves include judgemental assumptions regarding commodity prices, exchange rates, discount rates and production and transportation costs for future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. These factors used to estimate reserves may change from period to period.

Reserve estimates are used to calculate amortisation of producing assets and to assess impairment.

Impairment

Oil and gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Details of the accounting estimates and judgments can be found in Note 3.1.

SECTION 1: BASIS OF REPORTING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

SHARE-BASED PAYMENT TRANSACTIONS – NOTE 7.3

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined using either a Monte Carlo simulation valuation technique.

The vesting conditions of the Absolute TSR (ATSR) Rights and the Relative TSR (RTSR) Rights have been reflected in assessment of the fair value of the Rights through the use of a Monte-Carlo simulation model which determines the probability of the market conditions being fulfilled at the vesting dates and, as such, whether the Rights will vest.

In determining a valuation for the Absolute and Relative TSR conditions in addition to service conditions, the Monte Carlo simulation valuation technique has been used, each simulation entails the following steps:

1. Simulate the share price of the Company, and the companies in the peer group, as at a performance test date. The share prices are simulated such that they are consistent with the assumed distribution of, and correlation between, share price outcomes.
2. Determine whether any awards vest at the current test date, based on the simulated share price.
3. For any vesting awards calculate the value using the simulated share price. This valuation uses either an analytic or binomial tree methodology.
4. Factors in a re-test facility whereby any Rights that do not vest on the Tranche 1 and / or Tranche 2 vesting date pursuant to the RTSR performance targets, will be re-tested at the Tranche 3 vesting date.
5. Calculate the present value of the award as at the valuation date.

SECTION 1: BASIS OF REPORTING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1.6 FAIR VALUE MEASUREMENT

The Group measures financial and non-financial assets at fair value at reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

1.7 FINANCIAL AND CAPITAL RISK MANAGEMENT

The management of financial and capital risks aims to ensure that available capital, funding and cash flow are sufficient to meet the Groups financial commitments as and when they fall due and to ensure the capacity to fund its current projects is maintained.

The financial risks that arise during the normal course of Australis' operations comprise market risk, foreign currency risk, credit risk and liquidity risk (see Notes 4.1, 5.1, 5.3, 5.4) The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board of Australis is responsible for approving Australis' policies on risk oversight and management and ensuring management has developed and implemented an effective risk management and internal control system. Whilst maintaining ultimate responsibility for financial risk management, the Board has delegated responsibility for effective implementation of the Risk Management Policy and objectives to the Audit and Risk Management Committee.

Australis' Audit and Risk Management Committee oversees compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Australis. The CEO, with the assistance of senior executives as required, has responsibility for identifying, assessing, treating and monitoring risks on a day to day basis and reporting to the Audit and Risk Management Committee and the Board on risk management on a regular basis.

1.8 RECENTLY ISSUED STANDARDS NOT IN EFFECT

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods.

SECTION 2: RESULTS FOR THE YEAR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2.1 REVENUE AND OTHER INCOME

RECOGNITION AND MEASUREMENT

Revenue is recognised and measured at the fair value of consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is largely generated from oil sales. Revenue from the sale of produced hydrocarbons is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. Australis enters into contracts with oil marketing groups for the sale of oil produced from its operated properties including the sale of production for and on behalf of the joint property partners. A sale is recognised upon transfer of the product to the purchaser's transportation mode, currently via truck, at the Company operated oil production facilities which is the point that title passes.

Revenue is recognised on the basis of the Group's working interest in a producing field (the entitlement method).

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Revenue from continuing operations		
<i>Sales revenue</i>		
Oil sales	19,792	21,771
Realised (loss) on forward commodity price contracts	(364)	(1,059)
Total revenue from continuing operations	19,428	20,712
Other income		
Employee Retention Credit ⁽¹⁾	392	133
Consulting fees	-	11
Total other income	392	144

⁽¹⁾ The Employee Retention Credit is a US Covid Initiative. Australis submitted claims for a retention credit relating to retained staff remuneration for six quarters of 2020 and 2021. During the year the claim for Quarter 2 of 2020 and Quarters 2 & 3 of 2021 were approved and paid (2023: Quarter 1 – 2021).

SECTION 2: RESULTS FOR THE YEAR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2.2 COST OF SALES & OTHER EXPENSES

	Notes	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Cost of sales			
Production costs		(7,257)	(7,958)
Royalties		(3,820)	(4,185)
Production taxes		(974)	(1,060)
Depletion	3.1	(2,788)	(2,920)
Depreciation – production equipment	3.3	(1,251)	(2,733)
Gain / (Loss) on sale of equipment/inventory		15	(6)
Other – inventory movements		(100)	18
Total cost of sales		(16,175)	(18,844)
Other expenses			
Administrative expenses	2.3	(4,346)	(5,447)
Exploration costs	2.5	(5,672)	(9,365)
Depreciation	3.3	(243)	(319)
Unrealised foreign exchange gain / (loss)		38	(48)
Share based payments	7.3	(840)	(1,121)
Total other expenses		(11,063)	(16,300)

The administrative expenses include the following material expenses; Employee benefits expensed – Note 2.4.

2.3 ADMINISTRATIVE EXPENSES

Administrative expenses of the Group include the following:

	Notes	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Administrative expenses			
Personnel expenses	2.4	(3,711)	(4,425)
Consulting and professional expenses		(325)	(675)
Other general and administrative expenses		(310)	(347)
	2.2	(4,346)	(5,447)

SECTION 2: RESULTS FOR THE YEAR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2.4 EMPLOYEE BENEFITS EXPENSED

RECOGNITION AND MEASUREMENT

The Group's accounting policy for employee benefits other than post-retirement benefits is set out in Note 5.5. The policy for share based payments is set out in Note 7.3.

Expensed employee benefits of the Group are as follows:

	Notes	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Employee benefits			
Salaries and fees		(2,755)	(3,070)
Short term incentives		(297)	(472)
Superannuation and 401k		(176)	(194)
Other payroll expenses ⁽ⁱ⁾		(483)	(689)
	2.3	(3,711)	(4,425)
Share based payments	7.3	(840)	(1,121)
		(4,551)	(5,546)

⁽ⁱ⁾ Includes medical benefits and employer on costs in the USA and the movement in annual leave provision for the year of US\$96,000 (2023: (US\$10,000)) and long service leave provision of US\$33,000 (2023: US\$22,000).

2.5 EXPLORATION EXPENDITURE

Exploration expenditure of the Group includes the following:

	Notes	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Exploration expenditure			
TMS exploration expenditure		-	(3)
Expired lease write off ⁽ⁱ⁾		(5,672)	(9,362)
	2.2	(5,672)	(9,365)

⁽ⁱ⁾ During the reporting period costs associated with leases that have expired and for which further expenditure on renewals is not currently anticipated, were written off. Refer to note 3.1 (2023: Note 3.2).

SECTION 2: RESULTS FOR THE YEAR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2.6 SEGMENT REPORTING

RECOGNITION AND MEASUREMENT

Management has determined, based on the reports reviewed by the executive directors (the chief operating decision makers) and used to make strategic decisions, that the Group has the following reportable segments:

Oil & Gas Production

Development and production from oil and gas assets in the United States.

Other

Corporate overhead. The Group's management and administration office is located in Perth, Australia and the operating office is located in Houston, Texas.

