For Immediate Release ASX Announcement

28 February 2017

Australis agrees transformational US shale acquisition Includes production and cashflow and Proposed new share issue

Large operated acreage position in an emerging oil producing shale basin with significant development potential

ACQUISITION HIGHLIGHTS

- Acquisition of all of the Tuscaloosa Marine Shale (**TMS**) assets of Encana Oil & Gas (USA) Inc a subsidiary of Encana Corporation
- Assets adjacent to existing 38,000 acre joint venture position, Australis interest 50%
- The TMS is located along the Louisiana/Mississippi border, is depositionally similar to the Eagle Ford in Texas and is one of the few remaining undeveloped shale basins in the United States
- Net oil production of 1,900bbls/d as at contract effective date of 1 November 2016
- Acquisition includes a focus area of 62,000 operated net acres (35% Held By Production (**HBP**)) within the oil production defined TMS Core area
- Contiguous with Australis' existing acreage position and increases TMS Core position from 19,000 net acres to 81,000 net acres, making Australis the largest holder in the oil rich TMS Core
- PDP reserves of 5.0 million bbls independently valued at US$95million (NPV10, forward strip 1/2/17)
- Additional 2C Resource of 80 million bbls oil, 106 million bbls oil total post acquisition
- Acquiring 215 potential future well locations (at approx. 250 acre spacing), 291 potential future well locations total post acquisition
- Acquisition price of US$80 million (which is subject to adjustments, principally for oil sales post contract effective date and until closing)

FINANCIAL HIGHLIGHTS

- Commitments received for a conditional share placement to raise A$100 million (before costs) to add to 1 January 2017 cash of A$30 million
- Approximately 434.78 million new fully paid ordinary shares at A$0.23 per share conditional upon shareholder approval and the acquisition completion conditions being satisfied or waived
- A$25 million cash, proforma, as at 1/1/ 2017, post equity raising and acquisition (after direct costs)
- Acquired production estimated by Ryder Scott to generate US$41 million of net cashflow to Australis over the next two years based on the forward strip at 1 February 2017 and current field costs

AUSTRALIS OIL & GAS LIMITED
ABN 34 609 262 937
Suite 20, Level 2, 22 Railway Road, Subiaco, WA, 6008 • PO Box 121, Subiaco, WA, 6904
T +61 (8) 9380 2750 • **F** +61 (8) 9380 2799
www.australisoil.com

Summary pre & post-Asset acquisition and placement	Current	Proforma	Increase
Net TMS Core leased (focus) acres	19,000	81,000 (25% HBP)	326%
Net production as at 1 Nov 16 (bbls/day)	-	1,900	-
PDP oil reserves (million bbls, net)	-	5	-
2C oil resources (million bbls, net)	26	106	308%
Well inventory (future locations, net)	75	290	287%
Market capitalisation at A$0.23/share (A$ million)	A$79	A$179	227%

THE ACQUISITION

Australis Oil & Gas Limited (**Australis**) through its indirect wholly-owned American subsidiary, Australis TMS Inc., has entered into a Purchase & Sale Agreement (**PSA**) with Encana Oil & Gas (USA) Inc. (**Encana**), a wholly-owned subsidiary of Encana Corporation, to acquire all of Encana's TMS assets (**Assets**) for cash consideration of US$80 million, subject to closing adjustments.

The Assets include:

- Working interests in 31 operated and producing wells (29 net wells) and 16 non operated producing wells (1.6 net wells)
- 62,000 net acres leased (35% HBP) within the production defined TMS Core area and within Permitted Drilling Units
- A further 60,000 acres within the TMS Core area outside of existing Permitted Drilling Units
- Considerable high quality technical data and knowledge transferance by Encana

Following completion of the acquisition, Australis will hold the largest net acreage position in the oil rich TMS Core, operating in total over 100,000 net acres, some with existing oil production and cashflow. Independent engineers, Ryder Scott Company LP, place a pre-tax NPV 10 value of US$95 million for the Asset Proved Developed and Producing (**PDP)** oil reserves of 5.0 million bbls as at 1 February 2017 (the Investor Presentation contains further disclosure on the Ryder Scott report). The net acreage position provides Australis with significant upside. Ryder Scott estimates 80.2 million bbls of 2C oil resources based on an 8% recovery and 215 future well locations using approximately 250 acre spacing between each well.

The acquired acreage position is contiguous with Australis' existing 50% working interest in 38,000 acres within the TMS Core. This existing position was recently assessed by Ryder Scott with 26.4 million bbls 2C contingent resources comprising 76 future net well locations using approximately 250 acre spacing between each well.

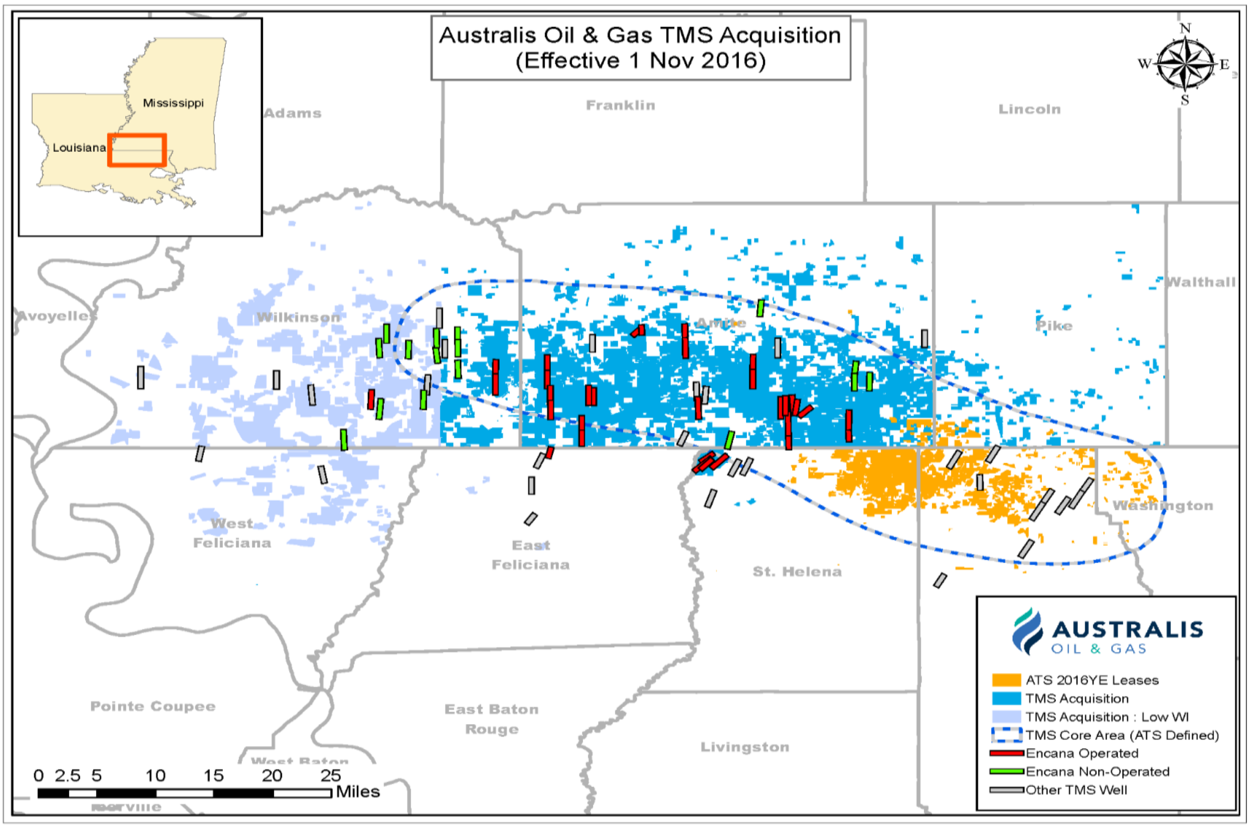
Commenting on the transaction Chairman Jonathan Stewart stated "*The TMS Asset acquisition is the transformational acquisition we have been looking for since we formed Australis in late 2014. We've looked at many opportunities, have remained patient and in our view nothing we have seen compares to the fundamental value and considerable upside potential that this transaction delivers.*

"We see many parallels to the early days of the Eagle Ford. We believe that our Aurora Oil & Gas experience in the Eagle Ford from discovery to full development and then sale in 2014 offers us key learnings to apply to generating significant value for shareholders. Australis will become the largest holder in one of the few remaining undeveloped oil producing shale basins in the United States and our large position is in the productive oil rich core of the TMS.

"*This acquisition also meets the strategic objectives we set at establishment of the Company and reconfirmed at IPO. The Assets have existing production, positive cashflow, large undeveloped resources, control over* *timing and amount of capital expenditure and solid and improving economics. The transaction together with our existing TMS position provides the platform for significant value creation for Australis shareholders."*

"The considerable support offered by existing and new shareholders to achieve this result is appreciated and together with pre-existing cash balances and cash flow provides management with funding to progress its plans through 2017 and in to 2018."

Land (Lease) Description	TMS Core Acres
Acreage – Australis Existing Position	
▪ Undeveloped – acreage (net acres)	**19,000**
Acreage – Encana acquisition	
▪ Held by Production (net acres)	**22,000**
▪ Undeveloped acreage in Permitted Drilling Units (net acres)	**40,000**
Total Focus TMS Core Net Acres post acquisition	**81,000**
▪ Additional undeveloped acreage (net acres)	**60,000**
Total TMS Core Net Acres post acquisition	**141,000**



Planned Development Activity for 2017

Following completion of the acquisition, Australis will assume operatorship of the Assets and the current Encana field staff will be offered positions within Australis. Initial activity will focus on maintaining and extending certain leases within the 40,000 net acres located within existing Permitted Drilling Units. This activity is intended to be funded from cashflow.

Australis intends to include third parties also involved in the TMS in the next phase of development activity which is likely to be a small number of wells drilled in early 2018 within existing Permitted Drilling Units.

Post completion, Australis will hold over 122,000 net acres within the TMS Core which together with its existing 19,000 net acres in the core offers considerable flexibility for financing and partnering alternatives.

The PSA

Australis has deposited an amount equal to 10% of the purchase price of the Assets with an escrow agent (**Deposit**), to be applied towards the final purchase price at completion. The final purchase price will be subject to adjustments including to reflect the period between the effective date of 1 November 2016 and the completion date, estimated to be mid April 2017. The principle adjustments will be net field revenue earned by Australis for the approximate 5.5 month period less any capital expenditure relating to lease extension payments and field overheads during this period.

The acquisition is subject to various standard transaction conditions, including the payment of the remaining purchase price at completion. The purchase will be funded by existing cash and proceeds from the capital raising which is expected to complete in mid April, subject to shareholder approval and following satisfaction or waiver of the other conditions to completion. If Australis is not able to complete due to an inability to pay the purchase price, Australis will forfeit the Deposit. If Encana do not close the transaction and all other conditions are met, then Australis will be paid a US$8 million break fee.

The PSA (including the conditions and potential adjustments to the purchase price), the Assets and the Ryder Scott report are described in the Investor Presentation also provided to the ASX today and which forms part of this announcement.

SHARE PLACEMENT & FINANCIAL CAPACITY

Australis has received commitments from institutional and sophisticated investors for a conditional share placement of 434,782,609 ordinary fully paid shares to raise A$100 million at a fixed price of A$0.23 per new Australis share, representing an 8% discount to the last close price on 22 February 2017. The issue is not underwritten. The raising was strongly supported by existing shareholders and new investors.

The funds from the conditional placement will be used to settle the acquisition of the Assets and for working capital purposes. New shares will rank equally with existing shares on issue.

Settlement of the share placement is conditional upon shareholder approval (for the purposes of ASX Listing Rule 7.1, to be sought at a General Meeting (GM) expected to be held in April 2017) and the acquisition completion conditions being satisfied or waived (other than the payment of funds due at completion).

A notice of meeting for the GM will be despatched shortly for shareholders to consider the proposed issue of shares under the conditional placement. The board and senior management of Australis directly and indirectly hold in aggregate 28.8% of the existing share capital and have signed irrevocable letters of intention to vote in favour of the share issue.

Following completion of the acquisition and share placement, after direct costs, the Company's pro forma 1 January 2017 cash is A$25 million. In addition, the Company estimates it will receive approximately US$41 million in net free cash flow based on the Ryder Scott forecasts for net revenue from the production from the field for the period to 31 December 2018. The revenue estimate is based on the forward strip pricing as at 1

February 2017 and operating costs are based on the historical costs incurred. Please refer to the presentation attached which contains summaries of the assumptions made by Ryder Scott and details of the associated risks with forecasts.

The sole lead manager and book runner to the conditional placement was Euroz Securities Limited. Gilbert + Tobin acted as Australian legal adviser and Latham & Watkins acted as US legal adviser to Australis.

The EGM is expected to be held in mid April 2017 and closing of the acquisition is expected shortly thereafter.