There has been no other impact on the measurement of the Group's assets and liabilities.

US\$000	Oil & Gas Production		Other		Total	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
External revenues	19,428	20,712	-	-	19,428	20,712
Direct operating costs	(12,136)	(13,191)	-	-	(12,136)	(13,191)
Corporate	-	-	(4,346)	(5,447)	(4,346)	(5,447)
Unrealised foreign currency gain / (loss)	-	-	38	(48)	38	(48)
Other income	-	-	392	144	392	144
Share based payments	-	-	(840)	(1,121)	(840)	(1,121)
Exploration costs expensed	-	(3)	-	-	-	(3)
Adjusted EBITDA⁽¹⁾	7,292	7,521	(4,756)	(6,472)	2,536	1,046
Depletion	(2,788)	(2,920)	-	-	(2,788)	(2,920)
Depreciation	(1,251)	(2,733)	(243)	(319)	(1,494)	(3,052)
Expired lease write off	(5,672)	(9,362)	-	-	(5,672)	(9,362)
EBIT⁽²⁾	(2,419)	(7,497)	(4,999)	(6,791)	(7,418)	(14,288)
Net finance (costs) / income	(1,183)	(1,254)	330	227	(853)	(1,027)
Segment profit / (loss)	(3,602)	(8,751)	(4,669)	(6,564)	(8,271)	(15,315)

⁽¹⁾ Adjusted EBITDA represents net profit / (loss) for the year before any income tax expense or benefit, finance costs, depreciation, depletion and expired lease write off.

⁽²⁾ EBIT represents net profit / (loss) for the year before income tax expense or benefit and finance costs.

SECTION 2: RESULTS FOR THE YEAR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2.6 SEGMENT REPORTING (CONTINUED)

US\$000	Oil & Gas Production		Other		Total	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Capital expenditure						
Exploration and evaluation assets	-	-	-	-	-	-
Oil and gas assets:						
production and development						
- production	125	567	-	-	125	567
- rehabilitation provision	-	199	-	-	-	199
Other plant and equipment	-	254	5	74	5	328
	125	1,020	5	74	130	1,094

US\$000	Oil & Gas Production		Other		Total	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Segment assets	56,491	66,065	7,287	4,712	63,778	70,777
Segment liabilities	(16,642)	(15,908)	(1,325)	(1,670)	(17,967)	(17,578)

GEOGRAPHICAL SEGMENTS

The Group operates primarily in the United States of America but also has a head office in Australia. In presenting information on the basis of geographical segments, segment revenue and segment assets are grouped based on the location of operating activities.

Production from the designated segments is sold on commodity markets.

US\$'000	Revenue		Non-current assets	
	Year ended 31 Dec 2024	Year ended 31 Dec 2023	Year ended 31 Dec 2024	Year ended 31 Dec 2023
United States of America	19,428	20,712	53,884	63,583
Australia	-	-	207	331
	19,428	20,712	54,091	63,914

SECTION 2: RESULTS FOR THE YEAR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2.7 NET FINANCE EXPENSES

RECOGNITION AND MEASUREMENT

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset. Refer to section 5.6 Borrowings, for further information on debt finance costs.

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Interest income	330	227
Amortised debt finance transaction costs	(59)	(59)
Interest expense on debt finance	(1,124)	(1,195)
	<u>(853)</u>	<u>(1,027)</u>

2.8 INCOME TAX EXPENSE

Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income / equity are also recognised directly in other comprehensive income / equity.

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Income tax expense	<u>-</u>	<u>-</u>
(b) Reconciliation of income tax expense to prima facie tax payable		
(Loss) from continuing operations before income tax expense	<u>(8,271)</u>	<u>(15,315)</u>
Prima facie tax expense at the Australian statutory tax rate of 30% (31 December 2023: 30%)	<u>(2,481)</u>	<u>(4,594)</u>
Tax effect of amounts that are not deductible (taxable) in calculating taxable income		
Share-based payment expense	133	159
Other non-allowable deductions	156	207
Income tax rate difference	(530)	(1,234)
	<u>(2,722)</u>	<u>(5,462)</u>
Movements in unrecognised temporary differences	348	714
Tax effect of current year tax losses for which no deferred tax asset has been recognised	<u>2,374</u>	<u>4,748</u>
Income tax expense / (benefit)	<u>-</u>	<u>-</u>

SECTION 2: RESULTS FOR THE YEAR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2.8 INCOME TAX EXPENSE (CONTINUED)

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
(c) Tax affect relating to each component of other comprehensive income		
Cash flow hedges	-	-
	-	-
(d) Deferred tax asset		
<i>Arising from temporary differences attributable to</i>		
Other provisions and accruals	838	877
Unrealised foreign exchange loss	(11)	-
Tax losses in Australia	3,348	2,815
Tax losses in USA	28,457	27,139
Total deferred tax assets	32,632	30,831
(e) Deferred tax liability		
Oil and gas properties	21,648	21,940
Unrealised foreign exchange gain	-	14
Total deferred tax liabilities	21,648	21,954

Potential deferred tax assets have not been brought into account at 31 December 2024 (31 December 2023: Nil) as the directors do not believe that realisation of the deferred tax assets is probable at this point in time.

These benefits will only be obtained if:

- i. The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- ii. The Company continues to comply with conditions for deductibility imposed by law; and
- iii. No changes in tax legislation adversely affect the Company in realising the benefit.

TAX CONSOLIDATION

As of 1 January 2018, Australis and its 100% owned Australian resident subsidiaries are part of a tax consolidated group. As a result, from this date all members of the tax consolidated group will be taxed as a single entity. Australis is the head entity of the tax consolidated group.

Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

SECTION 2: RESULTS FOR THE YEAR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2.9 EARNINGS PER SHARE

	Year ended 31 December 2024 US cents	Year ended 31 December 2023 US cents
(Loss) per share attributable to members of the Company		
Basic (loss) per share	(0.64)	(1.21)
Diluted (loss) per share	(0.64)	(1.21)
(Loss) used in calculation of basic / diluted (loss) per share		
	US\$'000	US\$'000
Net (loss) after tax	(8,271)	(15,315)
Weighted average number of ordinary shares used as the denominator in calculating:		
	Shares	Shares
Basic (loss) per share ⁽¹⁾	1,282,746,082	1,263,190,657
Diluted (loss) per share ⁽²⁾	1,282,746,082	1,263,190,657

⁽¹⁾ Performance rights on issue are not considered to be potential ordinary shares and have not been included in the calculation of basic earnings per share.

⁽²⁾ As a loss has been recognised for the year, the exercise of performance rights is considered to be antidilutive as their exercise into ordinary shares would decrease the loss per share and as such they are excluded from the diluted loss per share calculation per AASB 133 – Earnings Per Share.

Refer to Note 7.3 for details of Performance Rights on issue.

2.10 DIVIDENDS

No dividend has been paid or is proposed in respect of the year ended 31 December 2024 (2023: Nil).