FURTHER INFORMATION

All numbers are rounded. Further details about the acquisition of the Encana TMS Assets and the conditional placement are set out in the Investor Presentation also provided to the ASX today and which forms part of this announcement. The Investor Presentation contains important information including key risks.

Please refer to the Company's website for further details of this transaction - www.australisoil.com

For further information, please contact:

Ian Lusted
Managing Director
Australis Oil & Gas Limited
+61 8 9380 2750

Shaun Duffy
FTI Consulting
+61 8 9485 8888

-end-

Future performance: This announcement contains certain forward-looking statements and opinion. Generally, words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. The forward-looking statements, opinion and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Australis. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast.

Australis Oil & Gas Limited

28 February 2017

Not for release or distribution in the USA

Highly accretive acquisition creates largest TMS Core acreage holder and producer

Important Notice and Disclaimer

This presentation has been prepared by Australis Oil & Gas Limited ACN 609 262 937 (ASX : ATS) (**Australis**).

Summary of information: This presentation contains general and background information about Australis' activities and the proposed acquisition current as at the date of the presentation and should not be considered to be comprehensive or to comprise all the information that an investor should consider when making an investment decision. The information is provided in summary form, has not been independently verified, and should not be considered to be comprehensive or complete. The information in this presentation remains subject to change without notice. Australis is not responsible for providing updated information and assumes no responsibility to do so.

Professional or Sophisticated Investor: This presentation is being provided to you on the basis that you are, and you represent and warrant that a) if you are in Australia, you are a "professional investor" or "sophisticated investor" (as those terms are used in section 708(11) and section 708(8) respectively of the Corporations Act 2001 (Cth) ("Corporations Act")) and are also, in each case, a "wholesale client" (as defined in section 761A of the Corporations Act); or b) if you are outside Australia, you are a person to whom an offer and issue of securities can be made outside Australia without registration, lodgement or approval of a formal disclosure document or other filing in accordance with the laws of that foreign jurisdiction, and in either case, you are not in the United States and you are not a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended) ("U.S. Person") and you are not acting for the account or benefit of any U.S. Person.

Not financial product advice: This presentation is not financial product, investment advice or a recommendation to acquire Australis securities and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Australis is not licensed to provide financial product advice in respect of its securities or any other financial products. Cooling off rights do not apply to the acquisition of Australis securities. Australis assumes that the recipient is capable of making its own independent assessment, without reliance on this document, of the information and any potential investment and will conduct its own investigation.

Disclaimer: Australis and its related bodies corporate and each of their respective directors, agents, officers, employees and advisers expressly disclaim, to the maximum extent permitted by law, all liabilities (however caused, including negligence) in respect of, make no representations regarding, and take no responsibility for, any part of this presentation and make no representation or warranty as to the currency, accuracy, reliability or completeness of any information, statements, opinions, conclusions or representations contained in this presentation. In particular, this presentation does not constitute, and shall not be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Australis.

Future performance: This presentation contains certain forward-looking statements and opinion. Generally, words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. The forward-looking statements, opinion and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Australis. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast.

Not an offer: This presentation is for information purposes only. This presentation is not, and should not be considered as, an offer or an invitation to acquire securities in Australis or any other financial products and neither this document nor any of its contents will form the basis of any contract or commitment. This presentation is not a prospectus and does not contain all the information which would be required to be contained in a prospectus. Offers of securities in Australis will only be made in places in which, or to persons to whom it would be lawful to make such offers. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of Australis.

Monetary values: Unless otherwise stated, all dollar values are in Australian dollars (A$). The information in this presentation remains subject to change without notice.

Directors / Management

Demonstrated track record in oil & gas

Jon Stewart - Chairman

- 25 years in the upstream oil and gas industry
- Founder and former Chairman and CEO of Aurora Oil & Gas
- Founder & Director of Dana Petroleum and EuroSov Petroleum PLC (CEO) (1999 merger with Sibir Energy PLC - MD)
- EY 2014 Australian Entrepreneur of the Year – Listed Company Category
- Qualified Chartered Accountant

Ian Lusted – MD & CEO

- 20 years in the upstream oil & gas industry
- Former Technical Director of Aurora Oil & Gas
- Founder of Leading Edge Advantage, an advanced drilling project management consultancy
- Founder and Technical Director Cape Energy, a private equity backed oil and gas company
- Drilling engineer / supervisor at Shell International

Michael Verm – US based COO

- 36 years experience in the oil & gas industry
- Petroleum Engineer
- Former COO of Aurora Oil & Gas

Graham Dowland – CFO & FD

- 25 years experience in the oil and gas industry
- Founding and former Finance Director of Aurora Oil & Gas
- Former Executive Director of Hardman Resources NL
- Former Finance Director of EuroSov Petroleum PLC and Sibir Energy PLC
- Qualified Chartered Accountant

Alan Watson – NED

- 30 years previous experience in international investment banking
- Former Non Exec Director of Aurora Oil & Gas
- Chairman of Pinnacle Investment Management Group Limited (ASX:PNI)

Steve Scudamore – NED

- Over 3 decades experience in Corporate Finance with KPMG Australia, London and PNG
- Senior roles with KPMG include Chairman (WA) and National head of valuations
- Former Non Exec Director of Aquila Resources
- Non Executive Director at Altona Mining

Transformational deal delivering on strategy

Strategy to maximise shareholder value

- We believe the Tuscaloosa Marine Shale (**TMS**), in which we already participate, represents a very significant opportunity for Australis, principally due to timing and quirks of history
- Australis has secured a compelling acquisition with the purchase price less than proved developed producing (PDP) BT NPV(10)
- Australis will have the largest acreage exposure to the production delineated core area of the TMS play
- Existing production acquired will fund planned lease program and planning for and execution of 2018 operations
- Land strategy generates very flexible forward program – timing and capex commitments
- By early 2018 Australis will operate a significant inventory of future well locations on conservative well spacing assumptions
- Attractive asset for future funding options as play evolves
- Post acquisition Australis holds more than 100 million bbls of oil resource, contingent on development only
- Platform for significant value growth for shareholders

TMS is one of the few remaining undeveloped US onshore resource plays

Significant TMS acreage, existing production and future development flexibility

AUSTRALIS OIL & GAS

Acquiring a Dominant TMS Core Position

- Acquiring all the TMS assets (**Assets**) of Encana Oil & Gas (USA) Inc., a subsidiary of Encana Corporation (TSX:ECA) for US$80MM (**Acquisition**)
- Assets located in the production delineated "core" of the TMS (**TMS Core**)
- Productivity is consistent with or better than other established US onshore unconventional plays
- Net Production of 1,900 bbl/day from 31 operated wells (as at 1 Nov 16)
- Acquiring 22,000 net core acres HBP, a further 40,000 net core acres in Permitted Drilling Units – largest acreage holding in the TMS Core
- PDP 5.0 MMbbls; BT NPV(10) = US$95MM (Feb 17 Forward Strip)[1]
- Acquiring additional significant oil potential
  - 2C best estimate of 80 mmbbls
  - Inventory of 215 undrilled locations
- Immediate positive cashflow with minimal ongoing expenditure
- Production is 95% oil sold at LLS (premium to WTI) in a well established oil and gas province

Positive cashflow, secured acreage and large upside

Acquisition price underpinned by value of existing production

Attractive Acquisition Metrics

- Acquisition consideration of US$80 million
  - Effective date 1 Nov 2016
  - Consideration reduced for net proceeds from production (effective date to close)
- Nominal value allocation
  - PDP - US$69 million (BT NPV(20) used for these Acquisition metrics)[1]
  - HBP TMS Core acreage - US$8 million
  - Permitted TMS Core acreage - US$3 million
- Acquired on attractive metrics
  - US$ 36,316/flowing bbl
  - US$13.80/bbl PDP reserve
  - US$0.14/bbl 2C resource
- Very large contiguous acreage position within the TMS Core
  - Adjacent to existing ATS position of 19,000 net acres (76 future net well locations)
  - 22,000 net acres already HBP status
  - 40,000 net acres within core and Permitted Drilling Units
  - At approximately 250 acre/well spacing 215 future net well locations added

Transaction meets all of our deal criteria!

Strategy focused on providing large upside potential for shareholders

Executing on Strategy	▪ Oil weighted unconventional assets acquired in counter cyclical environment
	▪ Accretive entry price point
	  ▪ Buying production at BT NPV(20)[1]
	  ▪ Optionality with significant development inventory & growth potential
	▪ Production cashflow provides flexibility for discretionary capital spend for renewing and acquiring acreage within the TMS Core
	▪ Economic viability of acquired Assets demonstrated by modern wells within the TMS Core

Shareholder Leverage	▪ Asset development and improving economics of the TMS play ▪ Oil price improvement ▪ Production optimisation and cost reductions ▪ Value accretive strategic transactions – farm-ins & joint ventures, etc

Leverage to the value of a large inventory of future locations

Transaction Highlights

The leading TMS Core acreage position

Australis Transformed

- Australis becomes the largest acreage holder in the oil-rich TMS Core
  - Will operate >120,000 acres (81,000 net, 25% HBP) in the core
- Production, reserves and large contingent resource base
  - 291 net undeveloped well locations at 250 acre well spacing
  - 106 MMbbls oil net 2C Resource
- Pro-forma post-Acquisition market cap of approximately A$179mm[14]
- Increased market relevance, likely investor appeal and liquidity
- Increased funding flexibility underpinned by cashflow from production
- Management team in place - key staff on the ground in US & Australia
- Additional benefits of acquisition
  - Control over large contiguous TMS Core acreage position adjacent to existing position
  - Relatively large unit size reduces HBP capex requirements and development time pressure
  - Access to detailed technical evaluation carried out by Encana

TMS is one of the few remaining large undeveloped onshore US unconventional oil plays

Budget & Estimated Cash Flow for 2017 & 2018

	2017 US$MM[D]	2018 US$MM[D]
Cash – beginning of year (1 January)	23	17
Financing – A$100MM equity raising (net of costs of transaction)	71	
Acquisition cost (excluding estimated net closing adjustment)	(80)	
Estimated net operating cash flow from Asset production [A]	22	19
Annual capital & overhead [B]	(19)	(11)
Estimated Cash – end of year (31 December)[C]	**US$17MM**	**US$25MM**

A) Based on the Ryder Scott report for production, revenue, royalties, taxes and field operating costs the 11 month period to 31 December 2017 and calendar year 2018. Revenue is based on the forward strip oil pricing as at the effective date of their report of 1 February 2017[1]

B) The capital & overhead budget assumes successful completion of the 2017 and 2018 leasing renewal program on Australis' existing leases and leasehold areas acquired from Encana and in 2017 the anticipated purchase price adjustment. The majority of the capital budget is discretionary expenditure. The capital budget does not include any drilling operations.

C) The estimated cash as at each year ends are estimates only. Please refer to the risks and disclaimer sections contained within this Presentation.

D) Exchange rate A$1.00 = US$0.75

Independent Reserve & Resource Assessment

Significant oil resource

AUSTRALIS OIL & GAS

- Ryder Scott Company have prepared a report with an effective date 1 February 2017[1]
- Assessed existing position and acquisition acreage
- Resource estimates contingent on development only and are net of royalty obligations

Ryder Scott Company PDP & Resource assessments	Net Reserves[19]	Net Resource[20]			
Description	PDP MMbbl	1C MMbbl	2C MMbbl	3C MMbbl	Comments
Australis Existing Position					
Ryder Scott (1 Feb 17) est. [1]	-	0.8	26.4	43.6	~19,000 net acres[2]
Australis Acquisition					
Ryder Scott (1 Feb 17) est.[1]	5.0	33.8	80.2	137.4	30.6 net wells (29 net operated wells) & 62,000 net operated HBP and TMS Core focus acres
Australis total post-Acquisition	**5.0**	**34.6**	**106.6**	**181.0**	
Future net well locations			**291**		Based on approximately 250 acre spacing

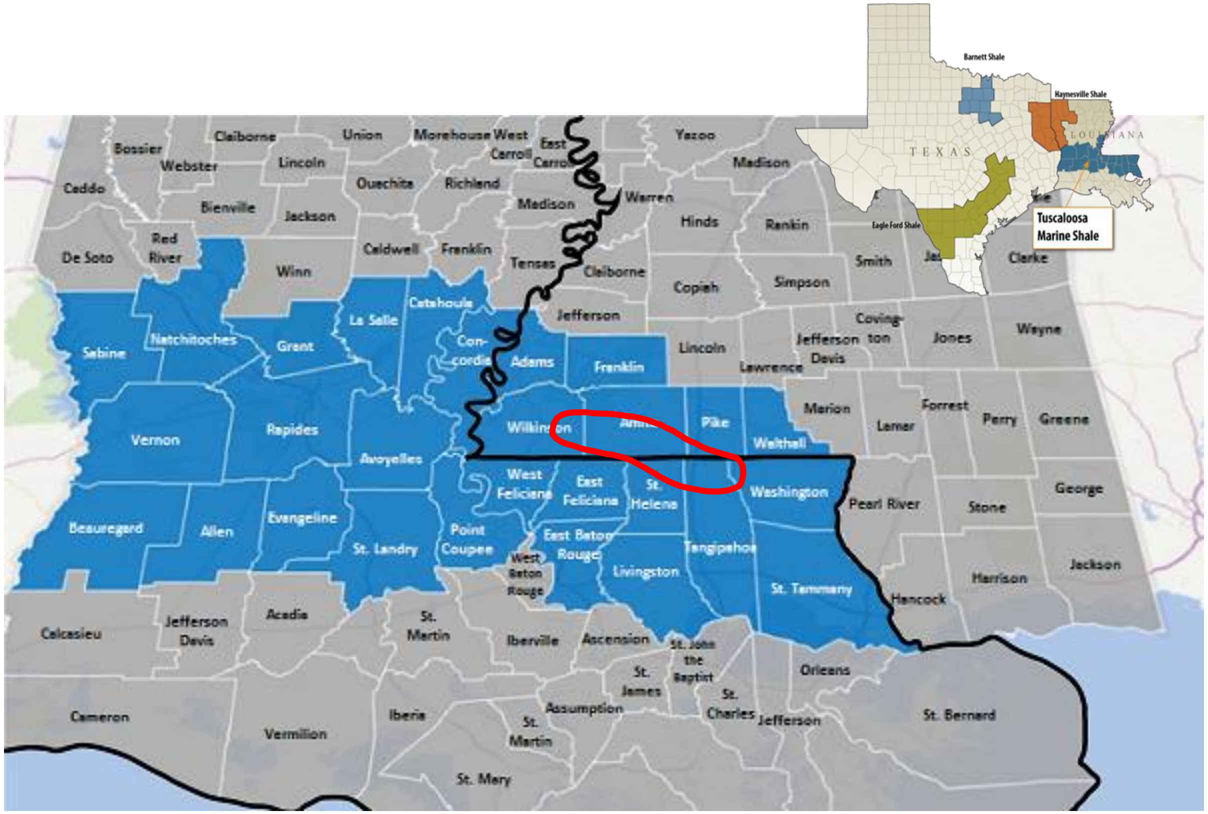
TMS Overview and Analysis

TMS History

First movers delineated the TMS Core – it is the only place to be

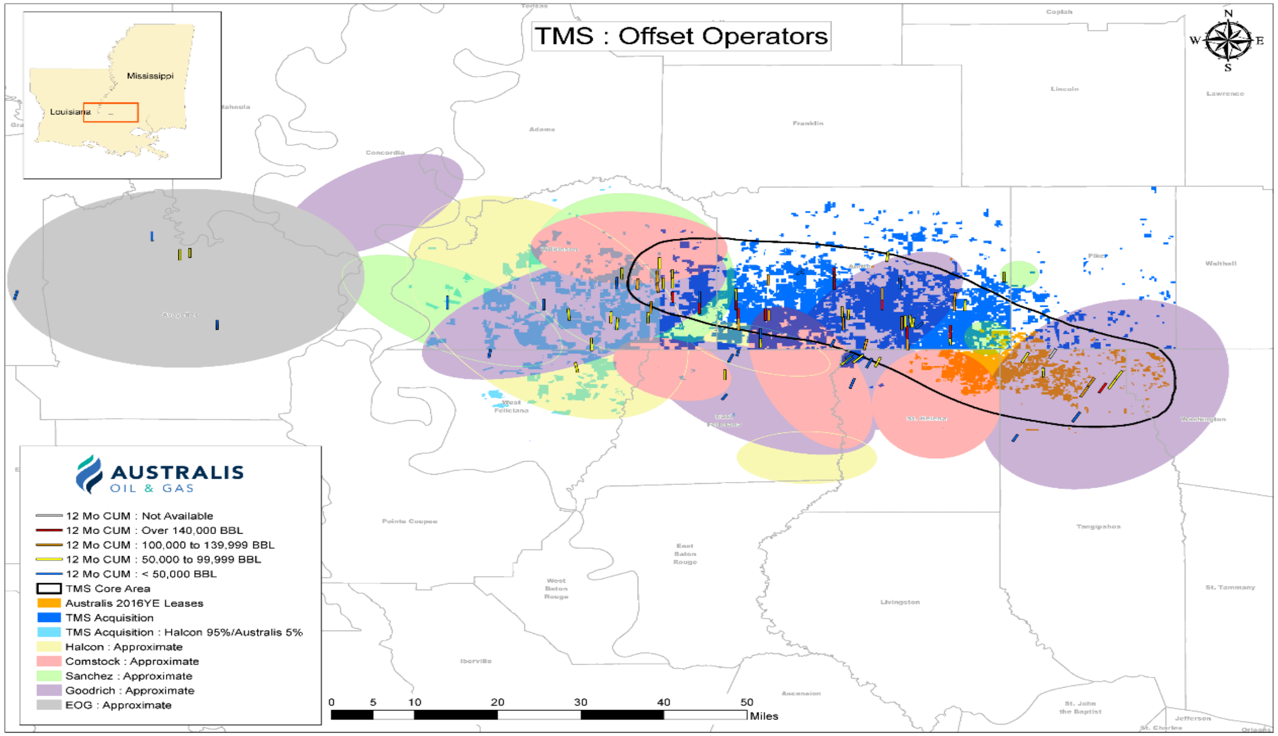
AUSTRALIS OIL & GAS

- TMS depositional area of 14 million acres
- Initially operators, acquired large positions speculatively on the back of then strong oil prices and success in other plays
- Well performance demonstrated a binary outcome
- Approx 80 wells delineated the core (red oval indicates delineated fairway) of which ~ 50 wells are within the core
- Only 820,000 acres (6%) is TMS Core



Inside the TMS Core – Works!

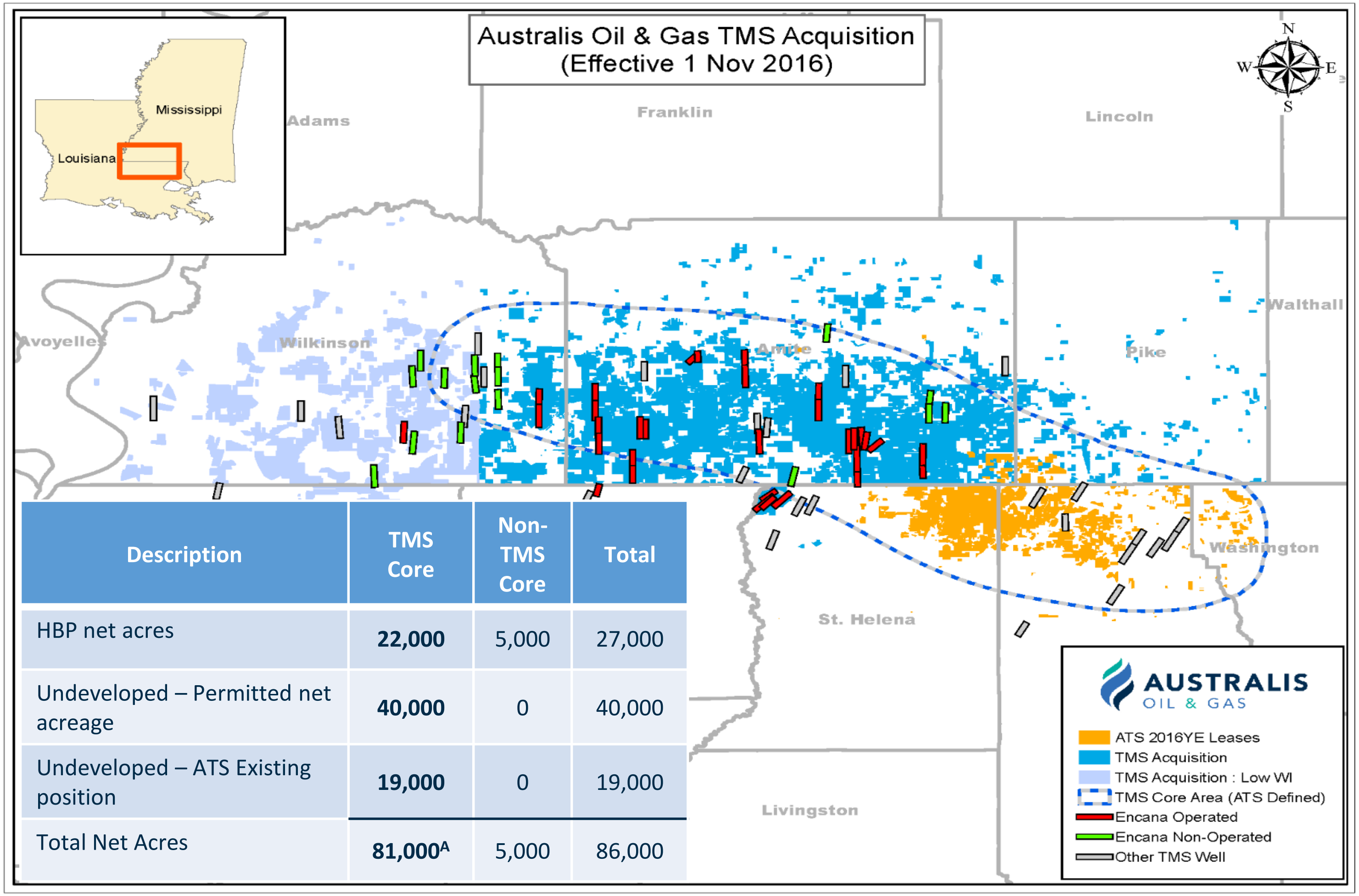
Why has the TMS not taken off like other US unconventional oil plays?



- Early participants typically had large land acquisition programs.
- Production results defined a number of participants to be outside the core.
- Well operational difficulties drove up early drilling and completion costs.
- Remaining participants with exposure to core of the play, refined well design to generate more consistent results through the end of 2014 and early 2015 and continued technical evaluation.
- Well activity stagnated since that time, no activity in lower drilling and completion services price environment.

TMS Acquisition – Land Summary

Significant land position within the TMS Core



Description	TMS Core	Non-TMS Core	Total
HBP net acres	**22,000**	5,000	27,000
Undeveloped – Permitted net acreage	**40,000**	0	40,000
Undeveloped – ATS Existing position	**19,000**	0	19,000
Total Net Acres	**81,000[A]**	5,000	86,000

A. Australis is also acquiring > 60,000 net acres within the TMS Core that are outside of the Permitted Drilling Units

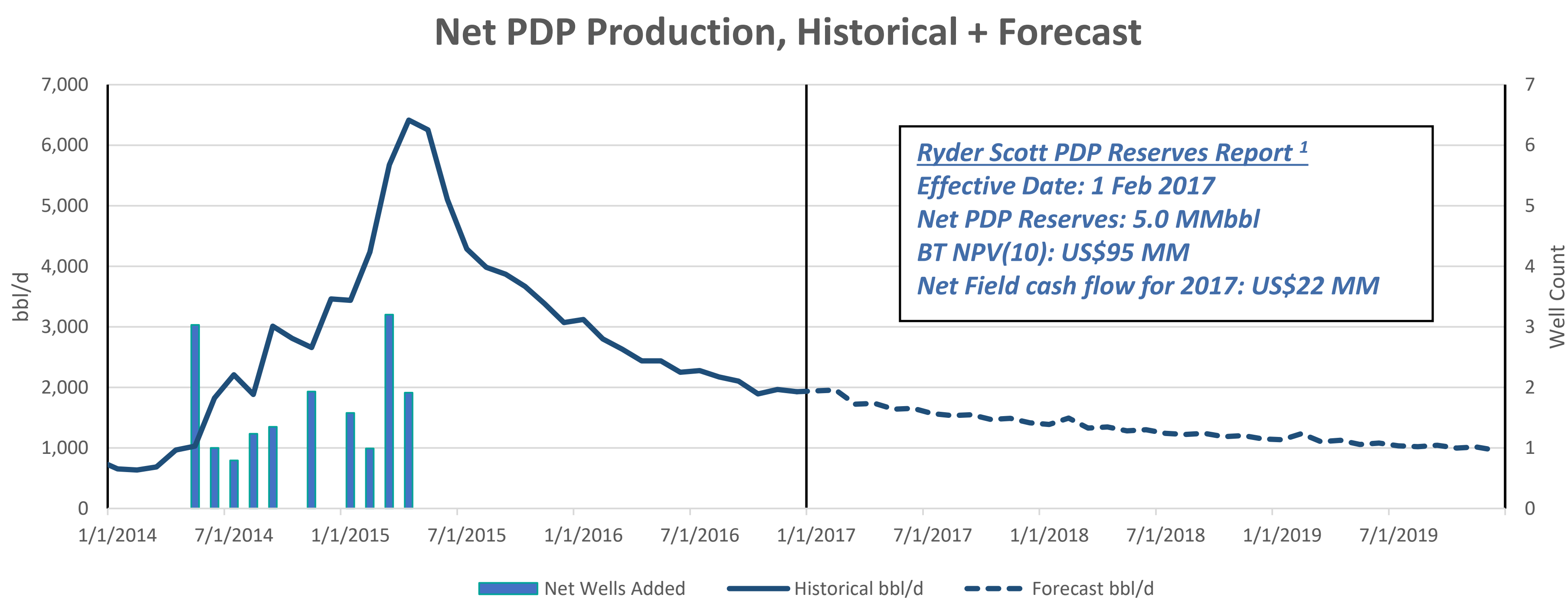
For shale oil success you must have oil in place and productivity!