SECTION 2: RESULTS FOR THE YEAR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2.11 RECONCILIATION OF (LOSS) AFTER INCOME TAX TO NET INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Net (loss) for the year	(8,271)	(15,315)
<i>(i) Add / (less) non-cash items</i>		
Depreciation, depletion and amortisation	4,284	5,972
Share based payment expense	840	1,121
Net unrealised foreign exchange (profit) / loss	(36)	45
Amortisation of borrowing costs	56	56
Write-off expired leases	5,672	9,362
<i>(ii) Add / (less) items classified as investment / financing activities:</i>		
Net interest received	(331)	(227)
<i>(iii) Change in assets and liabilities during the financial year</i>		
(Increase) / Decrease in receivables	(532)	1,218
(Increase) in inventories	(152)	(582)
Increase in payables	1,361	1,112
(Decrease) / Increase in employee provisions	(62)	31
Net inflow from operating activities	2,829	2,793

2.12 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	31 December 2023 US\$'000	Cash Flows US\$'000	Non-cash Movements	31 December 2024 US\$'000
			Fair Value Changes US\$'000	
Borrowings	7,925	(448)	952	8,429
Total liabilities from financing activities	7,925	(448)	952	8,429

SECTION 3: INVESTED CAPITAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3.1 OIL AND GAS PROPERTIES

RECOGNITION AND MEASUREMENT

Assets in development

Upon the discovery of extractable hydrocarbons, the oil and gas assets enter the development phase. The costs of oil and gas assets in development are separately accounted for and include the transfer of past exploration and evaluation costs, development drilling and other subsurface expenditure. When the committed development expenditure programs are completed and production commences, these costs are transferred to producing assets and become subject to amortisation.

Producing assets

Producing projects are stated at cost less accumulated depletion and impairment charges. Producing projects include construction, installation or completion of production and infrastructure facilities such as pipeline, the transfer of past exploration and evaluation costs and past development costs, the ongoing costs of continuing to develop reserves for production and the provision for restoration.

In the statement of cash flows, those cash flows associated with oil and gas properties are classified as cash flows used in investing activities.

Depletion and depreciation of producing projects

Australis uses the units of production (UOP) approach when depleting producing oil and gas assets. Australis compares the actual volumes produced to the reserves to calculate a depletion rate which is applied to producing oil and gas assets.

Capitalised producing projects costs relating to commercially producing wells are depreciated/depleted using the UOP basis once commercial quantities are being produced within an area of interest. The reserves used in these calculations are the Producing reserves and are reviewed at least annually.

An area of interest (AOI) is defined by the Group as an individual geographical area whereby the presence of hydrocarbons is considered favourable or proved to exist. The Group has established criteria to recognise and maintain an AOI.

SECTION 3: INVESTED CAPITAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3.1 OIL AND GAS PROPERTIES (CONTINUED)

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Future restoration costs

The Group estimates the future rehabilitation costs of production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of restoration activities and the future removal technology available and liability specific discount rates to determine the present value of these cash flows. As at 31 December 2024 rehabilitation obligations have a carrying value of US\$2,580,000 (31 December 2023: US\$2,580,000).

Reserve estimates

Estimation of reported recoverable quantities of Proven and Probable reserves include judgemental assumptions regarding commodity prices, exchange rates, discount rates and production and transportation costs for future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. These factors used to estimate reserves may change from period to period.

Reserve estimates are used to calculate depletion of producing assets.

Depletion and depreciation

In relation to the depletion of capitalised producing oil and gas assets and the depreciation of property plant and equipment related to producing oil and gas assets, the Group uses a unit of production reserve depletion model to calculate depletion and depreciation. This method of depletion and depreciation necessitates the estimation of the oil and gas reserves over which the carrying value of the relevant assets will be expensed to the profit or loss. The calculation of oil and gas reserves is extremely complex and requires management to make judgements about commodity prices, future production costs and geological structures. The nature of reserve estimation is such that reserves are not intended to be 100% accurate but rather provide a statistically probable outcome in relation to the economically recoverable reserve. As the actual reserve can only be accurately determined once production has ceased, amortisation and depreciation expensed during the production may not on a year to year basis accurately reflect the actual percentage of reserve depleted. However, over the entire life of the producing assets all capitalised costs will be expensed to the profit or loss.

Impairment

Oil and gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Refer to Note 3.4.

SECTION 3: INVESTED CAPITAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3.1 OIL AND GAS PROPERTIES (CONTINUED)

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
At cost	151,856	157,528
Accumulated depletion and impairment ⁽¹⁾	(101,617)	(98,829)
	50,239	58,699

	Producing Projects US\$'000	Development Projects US\$'000	Total US\$'000
2024			
Balance at 1 January 2024	37,946	20,753	58,699
Additions	-	-	-
Disposals – Expired leases	-	(5,672)	(5,672)
Depletion / Depreciation charge	(2,788)	-	(2,788)
Balance at 31 December 2024	35,158	15,081	50,239
	Producing Projects US\$'000	Development Projects US\$'000	Total US\$'000
2023			
Balance at 1 January 2023	40,674	16,342	57,016
Additions	97	574	671
Disposals	(104)	-	(104)
Transfer from exploration and evaluation	-	3,837	3,837
Increase in restoration provision	199	-	199
Depletion / Depreciation charge	(2,920)	-	(2,920)
Balance at 31 December 2023	37,946	20,753	58,699

⁽¹⁾ See Note 3.4 Impairment

SECTION 3: INVESTED CAPITAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3.2 EXPLORATION AND EVALUATION ASSETS

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Opening balance	-	13,238
Additions – Lease bonus adjustment	-	(39)
Disposals – Expired leases ⁽¹⁾	-	(9,362)
Transfer to oil & gas properties – development ⁽²⁾	-	(3,837)
Closing balance	-	-

⁽¹⁾ During the year ending 31 December 2023 costs associated with leases that have expired and for which further expenditure on renewals is not currently anticipated, were written off to the profit and loss.

⁽²⁾ Costs associated with new leasing and permitting are coded directly to Oil & Gas Properties – Development

3.3 PROPERTY, PLANT AND EQUIPMENT

RECOGNITION AND MEASUREMENT

Property, plant and equipment is stated at cost less accumulated depreciation and impairment.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a reducing balance basis so as to write down the net cost or fair value of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting year.

The estimated useful lives of fixtures and fittings used in the calculation of depreciation is 2 to 10 years.

	Office Equipment US\$'000	Production Equipment US\$'000	Motor Vehicles US\$'000	Right of Use Asset US\$'000	Total US\$'000
2024					
Opening net book amount	70	4,483	228	225	5,006
Additions	5	125	-	-	130
Disposals	-	-	-	-	
Depreciation charge	(58)	(1,251)	(48)	(138)	(1,495)
Closing net book amount	17	3,357	180	87	3,641
2023					
At cost	614	14,433	367	1,001	16,415
Accumulated depreciation	(597)	(11,076)	(187)	(914)	(12,774)
Closing net book amount	17	3,357	180	87	3,641

SECTION 3: INVESTED CAPITAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3.3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Office Equipment US\$'000	Production Equipment US\$'000	Motor Vehicles US\$'000	Right of Use Asset US\$'000	Total US\$'000
2023					
Opening net book amount	145	6,962	281	342	7,730
Addition	38	254	-	44	336
Disposals	(8)	-	-	-	(8)
Depreciation charge	(105)	(2,733)	(53)	(161)	(3,052)
Closing net book amount	70	4,483	228	225	5,006
2023					
At cost	609	14,308	367	1,001	16,285
Accumulated depreciation	(539)	(9,825)	(139)	(776)	(11,279)
Closing net book amount	70	4,483	228	225	5,006

3.4 IMPAIRMENT

In accordance with the accounting standards the Group must assess at the end of every reporting period whether there is any indication that an asset may be impaired. The Group has one identified Cash Generating Unit ("CGU") being the TMS CGU.