The TMS Core has both!

TMS Acquisition Production Profile

2014 drilling produced rapid increase in production

- Vendor net oil historical production and Ryder Scott PDP forecast[1]
- Decline curve shows Ryder Scott PDP profile going forward from 1 Feb 17 for the existing wells being acquired
- Production ‘holds’ 22,000 net acres in the TMS Core providing long life optionality for development



TMS Productivity, Economics & Sensitivities

TMS Core acreage is economic at current oil prices

- TMS Core well productivity is consistently demonstrable
- Early wells encountered drilling difficulties leading to high costs
- Recent wells have addressed these difficulties through planned engineering solutions
- The TMS Core is economic at current oil prices and current well cost estimates (US$10-11MM) without assumed improvements, batch drilling or economies that come with scale
- Significant value upside has been experienced in other shale plays and could be seen in the TMS through: oil price increases; lower drilling and development costs; higher recovery factors via improved wells or additional locations

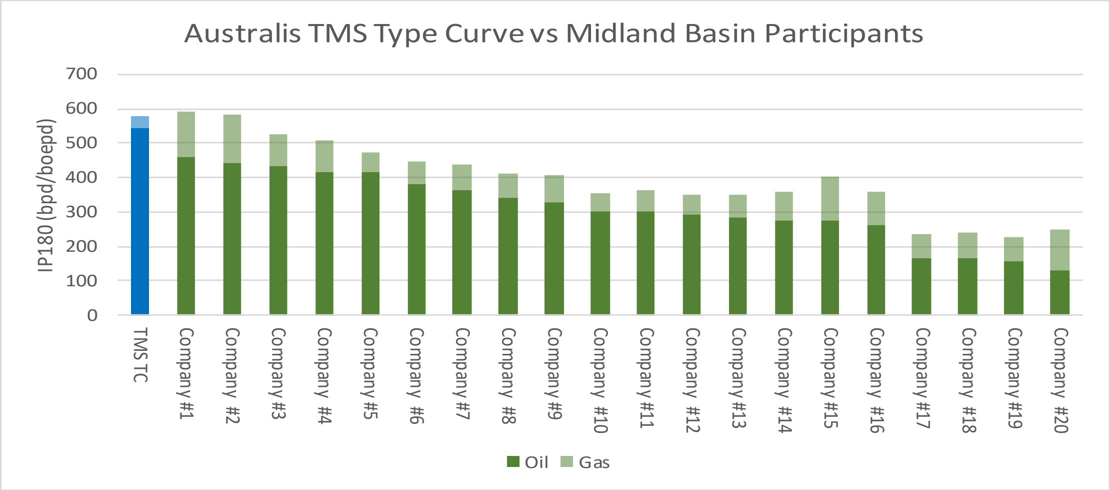
Single well economics & sensitivities BT NPV(10) based on ATS type curves

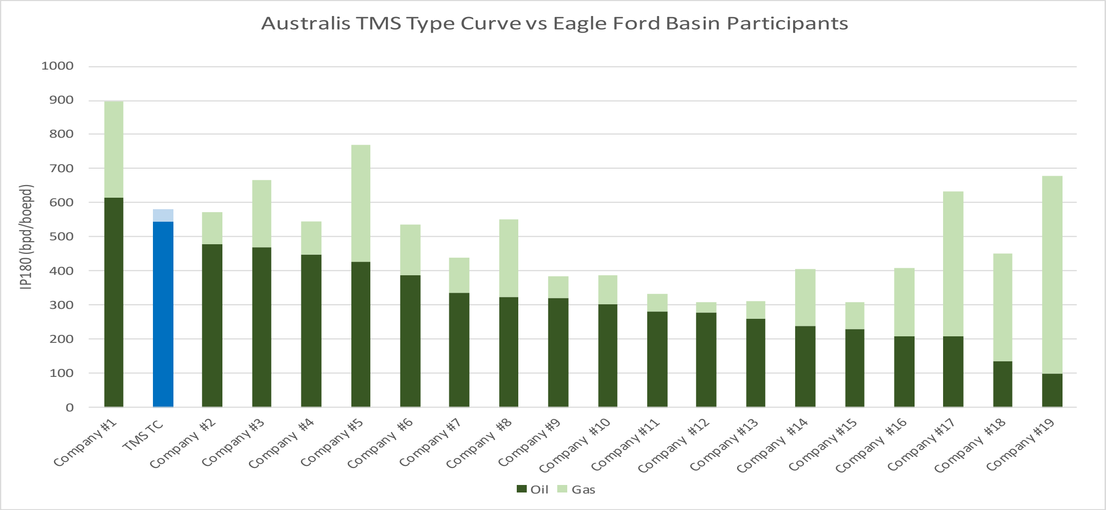
Well Cost (D, C & T)	WTI/bbl	ATS Type Curve 1 Louisiana[4]	ATS Type Curve 2 Mississippi[5]	ATS Type Curve 2 Optimised[6]
		538 Mboe EUR	587 Mboe EUR	621 Mboe EUR
		US$ million	US$ million	US$ million
US$11 million	US$50	$0	$1.2	$1.9
	US$70	$4.8	$6.5	$7.5
US$10 million	US$50	$0.9	$2.2	$2.8
	US$70	$5.7	$7.5	$8.4
US$9 million	US$50	$1.8	$3.1	$3.7
	US$70	$6.6	$8.4	$9.3

Relative Production Performance
Australis Type Curve 1 - Louisiana compared to other plays

- Production for the first 180 days from participants in the Eagle Ford[8] and the Midland[7] basins (green) compared to the first 180 days for the Australis TMS type curve 1–Louisiana (blue)
- Australis TMS type curve 1–Louisiana is based on history matching the 11 Modern Offset Wells[4]

TMS Core productivity is strong

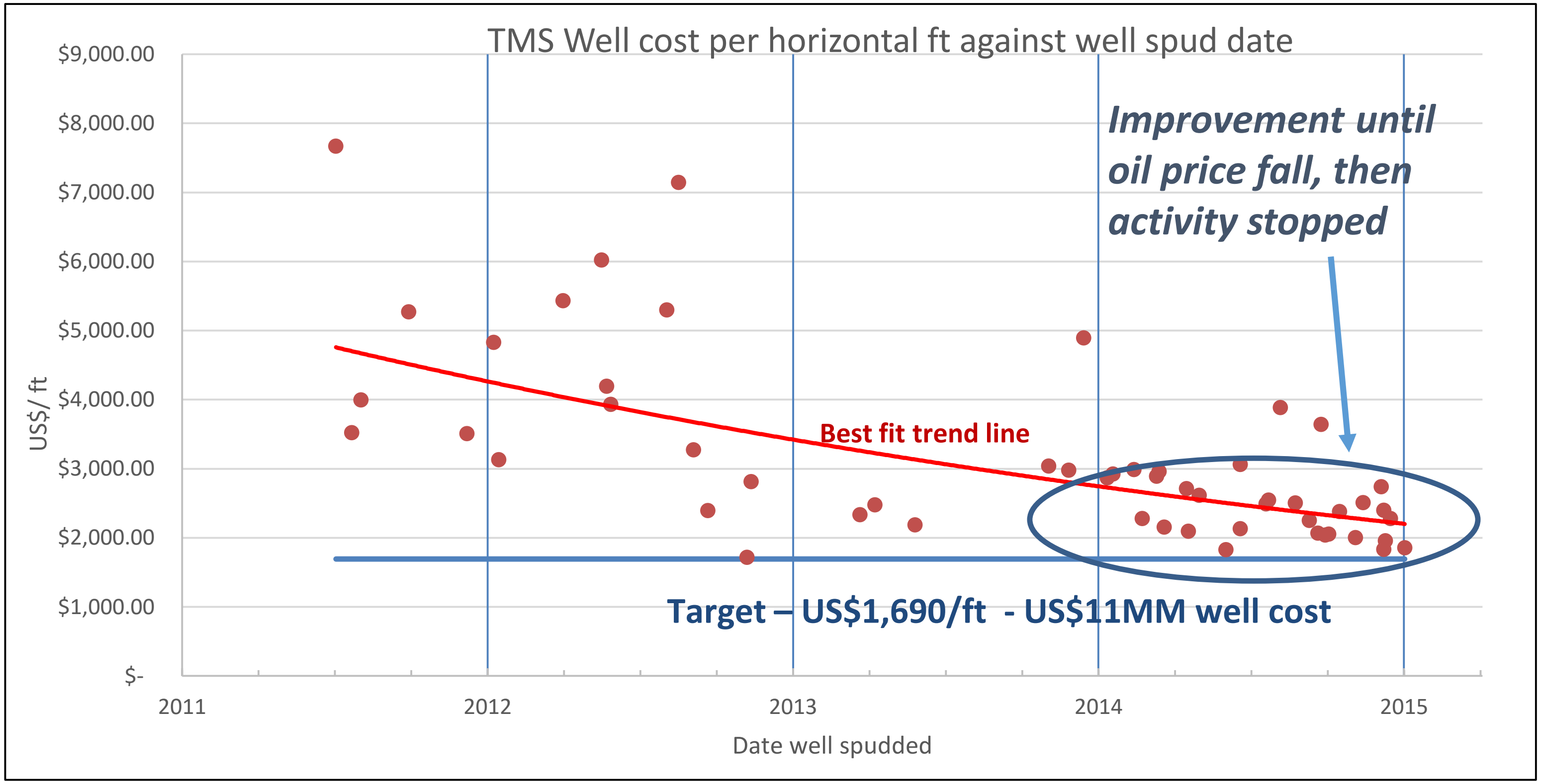




Capital cost profile of early TMS wells

Well costs improved and improving

- Graph below plots US$/ft for 51 TMS wells drilled between mid 2011 and end of 2014[9]
- ATS conservative well cost estimate – US$10.8MM for a single well[10]
- Other play participants quoted US$8.7MM[11]
- No TMS wells have been drilled in the current low cost environment



Forward Program

Strategy to maximise shareholder value

- Anticipate acquisition close in April 2017 and assume operatorship of 122,000 TMS Core acres
- Initial focus on land, maintain lease hold position within existing 40,000 net acres within the Permitted Drilling Units, extend primary term and improve royalties – funded from cash flow
- Prepare for initial multi well drilling program as operator, likely early 2018 – funding in place following this capital raising and production acquired
- Location of initial Australis operated wells to be based on offset productivity and involving existing partner and neighboring participants
- Assume operatorship of original 38,000 gross acreage (50% Australis) position in January 2018
- Source industry or financial partners to fund next phases of appraisal and development activity – size of position offers considerable flexibility

Details of the Offer & Acquisition

Equity Capital Raising

- Institutional placement of A$100 million raising (before costs)
- Single tranche placement subject to shareholder approval and Acquisition closing conditions, other than financing, satisfied or waived
- Simple majority shareholder approval required
  - Meeting expected to be held in mid April 2017
  - Irrevocable voting intentions have been received from board and management (28.8%), to ensure approval of the placement at the General Meeting as follows:

Name of controller	Shares controlled	% controlled
Jonathan Stewart	59,542,859	17.43%
Ian Lusted	14,303,572	4.19%
Graham Dowland	14,750,000	4.32%
Alan Watson	3,810,000	1.12%
Steve Scudamore	97,215	0.03%
Michael Verm	3,000,000	0.88%
Julie Foster	1,250,000	0.37%
Malcolm Bult	1,500,000	0.44%

- Use of funds – proposed Acquisition and general working capital
- Sole Lead Manager and Bookrunner – Euroz Securities Limited

Proposed PSA terms

- Acquisition Price US$80 million subject to adjustments from effective date – 1 Nov 2016
- Deposit held in escrow on execution of PSA - US$8 million
- Due Diligence period 45 days before scheduled close
- Purchase price adjustments based on period between effective date and close
- Conditions Precedent
  - Payment of the balance of the purchase price
  - Completion of closing documentation
- Industry standard reps and warranties from both buyer and seller
- Termination events
  - Mutual Consent - deposit returned
  - By either party if cumulative defects exceed 15% of the purchase price – deposit returned
  - Failure to complete prior to outside date (25 days after scheduled close) due to one party failing to meet commitments. – Party causing failure loses deposit (Australis) or pays US$8 million (Encana)