At 31 December 2024 there was no indication of impairment (2023: nil) and therefore the Group was not required to assess the recoverable amount of the above noted CGU and its associated assets.

SECTION 4: CAPITAL AND DEBT STRUCTURE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

4.1 CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
<i>Held with Australian banks and financial institutions</i>		
Cash at bank and in hand	3,638	1,629
<i>Held with US banks and financial institutions</i>		
Cash at bank and in hand	2,598	2,134
	6,235	3,763
Cash and cash equivalents in the Cash Flow Statement comprises the following Statement of Financial Position amounts:		
Cash on hand and balances at bank	6,235	3,763
Cash and cash equivalents	6,235	3,763

SECTION 4: CAPITAL AND DEBT STRUCTURE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

4.1 CASH AND CASH EQUIVALENTS (CONTINUED)

CASH & CASH EQUIVALENTS HELD IN FOREIGN CURRENCY

	31 December 2024 Amount in Currency \$'000	31 December 2024 Amount in USD \$'000	31 December 2023 Amount in Currency \$'000	31 December 2023 Amount in USD \$'000
Cash & cash equivalents				
AUD Dollars	132	82	644	440
Euro	4	4	4	5
		86		445

Credit risk

The maximum exposure to credit risk with respect to cash and cash equivalents and the bank guarantee at the end of the reporting year is the carrying amount of each class of cash and cash equivalents set out above. The Group limits its counterparty credit risk on these assets by dealing only with financial institutions with credit ratings of at least A or equivalent.

Interest rate risk

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits earn interest at the respective short-term deposit rate.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at and during the year ended 31 December 2024, the Group's interest-bearing assets consisted of cash and cash equivalents which earned interest at 3.26% floating rate (31 December 2023: 3.48%). As such the impact on the Group's income and operating cash flows from movements in market interest rates is not considered material.

Liquidity risk

Prudent liquidity management involves the maintenance of sufficient cash and access to capital markets. It is the policy of the Board to ensure the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities by ensuring the Group has sufficient working capital and the preserving or resetting of the 15% share issue limit available to the Company under the ASX Listing Rules.

Capital risk management

The Group manages its capital to ensure entities in the Group will be able to continue as a going concern while maximising the potential return to shareholders. The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and potential investment opportunities.

On the 4th June 2018 Australis entered into a credit agreement with Macquarie Bank Limited. The key terms of the Facility can be found in Note 5.6. Under the Facility, the Group is required to maintain a minimum cash requirement of US\$1 million at all times and US\$2 million at each month end in its approved controlled Group bank accounts. As at 31 December 2024 the cash balance was \$6.2 million (31 December 2023 \$3.8 million). Refer to Note 5.6 for further information.

SECTION 4: CAPITAL AND DEBT STRUCTURE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

4.2 CONTRIBUTED EQUITY

	31 December 2024 Securities	31 December 2023 Securities	31 December 2024 US\$'000	31 December 2023 US\$'000
Share capital				
Ordinary shares	1,289,009,750	1,276,865,539	183,452	183,702
Treasury shares	-	(10,718,047)	-	(248)
Total contributed equity	1,289,009,750	1,266,147,492	183,452	183,454

(A) ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and any proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon poll every holder is entitled to one vote per share held.

B) MOVEMENTS IN CONTRIBUTED EQUITY

	Date	Number of Securities	Issue Price A\$	US\$'000
Balance at 1 January 2023		1,261,196,273		183,779
Issue to Employee Share Trust	13-Sep-23	2,000,000	0.0258	33
Issue to Non-Executive Directors (exercise of Fee Rights)	13-Sep-23	3,669,266	-	-
Issue to Employee Share Trust	20-Dec-23	10,000,000	0.0138	92
Treasury share release ⁽¹⁾		-	Various	(202)
Balance at 31 December 2023		1,276,865,539		183,702
Issue to Employees (excluding Executive Directors (settlement of 2023 achieved STI))	17-Jun-24	9,104,582	-	-
Issue to Non-Executive Directors (exercise of Fee Rights)	4-Sep-24	3,039,629	-	-
Treasury share release ⁽¹⁾		-	Various	(248)
Issue costs		-		(2)
Balance at 31 December 2024		1,289,009,750		183,452

⁽¹⁾ During the reporting periods, employees of the Company exercised their vested performance rights resulting in the release of the treasury shares to the employees.

SECTION 4: CAPITAL AND DEBT STRUCTURE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

4.2 CONTRIBUTED EQUITY (CONTINUED)

(C) TREASURY SHARES

Treasury shares are shares held in Australis Oil & Gas Limited by the Australis Oil & Gas Limited Employee Share Trust for the purpose of issuing shares under the Australis Oil & Gas Limited Employee Equity Incentive Plan. The Trust was dissolved during the year and the remaining shares held by the Trust used to satisfy the exercise of performance rights. Future exercise of performance rights will be satisfied by the issue of ordinary shares direct to employees.

	Date	Number of securities	Purchase price per share A\$	US\$'000
Balance at 1 January 2023		7,049,102		325
Performance rights exercised	Various	(8,331,055)	Various	(202)
Australis Oil & Gas Employee Share Trust subscription	13-Sep-23	2,000,000	0.025	33
Australis Oil & Gas Employee Share Trust subscription	20-Dec-23	10,000,000	0.0138	92
Balance at 31 December 2023		10,718,047		248
Australis Oil & Gas Employee Share Trust on market trade	26-Apr-24	1	0.014	-
Performance rights exercised	Various	(10,718,048)	Various	(248)
Balance at 31 December 2024		-		-

SECTION 4: CAPITAL AND DEBT STRUCTURE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

4.3 RESERVES AND ACCUMULATED LOSSES

	Year ended 31 December 2024 US \$'000	Year ended 31 December 2023 US \$'000
(a) Share-based payment reserve		
Balance at the beginning of the financial year	14,148	13,107
Share-based payment expense arising during the year	975	1,041
Balance at end of the year	15,123	14,148
(b) Foreign exchange reserve		
Balance at the beginning of the financial year	(467)	(467)
Currency translations differences arising during the year	-	-
Balance at end of the year	(467)	(467)
(c) Cash flow hedge reserve		
Balance at the beginning of the financial year	(248)	(1,682)
Change in derivatives financial instruments at fair value through comprehensive income	(90)	1,434
Balance at end of the year	(338)	(248)
(d) Accumulated losses		
Balance at the beginning of the financial year	(143,688)	(128,373)
Net (loss) for the year	(8,271)	(15,315)
Balance at end of the year	(151,959)	(143,688)

SECTION 5: OTHER ASSETS AND LIABILITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

5.1 TRADE AND OTHER RECEIVABLES

IMPAIRMENT

In determining the recoverability of a trade or other receivable, the Group performs a risk analysis considering the type and age of the outstanding receivable and the credit worthiness of the counterparties. As prescribed under AASB 9, the simplified approach has been to provide for expected credit losses, which requires the use of the lifetime expected loss provision for all trade receivables. There are no expected credit losses.