Indicative Timetable

EVENT	APPROX. DATE
PSA execution	27 February
Acquisition, Offer and General Meeting of Shareholders announced	28 February
General Meeting Notice despatched (ASX approved)	Early March
All PSA conditions precedent satisfied (other than Closing Payment)	Mid April
Australis General Meeting to approve financing	Mid April
Shares under Offer settled	Mid April
PSA completion	Mid April

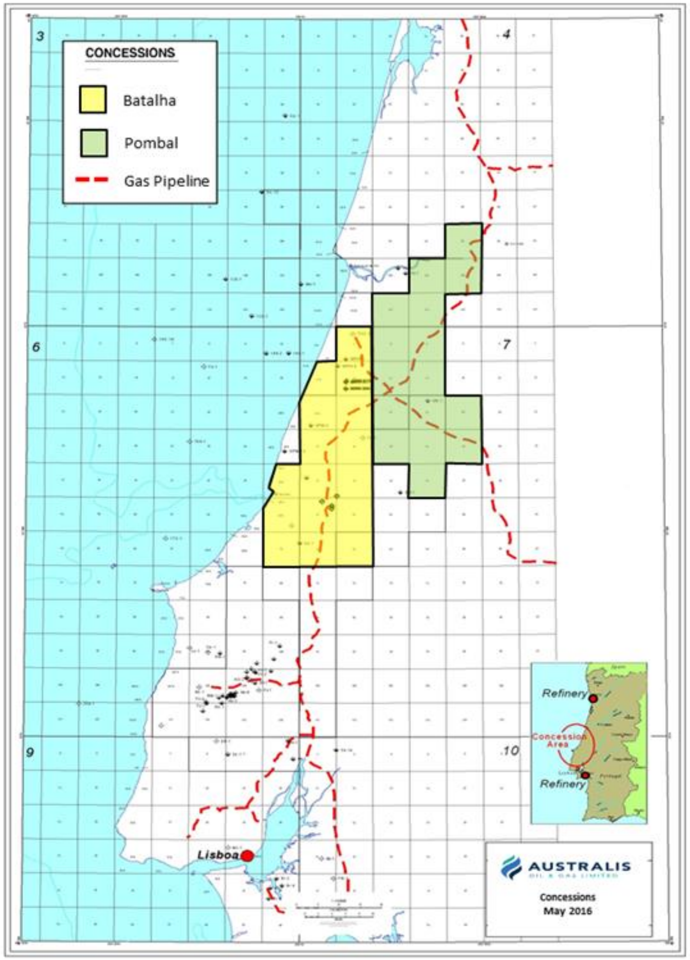
This timetable is indicative only and is subject to change by Australis without notice

Portuguese Exploration Assets

Large, low cost onshore acreage with minimal work commitments

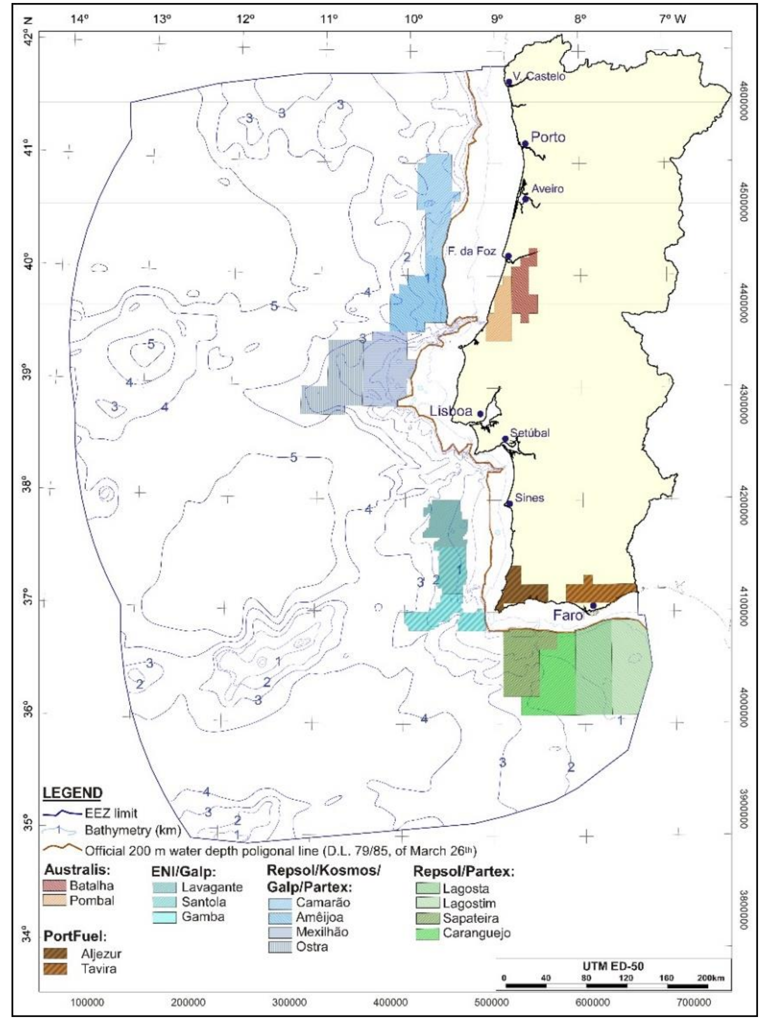
Australis Concessions - Portugal
Large onshore acreage position

- Two onshore concessions (Batalha and Pombal) - 620,000 acres or 2,510 km2
- NSAI assessed 458 bcf 2C resource (net)[12]
- Limited exploration to date on and offshore
- No oil or gas production in Portugal, all imported
- Total well count ~ 175 (148 onshore). 117 had shows and 27 were tested
- Onshore results have confirmed working hydrocarbon systems , but as yet no commercial discoveries
- Identified 7 specific conventional exploration prospects and 1 discovery
- Exclusive exploration period to 2023
- Favourable economic concession terms, minimal work commitment and low royalty rates & corp. taxes



Australis Portuguese Concessions
Terms

- Awarded two onshore concessions (Batalha and Pombal)[13] - 620,000 acres or 2,510 km2
- Covers a large section of the Lusitanian Basin to the north of Lisbon
- Exclusive exploration period of 8 years from October 2015 with ability to extend for a further 2 years
- Tax provisions - Corporate tax 21%
- Gas prices linked to LNG – premium to European market prices
- Royalty structure is stepped between 0% and 8% for gas and between 0% and 9% for oil



Map Source: Entidade Nacional para o Mercado de Combustíveis website August 2016

Portuguese Potential
Resource estimates - NSAI as at 31 December 2016[12,13,E]

Net Contingent Resource[C] – conventional			
	Oil (MMbbl)	Gas (Bcf)	Oil Equivalent (MMboe)[D]
Low (1C)	0.0	217.4	36.2
Best (2C)	0.0	458.5	76.4
High (3C)	0.0	817.7	136.3

Net Prospective Resource[B] – conventional and unconventional - risked			
	Oil (MMbbl)	Gas (Bcf)	Oil Equivalent (MMboe)[D]
Low Estimate	19.2	104.3	36.6
Best Estimate	126.4	466.0	204.1
High Estimate	448.4	1,632.4	720.4

A. All estimates and risk factors taken from Netherland, Sewell & Associates, Inc 31 December 2016 report generated for the Australis concessions to SPE standards. The low, best and high estimate volumes are the arithmetic sum of multiple probability distributions and may not add because of rounding.
B. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potential moveable hydrocarbons.
C. The contingent resource estimates are located in the Batalha Concession.
D. Oil equivalent volumes are expressed in thousands of barrels of oil equivalent (Mboe), determined using the ratio of 6 Mscf of gas to 1 bbl of oil.
E. These net resource estimates are after royalties and based on a 97% working interest assuming the consultant option of 3% working interest has been exercised.

Key Risks

Key Risks	Summary
Offer risks	The proposed placement is not underwritten; while confirmations have been received, settlement is subject to shareholder approval for the issue of securities under ASX Listing Rule 7.1 and satisfaction or waiver of the PSA conditions (except completion payment). There is no guarantee shareholder approval will be obtained or the other conditions precedent will be met and no guarantee applicants will settle. If settlement does not occur, there is no assurance that the Company will be able to access and secure additional funding on reasonable terms or at all.
PSA risks	Completion under the PSA is subject to the certain conditions precedent, with the material provisions outlined within this Presentation. There is no guarantee that the conditions precedent will be satisfied or waived. There is also no guarantee that Encana will comply with the terms of the PSA. If completion fails to occur because Australis breaches its obligations under the PSA, then Encana are entitled to receive the escrowed deposit of US$8 million. If completion fails to occur because Encana breaches its obligations, then it is obligated to pay US$8 million to Australis. Once all conditions have been met or waived, then the PSA contemplates the execution of closing documents into escrow whilst Australis issues shares, collects funds and then pays the purchase price into the escrow account.
Asset risks	While Australis has conducted certain due diligence on the Assets the subject of the proposed acquisition, there can be no guarantee as to the assets being acquired or their potential. There is no guarantee as to budget, well costs, other capital costs or liabilities or the future production of the Assets being acquired.
Production risk	Within the Assets being acquired there are a number of producing wells that were drilled and operated by Encana and other third parties. There can be no guarantee that these wells will produce at the expected rates and / or for the predicted duration.
Other risks	The Assets to be acquired under the PSA, and Australis and its existing business and securities, are also subject to the additional risks in the prospectus dated 29 June 2016, including that as existing TMS Core lease terms near expiry or expire, Australis will enter into negotiation for re leasing these areas. Certain TMS Core leases are, at Australis' election, capable of renewal or extension. There is no guarantee that existing or Acquisition leases will be renewed, extended or reacquired prior to expiry or that leases on new areas will be acquired.

Appendices and Additional Slides

Australis Type Curves in the TMS

Single Well Type Curve 1 - Louisiana

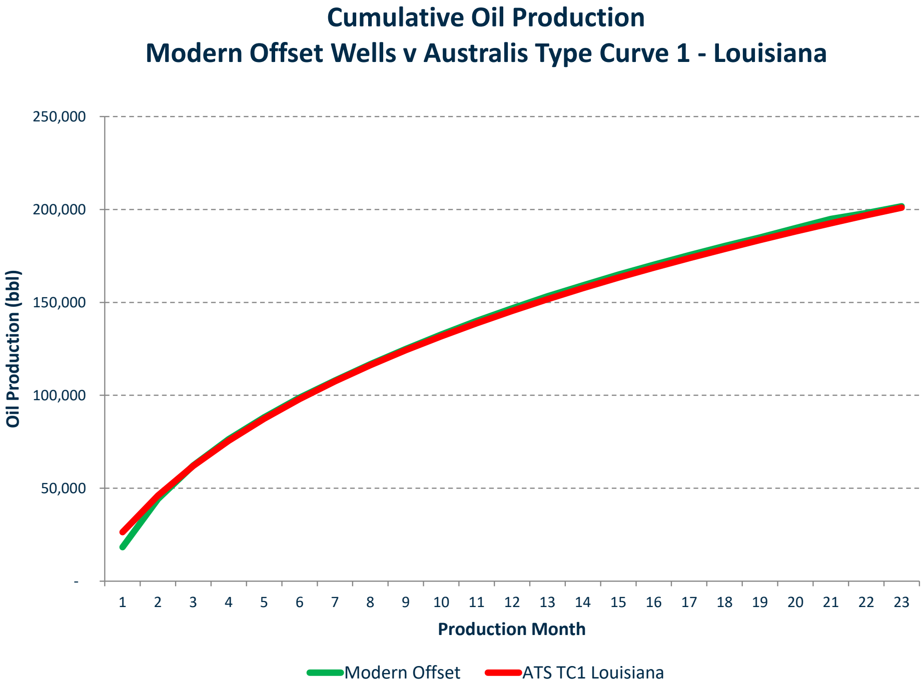
ATS type curve **history matched** to actual production from TMS Modern Offset Wells[4]

Type Curve Assumptions – Louisiana[4]

- Oil EUR – 499 Mbbls
- Gas EUR – 132 MMscf
- NGL EUR – 17 Mbbls
- EUR (20 yr) – 538 Mboe (97% liquids)
- Capex US$11million (6,500 ft lateral)
- Opex US$13,700/well/month + US$2.80/boe

Results

- Positive BT NPV(10) at US$50.50/bbl WTI (assumes a +$2 differential for LLS)



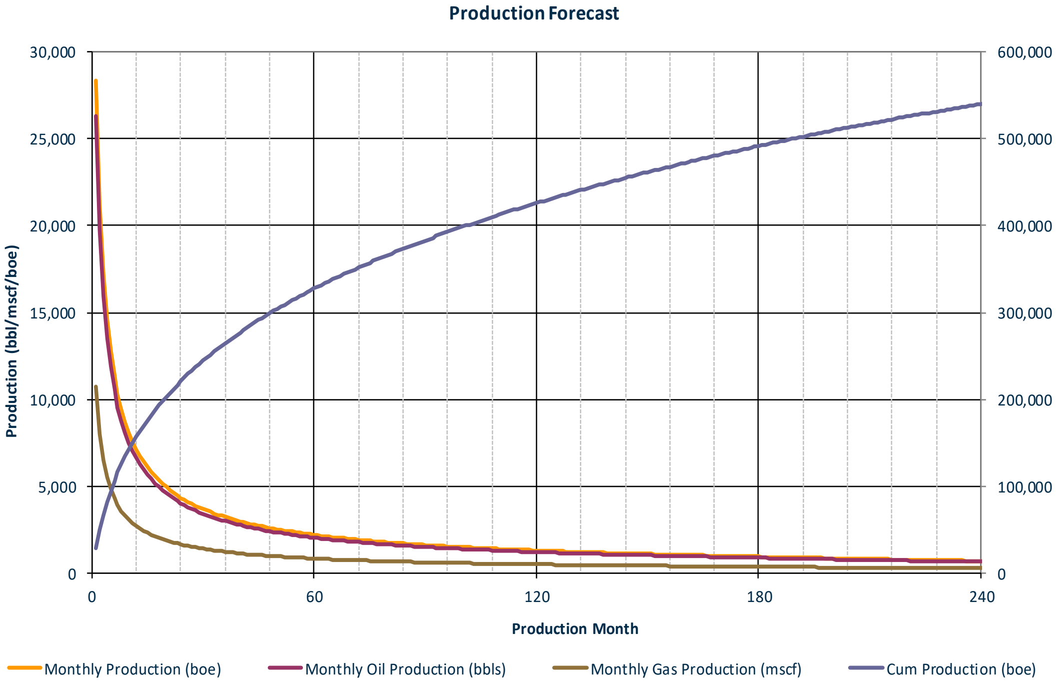
Conservative assumptions compared to industry disclosure

Offset Operators[11]	Well EUR	D,C & T Costs (US$ million)
ATS TC1 - Louisiana	538 Mboe	$11 (6,500ft lateral)
Offset operators	600 – 800 Mboe	$8 - $13 (5,000ft – 10,000ft lateral)

TMS Single Well ATS TC1 – Louisiana[4]
(US$)

Base Assumptions: ATS TC1 - Louisiana

Future Well Type Curve		
Target	Lower TMS	Louisiana
EUR		
Gas	0.13	bcf
Oil/Condensate	499	mbbl
NGLs	17	mbbl
EUR/well	**538**	mboe
Well Cost		
Drilling	$5.0	million
Completion	$5.0	million
Tie in	$1.0	million
Total Well Cost	**$11.0**	**million**
Operating Expenditure		
Fixed Opex	$13,700	/well/month
Variable Opex	$2.8	per boe
Other Assumptions		
NRI	80%	
Abandonment cost	1.0%	well cost



Single Well Economics		**Pre Tax**			**Single Well Netback (Pre Tax)**[15]					
Oil Price - WTI	Cashflow	NPV10	IRR	Payback	Revenue	Prodn Taxes	Opex + Trans	Operating Netback	Development Cost	Cashflow
$/bbl	US$million	US$million	%	Months	$/boe	$/boe	$/boe	$/boe	$/boe	$/boe
$50.0	$3.3	$0.0	10%	58	$47.5	-$3.5	-$10.4	$33.5	-$25.6	$8.0
$60.0	$7.1	$2.4	25%	35	$56.8	-$4.2	-$10.4	$42.2	-$25.6	$16.7
$70.0	$10.8	$4.8	47%	24	$66.2	-$4.9	-$10.4	$50.9	-$25.6	$25.3
$80.0	$14.5	$7.2	86%	18	$75.6	-$5.6	-$10.4	$59.6	-$25.6	$34.0
		$2.50	/mmbtu gas							

Whilst well performance cannot be guaranteed the production and opex assumptions are based on history and the capex costs are current third party estimates.

Australis Type Curves in the TMS

Single Well Type Curve 2 - Mississippi

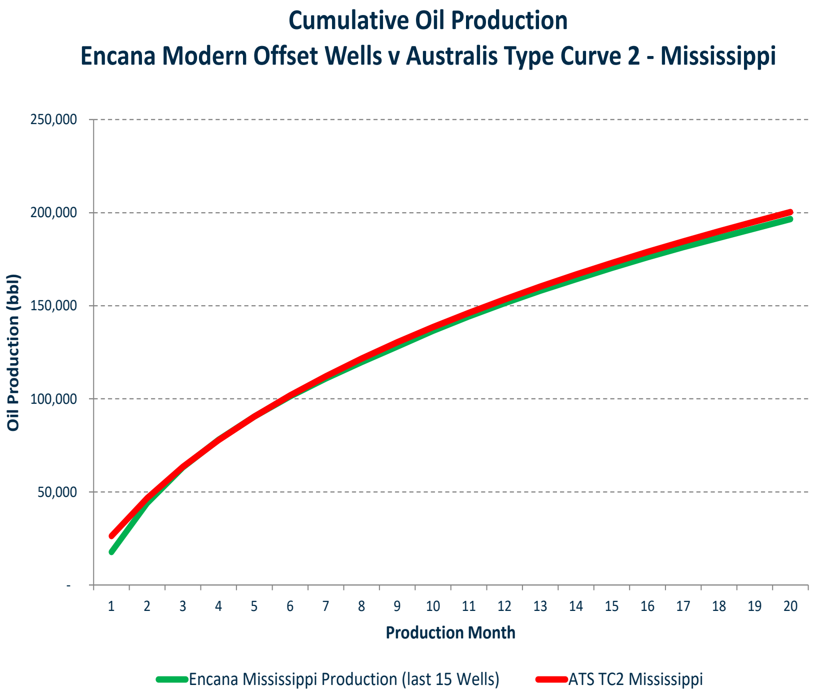
ATS type curve **history matched** to production from the most recent 15 Mississippi ECA wells[5]

Type Curve 2 - Mississippi Assumptions[5]

- Oil EUR – 545 Mbbls
- Gas EUR – 142 MMscf
- NGL EUR – 18 Mbbls
- EUR (20 yr) – 587 Mboe (97% liquids)
- Capex US$11million (7,200 ft lateral)
- Opex US$13,700/well/month + US$2.8/boe

Results

- Positive BT NPV(10) at US$46.00/bbl WTI (assumes a +$2 differential for LLS)



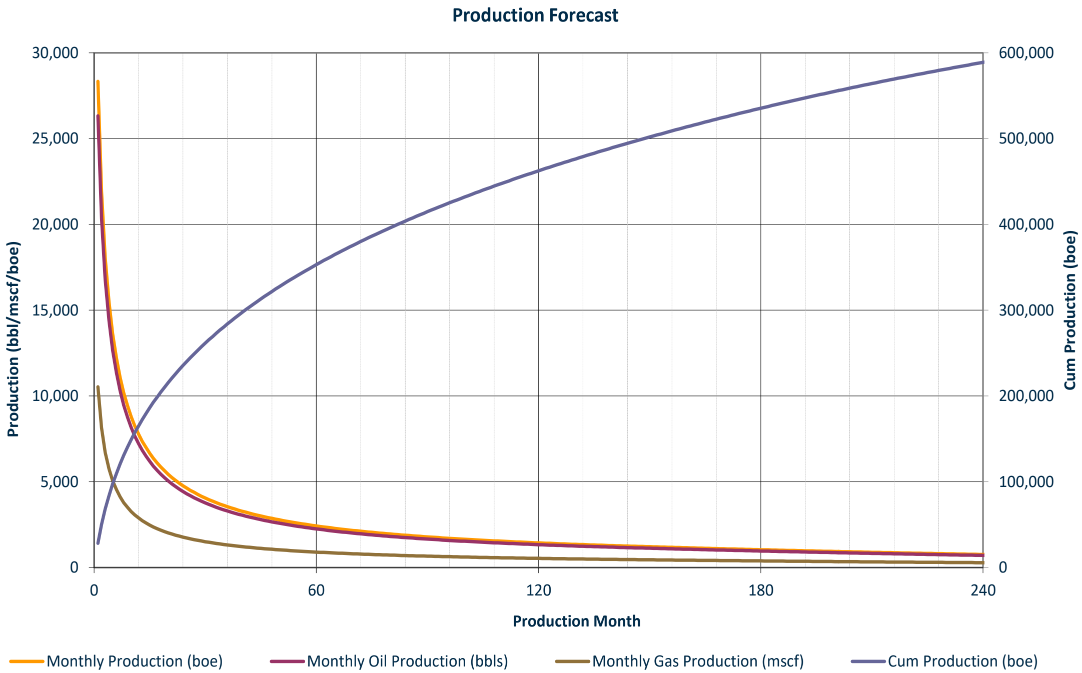
Conservative assumptions with upside

Type Curve	Well EUR	Basis
ATS TC2 - Mississippi	587 Mboe	History match average of the most recent 15 wells drilled by Encana in 2014/15 (~7,200 ft stimulated lateral)
ATS TC2 – Optimised[6]	621 Mboe	History match for 5 of these 15 Encana Mississippi wells utilising Encana's optimised completion design (~7,500 Stimulated Lateral)

TMS Single Well ATS TC2 – Mississippi[5]
(US$)

Base Assumptions: ATS TC2 - Mississippi

Future Well Type Curve		
Target	Lower TMS	Mississippi
EUR		
Gas	0.14	bcf
Oil/Condensate	545	mbbl
NGLs	18	mbbl
EUR/well	**587**	mboe
Well Cost		
Drilling	$5.0	million
Completion	$5.0	million
Tie in	$1.0	million
Total Well Cost	**$11.0**	**million**
Operating Expenditure		
Fixed Opex	$13,700	/well/month
Variable Opex	$2.8	per boe
Other Assumptions		
NRI	80%	
Abandonment cost	1.0%	well cost



Single Well Economics		**Pre Tax**			**Single Well Netback (Pre Tax)** [15]					
Oil Price - WTI	Cashflow	NPV10	IRR	Payback	Revenue	Prodn Taxes	Opex + Trans	Operating Netback	Development Cost	Cashflow
$/bbl	US$million	US$million	%	Months	$/boe	$/boe	$/boe	$/boe	$/boe	$/boe
$50.0	$5.7	$1.2	16%	46	$47.5	-$1.9	-$9.8	$35.8	-$23.4	$12.3
$60.0	$9.9	$3.9	34%	30	$56.9	-$2.3	-$9.8	$44.8	-$23.4	$21.3
$70.0	$14.1	$6.6	62%	21	$66.3	-$2.7	-$9.8	$53.8	-$23.4	$30.3
$80.0	$18.3	$9.2	110%	16	$75.7	-$3.1	-$9.8	$62.8	-$23.4	$39.3
		$2.50	/mmbtu gas							

Whilst well performance cannot be guaranteed the production and opex assumptions are based on history and the capex costs are current third party estimates.

TMS Modern Offset Wells

The monthly oil production data for well data for the TMS Modern Offset Wells is summarised in the table below