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Current assets		
Trade receivables	2,001	1,747
Other receivables	664	386
	<u>2,665</u>	<u>2,133</u>
Non-current assets		
Other receivables	211	209
	<u>211</u>	<u>209</u>

SECTION 5: OTHER ASSETS AND LIABILITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

5.1 TRADE AND OTHER RECEIVABLES (CONTINUED)

TRADE AND OTHER RECEIVABLES HELD IN FOREIGN CURRENCY

	31 December 2024 Currency Amount in \$'000	31 December 2024 Amount in USD \$'000	31 December 2023 Amount in Currency \$'000	31 December 2023 Amount in USD \$'000
Trade and other receivables				
AUD Dollars	280	175	222	152
		175		152

RISKS

Liquidity Risk

All amounts recognised as trade and other receivables are non-interest bearing and are expected to be received within the next 12 months.

Credit Risk

Trade and other receivables are non-interest bearing and are generally due for settlement within 30-60 days and therefore classified as current. No Group receivables were past due or impaired as at 31 December 2024 (2023: Nil) and there is no indication that amounts recognised as other receivables will not be recoverable in the normal course of business.

At 31 December 2024, other receivables consisted of letters of credit, security deposits and government tax refunds. Accordingly, the Group's exposure to credit risk arising from the default of third party debtors at 31 December 2024 is considered immaterial.

SECTION 5: OTHER ASSETS AND LIABILITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

5.2 INVENTORIES

RECOGNITION AND MEASUREMENT

Inventories include hydrocarbon stocks, consumable supplies and maintenance spares. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes direct costs and an appropriate portion of fixed and variable production overheads where applicable. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Oil inventory	102	196
Warehouse stores and inventory	685	771
	787	967

5.3 TRADE AND OTHER PAYABLES

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Trade payables	5,709	5,488
Other payables	401	595
	6,110	6,083

	31 December 2024 Amount in Currency \$'000	31 December 2024 Amount in USD \$'000	31 December 2023 Amount in Currency \$'000	31 December 2023 Amount in USD \$'000
Trade and other payables				
Australian Dollars	204	128	171	117
		128		117

RISKS

Liquidity risk

Trade and other payables are non-interest bearing and normally settled within 30 to 60 day terms except US\$4,011,000 (2023: US\$3,654,000) held by the Group on behalf of royalty owners. This relates to royalty payments due to owners that is held by the Group as operator until certain requirements for release of funds to the owner(s) are met. Once satisfied the payment is immediately due. All amounts recognised as trade and other payables are non-interest bearing and are expected to be settled within the next 12 months.

SECTION 5: OTHER ASSETS AND LIABILITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

5.4 DERIVATIVE FINANCIAL INSTRUMENTS

RECOGNITION AND MEASUREMENT

Derivatives are initially recognised at their fair value when the Group becomes a party to the contract. Oil price commodity contracts measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of forecast sales.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve while any ineffective portion is recognised immediately in the statement of profit or loss. The Group uses oil price commodity contracts as hedges of its exposure to commodity price risk in forecast transactions. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss usually when the hedge instrument is settled. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in equity until the transaction settlement.

Under the Macquarie Facility Agreement, Australis is obligated to fulfil minimum hedging obligations for the duration of the loan period.

The outstanding oil price hedge contracts held by the Group at 31 December 2024 are as follows:

Period of Deliver	Subject of Contract	Reference	Option Traded	Barrels	Range Put Price \$US/bbl	Range Call Price \$US/bbl	Fair Value US\$'000
Jan 2025 - Apr 2026	Oil	Nymex WTI	Collar	32,400	45.00 – 60.00	66.71 –84.00	(34)
Jan 2025 - Dec 2026	Oil	Nymex WTI	Swap	88,000	61.22 – 69.84	n/a	(304)
Total				120,400			(338)

SECTION 5: OTHER ASSETS AND LIABILITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

5.4 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

FAIR VALUE

The derivative financial instruments relate to the Group's hedging activities to hedge against cash flow risks from movements in oil price, for which hedge accounting has been applied. The fair value of the derivative financial instruments are level 2 of the fair value hierarchy and are obtained from third party valuation reports. The fair value is determined using valuation techniques which maximise the use of observable market data.

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Forward commodity contracts – cash flow hedges:		
Current ⁽¹⁾	(239)	(132)
Non-Current ⁽²⁾	(99)	(116)
	(338)	(248)

⁽¹⁾ To be settled in 2025

⁽²⁾ To be settled in 2026

RISKS

Commodity price and liquidity risk

The Group uses oil price commodity contract to manage some of its transaction exposures and reduce the variability of cash flows arising from oil sales during the year. These contracts are designated as cash flow hedges and are entered into for periods consistent with oil price exposure of the underlying transactions, generally from 1 to 36 months with volumes generally weighted to earlier periods.

Commodity price risk arises from the sale of oil denominated in US dollars. Revenue from oil and gas sales for the year ended 31 December 2024 is \$19,792,000 (2023: \$21,771,000). Impact on profit after tax based on a +/- 10% change in average oil price based on the oil volumes translated would be as follows;

Impact on profit after tax	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
If the WTI + LLS average differential price was 10% (2023: 10%) higher ⁽¹⁾	1,979	2,177
If the WTI + LLS average differential price was 10% (2023: 10%) lower ⁽¹⁾	(1,979)	(2,177)

⁽¹⁾ WTI is defined as West Texas Intermediate and LLS is defined as Louisiana Light Sweet.

SECTION 5: OTHER ASSETS AND LIABILITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

5.5 PROVISIONS

	Notes	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Current			
Employee benefit provision		360	354
		360	354
Non-current			
Employee benefit provision		86	154
Rehabilitation provision		2,580	2,580
		2,666	2,734

5.5 (a) PROVISIONS FOR EMPLOYEE BENEFITS

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Employee benefit provision	446	508
Reconciliation of movement in employee benefit provision		
Balance at beginning of year	508	476
Annual leave provision arising during the year	292	355
Long service leave arising during the year	34	22
Utilisation	(388)	(345)
Balance at end of year	446	508

A breakdown of employee benefits and charges included in the income statement can be found in Note 2.4.

SECTION 5: OTHER ASSETS AND LIABILITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

5.5 (b) PROVISIONS – REHABILITATION

RECOGNITION AND MEASUREMENT

Provision for future removal and restoration costs are recognised where there is a present obligation as a result of exploration, development, production, transportation or storage activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas.

	Notes	31 December 2024 US\$'000	31 December 2023 US\$'000
Rehabilitation provision		2,580	2,580
		2,580	2,580
Reconciliation of movement in restoration provision			
Balance at beginning of year		2,580	2,310
Increase to provision		-	345
Divesture of producing wells		-	(75)
Balance at end of year		2,580	2,580

5.6 BORROWINGS

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Interest bearing loans and borrowings		
Borrowings Current ⁽¹⁾	4,725	4,000
Borrowings Non Current ⁽²⁾	3,704	3,925
Total interest bearing loans and borrowings	8,429	7,925

⁽¹⁾ Current borrowings are made up of \$2.0m in relation to the Macquarie Facility A and \$2.7 million in relation to the Macquarie Bank Facility C loan.

⁽²⁾ Non current borrowings relate to the Macquarie Bank Facility A and C loans. The Macquarie non current borrowings are net of capitalised transaction costs.

SECTION 5: OTHER ASSETS AND LIABILITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

5.6 BORROWINGS (CONTINUED)

MACQUARIE FACILITY

Australis entered into a senior secured non-revolving facility with Macquarie Bank Limited (Facility) in June 2018. The Facility is secured over the Group's US based assets.

In March 2024, Australis TMS Inc, a wholly owned subsidiary, drew down a total of US\$6 million from a new Facility C provided by Macquarie Bank, from which US\$2 million was used to partially pay down the existing Facility A resulting in an additional US\$4 million of liquidity. In addition, upon accessing this additional liquidity, Australis received favourable Credit Facility amendments, including reduced quarterly debt amortisation payments under the Facility A repayment timetable to better match expected field cashflows and a one-year extension of the maturity date to May 2026. Hedge contracts were executed at drawdown to offset the total repayments for Facility C Principal and interest. The total amount outstanding at the balance date was US\$8.4 million (31 December 2023: US\$8.0 million) being \$5 million for Facility A and \$3.4 million for Facility C.

Australis TMS Inc obligations under the Facility are guaranteed by pledged security from the parent entity, Australis and Australis USA 1 Pty Limited a wholly owned subsidiary of Australis (Obligors). At 31 December 2024 the following remained pledged as security:

Grantor	Issuer	Percentage owned	Percentage pledged	Class of stock
Australis Oil & Gas Ltd	Australis USA 1 Pty Ltd	100%	100%	Ordinary shares
Australis USA 1 Pty Ltd	Australis TMS Inc	100%	100%	Common Stock

The security package includes mortgages on leases held by Australis TMS Inc. within existing PDP units and leases within units of the Initial Drilling Plan locations.

Under the Facility there are industry standard financial covenants which include minimum liquidity, current asset and liability ratio, PDP reserves ratio, achievement of G&A reductions, and oil price hedging covenant requiring a minimum volume of projected oil production hedged for the remaining term of the Facility.

Upon drawdown of the Facility C, as a condition precedent, Australis entered into monthly WTI oil swap hedging contracts covering 100,000 barrels securing the repayment of the full amount of the Facility C loan and associated interest in monthly instalments equalling the monthly hedge settlement values.

Australis is in compliance with all required covenants.

	2024		2023	
	Carrying amount US\$'000	Fair value US\$'000	Carrying amount US\$'000	Fair value US\$'000
Borrowings	8,429	8,448	7,925	8,000
	8,429	8,448	7,925	8,000

The borrowings are net of capitalised transaction costs. *The fair value of borrowings are not materially different from the carrying amount as the interest payable on borrowings approximates market rates.*

SECTION 5: OTHER ASSETS AND LIABILITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

6.1 CONTROLLED ENTITIES

The consolidated financial statements of the Group include the following subsidiary companies:

	Principal activities	Country of Incorporation	% Equity interest 31 December	
			2024	2023
Australis Europe Pty Limited	Oil & gas exploration	Australia	100%	100%
Australis USA 1 Pty Limited	Oil & gas exploration	Australia	100%	100%
Australis TMS Inc	Oil & gas exploration	United States	100%	100%
Australis Services Inc	Oil & gas exploration	United States	100%	100%

SECTION 6: GROUP STRUCTURE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

6.2 PARENT ENTITY INFORMATION

Select financial information of the parent entity, Australis Oil & Gas Limited, is set out below:

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Summary financial information		
Current assets	4,533	4,838
Non-current assets	41,753	48,958
Total assets	46,286	53,796
Current liabilities	(288)	(444)
Non-current liabilities	(187)	(153)
Total liabilities	(475)	(597)
Net assets	45,811	53,199
Contributed equity	183,452	183,702
Treasury shares	-	(248)
Share-based payment reserve	15,123	14,148
Foreign currency translation reserve	10	10
Accumulated losses	(152,774)	(144,413)
Total equity	45,811	53,199
(Loss) for the year	(8,361)	(12,401)
Total comprehensive (loss) for the year	(8,361)	(12,401)

Australis Oil & Gas Limited had no contingent liabilities or contractual obligations as at 31 December 2024 (31 December 2023: Nil).

Australis Oil & Gas Limited has pledged security to wholly owned subsidiary Australis TMS Inc to guarantee the obligations under the Macquarie Facility. Refer to Note 5.6 for further details.

SECTION 6: GROUP STRUCTURE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

7.1 JOINT ARRANGEMENTS

Australis holds through an indirect wholly owned subsidiary approximately an average 96% working interest in 30 operated producing wells and an average 10% working interest in 21 non-operated wells held in the TMS, onshore USA.

7.2 OIL AND GAS LEASES AND CONCESSIONS

At 31 December 2024 Australis holds approximately 48,000 net acres in the TMS core (31 December 2023: 61,400 net acres).

7.3 SHARE BASED PAYMENTS

The Group provides benefits to its employees (including Key Management Personnel) in the form of share-based payments whereby employees render services for shares (equity-settled transactions).

PERFORMANCE RIGHTS

An employee incentive plan (EI Plan) operates to provide incentives to employees. Participation in the plan is for invited employees of the Group.

Performance Rights were issued during the year at nil consideration as part of the annual long term incentive awards (LTI Awards). These rights vest subject to meeting certain performance hurdles in annual tranches over a three year period and upon vesting, each Performance Right can either be exercised, within two years (for Australian residents) or is automatically exercised (for North American residents), for no additional cost into an ordinary share in the parent entity.

Testing of the Performance Rights will occur at the conclusion of each annual performance period and any Performance Rights remaining unvested (i.e. not meeting a performance hurdle) from either the first or second annual performance period may be retested at and in accordance with the performance requirements of the third performance period.

The performance period is each calendar year. The Performance Rights granted are tested for vesting on the basis of 1/7th for the year of grant, and 2/7th and 4/7ths each following year respectively. For 2024 grant, the performance hurdles for vesting of Performance Rights is continued employment and based on seniority an increasing portion is subject to additional hurdles relating to the total shareholder return (TSR) on an "absolute" basis as follows:

- Absolute TSR – at the vesting date of a particular tranche of Performance Rights that are subject to the Absolute TSR hurdle the following occurs. The Australis volume weighted average share price (VWAP) for the month of December prior to the vesting date is compared to the Performance Right issue price, the outcome of which is measured to a pre-set range of outcomes that stipulate the percentage of Performance Rights that vest.

SECTION 7: OTHER NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

7.3 SHARE BASED PAYMENTS (CONTINUED)

Grants prior to 2024 had an additional performance hurdle for senior staff relating to total shareholder return (TSR) on a “relative” basis as follows:

- Relative TSR - at the vesting date of a particular tranche of Performance Rights that are subject to the Relative TSR hurdle the following occurs. An absolute TSR is calculated for Australis by comparing the Australis VWAP for the month of December prior to the vesting date to the Performance Right issue price. The absolute TSR's for a peer group of companies listed on the ASX is then calculated by reference to each companies VWAP for December prior to grant of the Performance Right and each companies VWAP for the December prior to the vesting date. If at the vesting date the Australis absolute TSR is ranked lower than the 50th percentile within the peer group, 0% of the eligible rights vest. For each percentile increment the Australis TSR ranking within the peer group exceeds the 50th percentile of the peer group, 2% of the Performance Rights in that particular tranche that are subject to Relative TSR hurdles will vest.