Well Name	Denkmann 33-28H	Longleaf 29H 1H	Longleaf 29H 2H	Mathis 29-32H	Mathis 29-17H	Lawson 25-13H	Spears 31-6H	C. H. Lewis 30-19H	Verberne 5H	Blades 33 H	Williams 46H	**Average**	**Cumulative**
Operator	Goodrich Petroleum Company	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Goodrich Petroleum Company	Goodrich Petroleum Company	Goodrich Petroleum Company	Goodrich Petroleum Company	Goodrich Petroleum Company		
State	Mississippi	Mississippi	Mississippi	Mississippi	Mississippi	Mississippi	Mississippi	Mississippi	Louisiana	Louisiana	Louisiana		
Months of Production	23	21	21	23	22	21	23	23	23	23	23		
Stimulated Lateral Length	5,841	6,955	7,138	6,170	9,081	9,754	7,285	6,451	5,371	4,945	3,769		
	Produced Volume (bbls)												
Total	**133,373**	**177,267**	**286,796**	**148,384**	**247,021**	**300,231**	**156,294**	**175,457**	**180,982**	**191,108**	**197,527**		
Month 1	7,808	21,594	32,088	3,406	22,677	10,325	16,726	9,536	28,671	23,811	24,482	18,284	18,284
Month 2	23,858	20,754	33,798	26,701	34,715	37,986	23,587	27,445	16,306	20,305	19,432	25,899	44,183
Month 3	13,774	14,660	26,187	16,437	23,901	32,280	14,681	15,524	12,722	14,175	13,629	17,997	62,180
Month 4	10,028	11,749	19,532	11,692	18,134	25,061	11,731	13,366	11,323	11,112	11,954	14,153	76,333
Month 5	9,423	10,170	16,443	6,534	15,486	21,038	8,258	10,293	9,599	10,407	11,501	11,741	88,074
Month 6	8,159	6,311	14,309	8,110	13,950	17,704	9,554	9,053	9,869	8,808	10,884	10,610	98,684
Month 7	6,054	9,628	10,441	8,175	11,281	14,876	7,580	7,494	7,695	8,577	9,502	9,209	107,894
Month 8	6,315	8,787	12,431	9,290	10,143	13,648	6,412	5,812	7,630	7,610	9,106	8,835	116,728
Month 9	5,052	7,298	14,007	3,883	12,177	11,802	6,229	4,787	7,007	9,138	8,508	8,172	124,900
Month 10	4,893	7,154	11,524	5,974	9,737	11,020	5,580	7,880	6,090	8,120	7,610	7,780	132,680
Month 11	4,888	6,848	11,601	6,430	9,224	9,564	5,125	7,742	5,794	6,615	7,388	7,384	140,064
Month 12	4,386	4,885	9,016	4,085	8,512	12,481	4,627	6,388	5,494	6,753	6,379	6,637	146,701
Month 13	3,780	6,073	10,379	3,755	7,418	11,882	4,368	5,861	4,995	6,925	6,685	6,556	153,257
Month 14	3,333	5,842	8,261	5,494	5,933	11,140	3,893	2,049	6,391	6,425	6,165	5,902	159,160
Month 15	3,271	5,471	8,258	5,089	5,643	9,560	3,433	5,858	5,461	5,732	5,264	5,731	164,890
Month 16	2,924	5,303	6,731	3,808	5,657	9,495	3,671	5,049	5,515	5,389	5,470	5,365	170,255
Month 17	2,713	5,389	7,449	3,430	5,089	9,035	3,109	5,110	4,930	5,277	5,103	5,149	175,404
Month 18	2,567	4,495	8,209	1,656	5,307	8,994	3,058	5,008	4,949	4,854	5,007	4,919	180,322
Month 19	2,044	4,984	7,778	287	6,633	8,019	3,124	4,846	4,116	4,779	4,493	4,646	184,968
Month 20	2,108	5,241	6,403	6,383	5,949	7,898	2,996	4,837	4,250	4,032	4,699	4,979	189,987
Month 21	2,121	4,658	11,950	3,266	5,647	6,423	2,680	4,114	4,238	4,351	4,800	4,932	194,879
Month 22	2,025			15	3,808		3,047	3,468	3,999	4,087	4,719	3,147	198,026
Month 23	1,849			4,484			2,814	3,937	3,938	3,826	4,747	3,656	201,682

Data sourced from Louisiana Department of Natural Resources & Mississippi Oil & Gas Board with the last month of production data being January 2017 .
There is no guarantee future well performance will be consistent with the average of the results of the Offset Operators
The following wells were excluded from this data set for mechanical and completion vintage reasons: R.Nez 43 H1 & H2, Kinchen 58 H1, Lawson 25H, Thomas 38H, Kent 4H-1
Data cut off after 23 months based on minimum contributing population of 7 wells.

TMS Modern Wells - Mississippi

The monthly oil production data for the most recent 15 Encana operated modern offset Mississippi wells is tabulated below

*** 5 wells drilled by Encana with most optimised completion design**

Well Name	Lewis 7-18H 1	Pintard 28H 2	Lyons 35H 2	Pintard 28H 1	Longleaf 29H 1H	Longleaf 29H 2H	Mathis 29-32H	Mathis 29-17H	Lawson 25-13H*	Ash 13H 1*	Ash 13H 2	Sabine 12H 1*	Sabine 12H 2	McIntosh 15H*	Reese 16H*	**Average**	**Cumulative**
Operator	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc	Encana Oil & Gas (USA) Inc		
State	**Mississippi**																
Months of Production	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20		
Stimulated Lateral Length	8,263	8,215	5,485	5,492	6,955	7,138	6,170	9,081	9,754	7,066	7,194	6,815	7,425	7,585	6,167		
		Produced Volume (bbls)															
Total	**172,813**	**228,869**	**168,718**	**129,836**	**172,609**	**274,846**	**140,619**	**237,566**	**293,745**	**190,835**	**165,376**	**199,978**	**218,041**	**212,442**	**142,061**		
Month 1	2,325	25,027	24,536	22,049	21,594	32,088	3,406	22,677	10,325	10,766	7,922	29,701	27,525	10,787	5,640	17,758	17,758
Month 2	28,807	32,397	17,400	13,386	20,754	33,798	26,701	34,715	37,986	27,317	21,417	23,313	25,174	31,074	19,422	16,244	44,002
Month 3	17,804	22,678	14,431	8,385	14,660	26,187	16,437	23,901	32,280	22,186	17,098	16,528	18,136	22,652	13,944	19,154	63,156
Month 4	15,003	18,816	12,121	10,221	11,749	19,532	11,692	18,134	25,061	6,934	13,663	14,908	16,570	17,881	10,978	14,884	78,040
Month 5	11,196	15,596	9,434	7,748	10,170	16,443	6,534	15,486	21,038	11,547	12,156	12,292	13,347	14,610	9,168	12,451	90,491
Month 6	9,143	11,908	8,843	6,256	6,311	14,309	8,110	13,950	17,704	13,408	9,048	10,714	11,967	11,942	8,935	10,837	101,327
Month 7	9,013	11,916	8,487	5,554	9,628	10,441	8,175	11,281	14,876	7,155	8,944	8,580	10,385	10,227	9,330	9,599	110,927
Month 8	7,606	11,513	7,708	5,202	8,787	12,431	9,290	10,143	13,648	10,268	8,753	358	9,301	9,154	7,345	8,767	119,694
Month 9	7,695	10,743	6,176	4,747	7,298	14,007	3,883	12,177	11,802	7,396	8,318	9,168	5,253	9,653	7,695	8,401	128,095
Month 10	6,625	8,787	7,160	4,011	7,154	11,524	5,974	9,737	11,020	9,896	7,378	8,264	12,739	10,240	6,007	8,434	136,529
Month 11	5,565	7,373	7,476	4,378	6,848	11,602	6,430	9,224	9,564	9,714	6,561	8,867	9,315	8,776	5,706	7,827	144,356
Month 12	2,583	8,195	6,393	4,053	4,885	9,016	4,085	8,512	12,481	10,001	6,328	8,673	7,838	8,343	5,325	7,110	151,466
Month 13	7,388	6,924	6,035	3,117	6,073	10,379	3,755	7,418	11,882	7,938	6,063	7,241	5,442	5,469	4,321	6,630	158,095
Month 14	4,559	6,502	5,423	4,383	5,842	8,261	5,494	5,933	11,140	2,885	5,322	7,066	8,492	7,166	4,867	6,222	164,318
Month 15	5,405	6,240	5,379	5,420	5,471	8,258	5,089	5,643	9,560	5,575	5,500	6,452	6,276	5,588	4,630	6,032	170,350
Month 16	5,089	5,998	5,256	3,618	5,303	6,731	3,808	5,657	9,495	6,655	4,737	6,268	7,172	5,957	4,458	5,747	176,097
Month 17	4,911	5,347	4,172	4,749	5,389	7,449	3,430	5,089	9,035	6,326	4,337	5,762	6,303	5,604	4,006	5,461	181,557
Month 18	4,029	5,192	4,433	4,423	4,495	8,209	1,656	5,307	8,994	4,805	2,546	5,555	6,054	5,502	3,649	4,990	186,547
Month 19	4,075	4,806	4,007	4,249	4,984	7,778	287	6,633	8,019	6,256	5,213	5,075	5,044	5,394	3,597	5,028	191,575
Month 20	3,992	2,911	3,848	3,887	5,241	6,403	6,383	5,949	7,898	3,807	4,072	5,193	5,708	6,423	3,038	4,982	196,557

Data sourced from Mississippi Oil & Gas Board as of January 2017. Only adjustment made to Pintard 28H1 which was shut in for 8 months so listing Producing months for this well
There is no guarantee future well performance will be consistent with the average of the results of the wells.
Data cut off after 20 months based on minimum contributing population of all 15 wells.

Proforma Capital Structure

Shares and Options	Shares (millions)	Options[21] (millions)	Ownership %		
			current	Post share placement	
				Pre options	Post Options
Directors & Management	98.3	86.4	28.8%	12.7%	21.0%
Existing Shareholders	243.3	16.9	71.2%	31.3%	29.6%
Share Placement (subject to shareholder approval)[14]	434.8	-	-	56.0%	49.4%
Total	**776.4**	**103.3**	**100%**	**100%**	**100%**

- Directors & Management
  - Contributed over $11 million in pre IPO and IPO funding[16]
- Escrow
  - 2 years for 62 million shares and 83 million options (July 2018)
  - 1 year for 17 million options (July 2017)

Option Terms Summary

Grant date	Exercise Price (A$)	Vesting	Expiry	Number	Cash payable on exercise
Directors, Executives & Management					
13 Nov 2015	$0.25	Vested	31 Dec 2020	19,675,000	$4,918,750
13 Nov 2015	$0.30 (Series A)	Vested	31 Dec 2020	27,775,000	$8,332,500
28 Apr 2016	$0.30 (Series B)	Vested	31 Dec 2020	1,000,000	$300,000
13 Nov 2015	$0.35 (Series A)	13 Nov 2017[A]	31 Dec 2022	27,600,000	$9,660,000
13 Nov 2015	$0.35 (Series B)	13 Nov 2018[A]	31 Dec 2022	1,600,000	$560,000
28 Apr 2016	$0.35 (Series C)	13 Nov 2017[A]	31 Dec 2022	1,000,000	$350,000
28 Apr 2016	$0.35 (Series D)	13 Nov 2018[A]	31 Dec 2022	1,000,000	$350,000
24 May 2016	$0.275 (Series B, C, D)	See note [B]	24 May 2021	420,000	$115,500
proposed	$0.3125 (Series A,B,C)	See note [C]	30 Nov 2021	420,000	$131,250
				80,490,000	**$24,718,000**
Investors - granted to subscribers on a 1 for every 2 new shares subscribed (A$10.05mm placement – May 2016)					
16 May 2016	$0.275 (Series A)	N/A[D]	30 Jun 2019	**22,840,933**	**$6,281,257**

A. Vesting of the Options is conditional upon continued holding of office or employment of the relevant Director or employee until the relevant vesting date

B. Non Executive Director Options vest 33.3% on each anniversary from the date of appointment, 24 May 2016, subject to the Non Executive Director remaining a director of the Company

C. Non Executive Director Options vest 33.3% on each anniversary from the date of appointment, 30 November 2016, subject to the Non Executive Director remaining a director of the Company

D. No vesting condition applies to Options granted as part of the Company's private capital raising completed in May 2016 (pre IPO) to sophisticated investors at a price of A$0.22 per new share to raise A$10.05 million

Important Notice - Offer Restrictions

No Distribution in the US and No Distribution to the US News Wires Services : This investor presentation is not an offer of securities for sale in the United States. Any securities to be issued by Australis have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") and may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act. No public offer of the securities is being made in the United States and the information contained herein does not constitute an offer of securities for sale in the United States. This investor presentation is not for distribution directly or indirectly in or into the United States or to US persons.

New Zealand: This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who: (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United Kingdom: Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Australis. In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Hong Kong: WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO). No advertisement, invitation or document relating to shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore: This document and any other materials relating to the shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of shares, may not be issued, circulated or distributed, nor may shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Footnotes

1. The material estimates and risk factors taken from the Ryder Scott Company report effective 1 February 2017 prepared for Australis based on the Assets to be Acquired from Encana under the proposed transaction can be found on Slide 43.
2. The Australis existing lease position of 19,000 net acres in the TMS is based on the position as at 31 December 2016. Please refer to the Company's quarterly report for the 3 months ended 31 December 2016 released to the ASX on 31 January 2017.
3. Independent Report prepared by Ryder Scott Company effective 31 December 2016 in relation to the TMS acreage held by Australis as at 31 December 2016. See announcement titled "2016 Year End Resource Update' dated 25 January 2015. Report generated from public and proprietary data using a deterministic method to estimate initially-in-place volumes for the gross acreage position and then utilized a recovery factor of 8% to determine corresponding gross contingent resource. The figures were then adjusted to reflect the economic interest of the Company. Net Contingent Resource to Australis (50% WI) post royalty (40% NRI).
4. The TMS Modern Offset Wells comprise the wells detailed in the appendix slide titled "TMS Single Well ATS TC1 – Louisiana". There is no guarantee future well performance will be consistent with the average of results of the Offset Operators.
5. The 15 Mississippi ECA wells are detailed in the appendix slide titled "TMS Single Well ATS TC2 – Mississippi". There is no guarantee future well performance will be consistent with the average of these results.
6. ATS TC2 – Optimised means a subset of 5 of the 15 Encana Mississippi wells that comprise the ATS TC2 – Mississippi. The 5 wells comprising this subset all utilised Encana's optimised completion design at the time of completion and the average horizontal length of ~7,500 (Stimulated Lateral).
7. Data sourced from industry and company disclosures from 2014 and onwards. Companies included for the Midland Basin : APA, AREX, CPE, CXO, DVN, EGN, EGO, ECA, END, EPE, FANG, PLI, OXY, PE, PXD, QEP, RSPP, SME and XOM
8. Data sourced from industry and company disclosures from 2014 and onwards. Companies included for the Eagle Ford Basin (Karnes County) BHP, CHK, COG, COP, CRZO, DVN, ECA, EOG, EPE, MRO, MTDR, MUR, NBL, NEU, PVA, PZD, SME, STO, and TLM.
9. Data sourced from the Mississippi Oil & Gas Board and the Louisiana Department of Natural Resources.
10. Australis TMS Core single well cost estimate is based on cost estimates received as at December 2016 from service providers for the drilling and completion of a 7,500ft horizontal well. Please refer to the Risks and the disclaimer slides within this presentation regarding estimations.
11. Assumptions taken from company investor presentations since 2013 including : Goodrich, Halcon, Comstock and Encana.
12. All estimates and risk factors taken from Netherland, Sewell & Associates, report prepared as at 31 December 2016 and generated for the Australis concessions to SPE standards. See announcement titled "2016 Year End Resource Update' dated 25 January 2015. Australis is not aware of any new information or data that materially affects the information included in the referenced announcement and all the material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The contingent resource estimates are located in the Batalha Concession. NSAI generated their independent contingent resource estimates using a combination of deterministic and probabilistic methods

Footnotes - continued

13. Australis owns 100% of each Concession subject to an option over a 3% interest in each of the two concessions provided to a consultant. The net estimates provided by NSAI are prepared on the assumption that this option has been exercised. The net estimates provided by NSAI also make an allowance for royalties payable to the Portuguese government. The 3% interest will be carried by Australis for a work program of $20 million (to the 100% interest) for the existing two concessions and thereafter the consultant is responsible for their proportionate costs and liabilities
14. Assumes a placement price of A$0.23 per share and the equity placement raising A$100 million.
15. Operating Netback is calculated based on revenue, after royalties, from oil and gas sales and expenses incurred at the field level of field operating costs, transport and all revenue and production related taxes.
16. The Directors and management have contributed equity funds of $11.352 million to date, including $2.6 million to Australis Europe Pty Ltd (formerly Australis Oil & Gas Pty Ltd) and participation in two private raisings as follows: a) In Nov 2015 the Company raised $24.175 million at 20 cents per Share with Directors and management contributing $6 million, and b) in May 2016 the Company raised $10.05 million at 22c per share with one free attaching option exercisable at 27.5 cents, with Directors and management contributing $2.752 million. Directors also contributed a total of $186,607 for the subscription of shares at 25 cents each pursuant to the IPO of the Company in July 2016.
17. The petroleum initially-in-place (PIIP) and reserves and contingent resources volumes were estimated using 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 Evaluation Engineers (SPEE) Petroleum Resources Management System (SPE-PRMS).
18. The probabilistic range of uncertainty is represented by a low, best and high estimate such that
    a. There should be at least a 90% probability (P90) that the quantities in place or actually recovered will equal or exceed the low estimate.
    b. There should be at least a 50% probability (P50) that the quantities in place or actually recovered will equal or exceed the low estimate.
    c. There should be at least a 10% probability (P10) that the quantities in place or actually recovered will equal or exceed the low estimate.

    The deterministic method is based on the qualitative assessment of relative uncertainty using consistent interpretation guidelines. The independent engineers using a deterministic incremental (risk-based) approach estimates the quantities at each level of uncertainty discretely and separately.
19. Net reserves represent the varying working interests in the proposed acquisition acreage post royalties.
20. Net contingent resources represent Australis 50% working interest post royalties (40% NRI) in its existing TMS acreage plus the varying working interests post royalties in the proposed acquisition acreage.
21. Details of the Options on issue are set out in the Option Terms Summary included within this presentation.

Glossary

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

Abbreviation	Description
TMS Core	The Australis designated productive core area of the TMS delineated by production history
Permitted Drilling Units	Acreage within a formed and approved drilling unit but is yet to be HBP as a well has not been drilled and commenced production
WI	Working Interest
C	Contingent Resources – 1C/2C/3C – low/most likely/high
NRI	Net Revenue Interest (after royalty)
BT NPV (10)	Net Present Value (discount rate), before income tax
HBP	Held by Production (lease obligations met)
AFE	Authorised for Expenditure
EUR	Estimated Ultimate Recovery

Glossary - continued

Abbreviation	Description
WTI	West Texas Intermediate Oil Benchmark Price
LLS	Louisiana Light Sweet Oil Benchmark Price
D, C & T	Drill, Complete and Tie-in well cost estimate
2D / 3D	2 dimensional and 3 dimensional seismic surveys
Opex	Operating Expenditure
PDP	Proved Developed Producing
Capex	Capital costs relating to field development costs, excluding leasing costs
Ryder Scott	Ryder Scott Company
NSAI	Netherland Sewell & Associates, Inc.
IP180	Average daily production for the first 180 days of production
PSA	Purchase and Sale Agreement dated 27 February 2017 between Encana & Australis

Initial Reserve and Contingent Resource Estimate – Acquisition Asset

Ryder Scott Company, L.P (Ryder Scott) has prepared an estimate of the proved developed reserves, future production and income and an estimate of the 1C, 2C and 3C contingent resource volumes attributable to certain leasehold interests within the proposed acquisition of 175,000 net acres for sale by Encana Corporation (Encana) in the Tuscaloosa Marine Shale (TMS) formation in the states of Louisiana and Mississippi, USA as of 1 February 2017.

The Ryder Scott Report is based on the evaluation of Encana's working interest (WI) (which varies across the acreage) in 47 gross currently producing wells (31 gross (29 net) operated and 16 gross (1.6 net) non-operated) and 35 undeveloped production units. The operators of the non-operated wells are Halcon Resources Corporation, Goodrich Petroleum Corporation and Sanchez Energy Corporation.

PDP Reserves

The volumes classified as reserves in the Report have been assigned to oil production only of the 47 currently producing wells and represent 100% of the total net proved developed liquid hydrocarbon and gas reserves of Encana in the TMS at the Report date. No estimate of undeveloped reserves has been prepared. No gas reserves have been assigned as all gas production (5% of total equivalent production) is currently flared.

The reserves estimate were prepared in accordance with the classification and reporting requirements of the Petroleum Resources Management System (SPE-PRMS)[17,18] as required by the Australian Securities Exchange Listing Rule 5 – *Additional Reporting on Mining and Oil & Gas Production and Exploration Activities.* The reserve estimates were calculated using a deterministic methodology.

Ryder Scott utilised proprietary data relating to existing production and lease operating costs from the current Encana wells which were horizontally drilled with multi-fractured completions, to forecast a future production stream and associated cashflows based on the economic interest (WI and NRI) of the Company, forward strip pricing ($55.31 increasing to $58.41 by 2025) and lease operating expense estimates comprising a fixed and variable component based on historic operating expense reports.

The reference point for the volumes produced is at the wellhead.

Initial Reserve and Contingent Resource Estimate – Acquisition Asset (Continued)

Contingent Resources

The 1C, 2C and 3C contingent resources have been assigned to the 35 undeveloped state agency approved drilling units covering approximately 64,000 gross acres (approximately 56,000 net acres) with an inventory of approximately 291 undrilled locations. The undeveloped acreage evaluated in all units represents 100% of the total 1C, 2C and 3C liquid hydrocarbon contingent resources of Encana in the TMS at the Report date attributable to the acreage being considered.

The resource estimates were calculated using a deterministic methodology. The resource estimates are based on public and proprietary data in relation to existing production from offset wells and a geological analysis of public, proprietary and Australis data of the targeted reservoir characteristics across the acreage including formation volume factor, net thickness, porosity and water saturation. From this analysis Ryder Scott developed volumetric estimates of discovered petroleum initially-in-place volumes for the gross acreage position held by Encana that provide a range that captures the risk or uncertainty in these estimates.[18] Ryder Scott then utilized a range of recovery factors of 5%, 8% and 10% to determine the corresponding gross contingent resource. These figures were adjusted to reflect the economic interest of the Company, i.e. a combination of WI and NRI which generated the 1C, 2C and 3C recoverable net volumes.

The volumes of contingent resources assume development via horizontal, multi-fractured completions. 1C resources were estimated volumetrically for each production unit offsetting producing wells where reasonable certainty of production exists. The remaining units were assigned 2C volumes. The 3C volumes assume the high recovery efficiency and best reservoir parameters.

The key contingency which prevents the resources from being classified as reserves is the implementation of a development plan which will be influenced by the prevailing commodity price. No further appraisal drilling is anticipated however evaluation of offset performance will continue until a development drilling program is approved.

Initial Reserve and Contingent Resource Estimate – Acquisition Asset (Continued)

Qualified Resource Evaluator's Statement

The information in this presentation relates to petroleum reserves and contingent resources in TMS leasehold interests held by Encana Corporation and which are subject to the proposed acquisition by Australis set out in this presentation, is based on, and fairly and accurately represents, in the form and content in which it appears, information and supporting documentation prepared by, or under the supervision of, Mr Stuart L. Filler and Mr Michael James Nowicki, qualified petroleum reserves and resources evaluators. Mr Filler is a member of the Society of Petroleum Evaluation Engineers and Society of Petroleum Engineers and Associate Member of the American Association of Petroleum geologists. Mr Nowicki is a member of the American Association of Petroleum Geologists, the Society of Exploration Geophysicists and the Houston Geological Society. Messrs Filler and Nowicki each have sufficient experience that is relevant to the evaluation and estimation of petroleum reserves, contingent resources and prospective resources to qualify as a Qualified Reserves and Resources Evaluator as defined in the Australian Securities Exchange Listing Rules. Messrs. Filler and Nowicki are not employees of Australis or a related party but are employees of Ryder Scott Company L.P.

Mr Filler and Mr Nowicki have consented to the inclusion in this presentation of the matters based on the information in the form and content in which it appears.

Initial Reserve and Contingent Resource Estimate – Existing Asset

On 25 January 2017 Australis advised the Australian Securities Exchange that it had received an independent 2C contingent resource update from Ryder Scott . The Ryder Scott report included a best estimate 2C net contingent resource of 26.4 million barrels based on an approximate 38,000 gross acreage position and a working interest of 50% at the effective date of 31 December 2016. 1C contingent resources were not assigned in the report due to immateriality and absence of production on the acreage.

As part of their engagement to evaluate the reserve and contingent resource associated with the Acquisition Assets Ryder Scott also undertook an evaluation of the 1C, 2C and 3C contingent resources as at an effective date of 1 February 2017 based on an approximate 38,000 gross acres and a 50% working interest and using a methodology and inputs consistent with those applied to the acquisition Assets and which are set out on Slide 44.

For the updated estimates Ryder Scott utilised publically available and proprietary data to assign a 1C contingent resource to units based on a volumetric estimate for each unit offsetting non-operated wells which are producing from the Tuscaloosa marine shale. The remaining acreage was assigned 2C volumes. The 3C volumes assume the high recovery efficiency and best reservoir parameters.

A comparison of the contingent resource estimates to those generated at 31 December 2016 is set out below.

	Net contingent resource (50% WI and post royalties)		
	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Effective date 1 February 2017	0.8	26.4	43.5
Effective date 31 December 2016	Not reported	26.4	Not reported

Initial Reserve and Contingent Resource Estimate – Existing Asset (continued)

The contingent resource estimates assuming a 5%, 8% and 10% recovery factor from an in place volume that has been calculated based on low, mid and high case reservoir parameters.

It should be noted that there is no material change in the 2C contingent resource estimate compared to that generated in December 2016 and disclosed to the ASX in the announcement dated 25 January 2017 entitled *2016 Year End resources Update*.

Qualified Resource Evaluator's Statement

The information in this presentation relates to petroleum reserves and contingent resources in TMS leasehold interests currently held by Australis, is based on, and fairly and accurately represents, in the form and content in which it appears, information and supporting documentation prepared by, or under the supervision of, Mr Stuart L. Filler and Mr Michael James Nowicki, qualified petroleum reserves and resources evaluators. Mr Filler is a member of the Society of Petroleum Evaluation Engineers and Society of Petroleum Engineers and Associate Member of the American Association of Petroleum geologists. Mr Nowicki is a member of the American Association of Petroleum Geologists, the Society of Exploration Geophysicists and the Houston Geological Society. Messrs Filler and Nowicki each have sufficient experience that is relevant to the evaluation and estimation of petroleum reserves, contingent resources and prospective resources to qualify as a Qualified Reserves and Resources Evaluator as defined in the Australian Securities Exchange Listing Rules. Messrs. Filler and Nowicki are not employees of Australis or a related party but are employees of Ryder Scott Company L.P.

Mr Filler and Mr Nowicki have consented to the inclusion in this presentation of the matters based on the information in the form and content in which it appears.