The Performance Rights are not listed and carry no dividend or voting rights. Upon exercise, each Performance Right is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

For 2024 and 2023 the non-executive directors agreed to the settlement of a portion of their base fees in performance rights (Fee Rights A). The performance rights were issued for nil consideration and vest on 31 January 2025 (2023: 31 January 2024) subject to continuous service requirements. The performance rights were not issued under the EI Plan. The number of performance rights granted was based on the amount of fees agreed to be settled in equity and a deemed issue price of 2.72 cents (2023: 4.01 cents) which was based on the Company's volume weighted average price for the year to 31 December 2023. The fair value of services received in return for the performance rights granted are measured by reference to the fair value of performance rights granted. The estimate of the fair value of the services received is measured through the use of a Monte-Carlo simulation model which determines the probability of the market conditions being fulfilled at the vesting dates and, as such, whether rights will vest.

The movement of Performance and Fee Rights in the year is set out below:

	Year ended 31 December 2024 Number	Year ended 31 December 2023 Number
Balance at beginning of year	121,168,091	84,118,770
- Granted ⁽¹⁾	58,230,259	63,731,277
- Exercised ⁽²⁾	(17,549,107)	(14,830,958)
- Forfeited ⁽³⁾	(9,577,249)	(10,209,446)
- Lapsed ⁽³⁾	(4,892,772)	(1,641,552)
Balance at end of year	147,379,222	121,168,091
Vested at end of the year	11,354,329	7,470,028

⁽¹⁾ During the year ended 31 December 2024 Australis issued 52,249,695 performance rights (2023: 58,607,113) to certain employees and executive directors under the EI plan. In addition, 5,980,564 fee rights A (2023: 5,124,164) were issued to non-executive directors in lieu of forgoing cash fees.

⁽²⁾ During the year ended 31 December 2024 17,549,107 (2023: 14,830,958) vested performance rights were exercised by employees.

⁽³⁾ During the year ended 31 December 2024 9,577,249 (2023: 10,209,446) unvested performance rights were forfeited by employees and 4,892,772 (2023: 1,641,552) unvested performance rights lapsed due to non-achievement of vesting conditions.

SECTION 7: OTHER NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

7.3 SHARE BASED PAYMENTS (CONTINUED)

RECOGNITION AND MEASUREMENT

The fair value of services received in return for the performance rights granted are measured by reference to the fair value of performance rights granted. The estimate of the fair value of the services received is measured through the use of a Monte-Carlo simulation model which determines the probability of the market conditions being fulfilled at the vesting dates and, as such, whether rights will vest.

PERFORMANCE RIGHTS FAIR VALUE ASSUMPTIONS

Grant Dates	14 May 2024	26 May 2023
- Share price	A\$0.014	A\$0.034
- Expected volatility ⁽²⁾	80%	70%
- Risk free rate ⁽³⁾	4.01%	3.23%
- Dividend yield	0%	0%

⁽¹⁾ Share price represents the share price at close of trade prior to the date of grant.

⁽²⁾ Expected price volatility is based on the historical volatility from the first date of trading to the valuation date and adjusted for any future impacts on volatility.

⁽³⁾ Risk free rate of securities with comparable terms to maturity.

EXPENSE ARISING FROM SHARE BASED PAYMENT TRANSACTIONS

The total expense arising from share based payment transactions recognised during the reporting year as part of employee benefit expense were as follows:

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Performance rights expense	840	1,121
	840	1,121

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes Option Pricing Model.

The Performance Rights are valued using the Monte-Carlo Simulation model for the Absolute TSR Performance Rights and the Hoadley's model for the Relative TSR Performance Rights.

The expense is apportioned pro-rata to reporting periods where vesting periods apply.

SECTION 7: OTHER NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

7.4 RELATED PARTY DISCLOSURES

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no transactions with related parties during the year (2023: Nil).

KEY MANAGEMENT PERSONNEL

Further detailed disclosures relating to the 7 key management personnel (2023: 7) are set out in the Remuneration Report section.

	Year ended 31 December 2024 US\$	Year ended 31 December 2023 US\$
Base remuneration, short-term incentives and benefits (including annual leave provision)	1,020,270	1,190,397
Post-employment benefits	75,434	77,733
Share-based payments	327,260	472,895
	1,422,964	1,741,025

SUBSIDIARIES

Interests in subsidiaries are set out in Note 6.1.

TRANSACTIONS WITH WHOLLY-OWNED CONTROLLED ENTITIES

Australis subscribed for shares in its wholly owned controlled entities to fund working capital contributions. In addition to this advances that were previously made to other related entities were converted to equity.

TRANSACTIONS WITH OTHER RELATED PARTIES

No transactions with other related parties have been entered into in respect of the year ended 31 December 2024 (2023: Nil).

SECTION 7: OTHER NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

7.5 CONTINGENCIES

The company had no contingent liabilities as at 31 December 2024 (31 December 2023: Nil).

7.6 AUDITOR'S REMUNERATION

The Auditor of Australis Oil & Gas Limited is BDO Audit Pty Ltd. During the year the following fees were paid for services provided by the auditor of the Group.

	Year ended 31 December 2024 US\$'000	Year ended 31 December 2023 US\$'000
Auditors of the Group – BDO and related network firms		
BDO Audit Pty Ltd for		
Audit and assurance services:		
Audit and review of financial statements	90	80
Total remuneration of BDO Audit Pty Ltd	90	80
Total auditor's remuneration	90	80

During the year BDO Audit (WA) Pty Ltd resigned as the Company's Auditor and BDO Audit Pty Ltd was appointed at the Company's Annual General Meeting held on 14 May 2024. The change of auditor arose as a result of BDO Audit (WA) Pty Ltd restructuring its audit practice whereby audits will be conducted by BDO Audit Pty Ltd, an authorised audit company, which replaced BDO Audit (WA) Pty Ltd.

7.7 EVENTS AFTER REPORTING DATE

No events have occurred since 31 December 2024 that would materially affect the operations of the Group, the results of the Group or the state of the affairs of the Group not otherwise disclosed in the Group Financial Statements.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of entity	Type of Entity	% of share capital	Place of incorporation	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
Australis Oil & Gas Limited	Body corporate	100%	Australia	Australian	n/a
Australis TMS Inc	Body corporate	100%	USA	Foreign	USA
Australis Europe Pty Limited	Body corporate	100%	Australia	Australian	n/a
Australis USA 1 Pty Limited	Body corporate	100%	Australia	Australian	n/a
Australis Services Inc	Body corporate	100%	USA	Foreign	USA

BASIS OF PREPARATION

The consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

DIRECTORS' DECLARATION

In the Director's opinion:

- a. The financial statements and accompanying notes set out on pages 64 to 110 are in accordance with the *Corporations Act 2001*, including:
 - i. Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the financial year ended on that date.
- b. There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable;
- c. The consolidated entity disclosure statement on page 110 is true and correct, and
- d. The financial statements and accompanying notes are presented in compliance with IFRS and interpretations adopted by the International Accounting Standards Board; and

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 31 December 2024.

For and on behalf of the Board



Jonathan Stewart
Chairman

Perth, Western Australia
26 February 2025

AUDITOR'S INDEPENDENCE DECLARATION



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PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF AUSTRALIS OIL & GAS LIMITED

As lead auditor for the audit of Australis Oil & Gas Limited for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Australis Oil & Gas Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'P. Murdoch', with a long horizontal flourish extending to the right.

Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
26 February 2025

INDEPENDENT AUDIT REPORT



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INDEPENDENT AUDITOR'S REPORT

To the members of Australis Oil & Gas Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australis Oil & Gas Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDIT REPORT



Impairment assessment of Tuscaloosa Marine Shale (TMS) Cash Generating Unit (CGU)

Key audit matter	How the matter was addressed in our audit
<p>The Group's carrying value of its TMS CGU, which includes Oil and Gas Properties, Production Equipment and Exploration Expenditure as disclosed in notes 3.1, 3.2, 3.3 and 3.4, represents a significant asset. According to Australian Accounting Standards, the Group must assess whether there are any indicators of impairment for the TMS CGU.</p> <p>The assessment of impairment indicators involves significant judgement in evaluating a range of external and internal factors to determine if the assets held within the CGU require impairment testing to be undertaken in accordance with Australian Accounting Standard AASB 136 <i>Impairment of Assets</i>. Consequently, this matter was identified as a key audit matter.</p>	<p>Our work included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the Group's identification of CGU's and the allocation of assets to the TMS CGU on our understanding of the Group's business and internal reporting; • Reviewing the Group's rights and interest over acreage held as at reporting date; • Evaluating and challenging management's assessment of impairment indicators by: <ul style="list-style-type: none"> • comparing commodity price assumptions at 31 December 2024 to independent consensus forecast and historical oil and gas pricing; • assessing economic indicators for potential impacts on appropriate discount rates; • reviewing the most recent oil and gas reserve information from management's external specialist for changes in reserve estimates and recoverable values; • assessing the qualifications, competence and objectivity of the Group's internal and external experts; and • Assessing the basis for the oil & gas expenditure written off to the profit and loss as disclosed in note 3.1; and • Reviewing the Director's minutes and ASX announcements for consistency with management's assessment impairment indicators.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDIT REPORT



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 47 to 63 of the directors' report for the year ended 31 December 2024.

INDEPENDENT AUDIT REPORT



In our opinion, the Remuneration Report of Australis Oil & Gas Limited, for the year ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO


Phillip Murdoch

Director

Perth, 26 February 2025

ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 13 January 2025.

1. TWENTY LARGEST SHAREHOLDERS

Ordinary shares	Number	Percentage
UBS Nominees Pty Ltd	65,761,467	5.10%
Citicorp Nominees Pty Limited	50,155,938	3.89%
Zero Nominees Pty Ltd <5063463 A/C>	40,000,000	3.10%
Epicure Superannuation Pty Ltd <Epicure Superannuation A/C>	34,077,459	2.64%
JK Stewart Investments Pty Ltd <The Stewart Investment A/C>	33,392,858	2.59%
Sambold Pty Ltd <Sunshine Super Fund A/C>	32,000,000	2.48%
Mr Andrew McKenzie & Mrs Catherine McKenzie <A W McKenzie Super Fund A/C>	30,500,000	2.37%
Barrell Energy Inc	23,100,849	1.79%
Gilmour Superannuation Pty Ltd <Gilmour Super Fund A/C>	22,914,694	1.78%
I G Lusted Pty Ltd <Lusted Family Super Fund A/C>	19,785,181	1.53%
Newpark Investments Pty Ltd	13,500,000	1.05%
Everzen Holdings Pty Ltd <Lusted Family A/C>	11,954,886	0.93%
JK Stewart Investments Pty Ltd <The Leake Street Investment Trust>	11,727,165	0.91%
Mr Charles Robert Dirck Wittenoom	10,709,339	0.83%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client>	10,631,892	0.82%
Avalon Valley Pty Ltd <The GR & TJ Dowland S/F A/C>	10,046,428	0.78%
Chester Nominees WA Pty Ltd <M W Wilson Super Fund A/C>	10,000,000	0.78%
Mr Jay Hughes & Mrs Linda Hughes <Inkese Super A/C>	10,000,000	0.78%
Ms Anna Czarnocka <Czarnocka Family A/C>	9,600,000	0.74%
Ice Cold Investments Pty Ltd <G & J Brown Super Fund A/C>	9,500,000	0.74%
Total top 20	459,358,156	35.64%
Other	829,651,594	64.36
Total ordinary shares on issue as at 13 January 2025	1,289,009,750	100%

ASX ADDITIONAL INFORMATION

2. SUBSTANTIAL SHAREHOLDERS

Set out below are the names of the substantial holders and the number of equity securities held by those substantial holders (including those equity securities held by their associates), as disclosed in the substantial holding notices given to the company:

Shareholder	Date lodged	As at date of lodgment	
		Number of shares	Percentage
TIGA Trading Pty Ltd	31 March 2020	63,275,397	6.42%
Jon Stewart, Carolyn Stewart, Epicure Superannuation Pty Ltd and JK Stewart Holdings Pty Ltd	14 March 2019	62,977,859	6.43%

3. DISTRIBUTION OF EQUITY SECURITIES

	Ordinary shares	Shares %	Ordinary Shares No of Holders	Performance Rights	Fee Rights	Unlisted securities %	Unlisted securities No of Holders
1 - 1,000	8,788	-	74				
1001 - 5000	338,792	0.03%	119				
5,001 – 10,000	2,022,365	0.16%	236				
10,001 - 100,000	44,816,934	3.48%	1,079				
100,001 and Over	1,241,822,871	96.33%	791	136,274,494	11,104,728	100%	27
	1,289,009,750	100%	2,299	136,274,494	11,104,728	100%	27
Unmarketable parcels	27,000,542		1,275				

4. VOTING RIGHTS

See section 4.2 and 7.3.

5. ON-MARKET BUY BACK

There is currently no on-market buy back program for any of Australis's listed securities.

6. COMPANY SECRETARY, REGISTERED AND PRINCIPAL ADMINISTRATIVE OFFICE AND SHARE REGISTRY

Details can be found in the Corporate Directory of the Annual Report.

7. LIST OF INTERESTS IN MINING TENEMENTS AND PETROLEUM LEASES

Location	Tenement	Net Acres
Mississippi / Louisiana	Tuscaloosa Marine Shale	48,000
US TOTAL		48,000

CORPORATE DIRECTORY

DIRECTORS

Mr Jonathan Stewart

Non-executive Chairman

Mr Alan Watson

Independent non-executive Director

Mr Steve Scudamore

Independent non-executive Director

Mr Ian Lusted

Chief Executive Officer and Managing Director

Mr Graham Dowland

Chief Financial Officer and Finance Director

COMPANY SECRETARY

Ms Julie Foster

REGISTERED AND PRINCIPAL OFFICE

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Facsimilie: +61 8 9220 8799

OFFICE IN NORTH AMERICA

Australis TMS Inc.

333 Clay Street, Suite 3680
Houston, Texas, USA 77002-4107
Telephone: +1 (346) 229 2525

SHARE REGISTRY

Computershare Investor Services Pty Ltd

Level 17, 221 St Georges Terrace
Perth, Western Australia 6000
Telephone: +61 8 9323 2000
Facsimilie: +61 8 9323 2033

SOLICITOR

Gilbert & Tobin

Level 16, Brookfield Place Tower 2
123 St Georges Terrace, Perth, WA 6000

STOCK EXCHANGE LISTING

The ordinary shares of Australis Oil & Gas Limited are listed on the Australian Securities Exchange (Ticker code: ATS)

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