

For Immediate Release ASX Announcement

15 November 2018

Initial Drilling Program Update

Australis Oil & Gas (ATS:ASX) (“Australis” or “Company”) is pleased to provide an update on the Company’s development activities in the Tuscaloosa Marine Shale (“TMS”), onshore Mississippi:

- The Stewart 30H-1 well has been drilled to a total measured depth of 19,424 feet and production casing successfully run and cemented.
- The horizontal well path was within the target window and achieved the planned completed horizontal length of 6,900 ft.
- Total main rig operations for the well were completed in 25 days, which was ahead of the target of 32 days.
- After successfully drilling the Stewart 30H-1 well, the rig was skidded to the second well on the same pad, the Bergold 29H-2 well on 8 November 2018.
- The Bergold 29H-2 had already been drilled to the intermediate casing depth of 11,680ft. At 06:00hr on Wednesday 14 November (CST) the rig was drilling the horizontal section of the production hole at a depth of 14,524 feet.
- Following drilling and casing of the Bergold 29H-2, completion crews will be mobilised to the Stewart Bergold pad to complete both wells.



Running casing for the Stewart 30H-1

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Australis will update shareholders on the progress of the initial well program at key milestones and upon the occurrence of material events. The Company will provide well productivity data after each pair of wells has achieved 30 days of production following well clean up (IP30).

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About Australis Oil & Gas Limited (Australis)

Australis (ASX: ATS) is an ASX listed oil and gas company seeking to provide shareholders value and growth through the strategic development of its quality onshore oil and gas assets in the United States of America and Portugal. Australis' 110,000 net acres within the production delineated core of the oil producing TMS provides significant upside potential with a Company estimated 410 net future drilling locations, and an independently assessed 47 MMbbl of 2P oil reserves (including 4 MMbbl producing reserves providing net free cash flow) as well as 98 MMbbl of 2C contingent oil resource¹ (based on net acreage at the effective date of the report of 95,000 acres) and a further 27 MMbbls of contingent oil resource² attributable to the 15,000 net acres added since that report. Australis was formed by the founder and key executives of Aurora Oil & Gas Limited, a team with a demonstrated track record of creating and realising shareholder value.

Notes

1. The most recent TMS estimates have been taken from the independent Ryder Scott report, effective 31 December 2017 and announced on 30 January 2018 titled 'Reserve and Resource Update – Year end 2017'. 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). Ryder Scott generated their independent reserve and contingent resource estimates using a deterministic method. The Company is not aware of any new information or data that materially affects the information included in the referenced market announcement and that all material assumptions and technical parameters underpinning the estimates in the referenced market announcement continue to apply and have not materially changed.
2. The 2C Resource estimate has been generated by Australis in accordance 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). The analysis was based on methodology applied by the report prepared by Ryder Scott as at 31 December 2017 (See ASX announcement released on 30 January 2018 titled "Reserves and Resources Update Year End 2017"). Ryder Scott presumed a 9% recovery factor from the mid case oil in place estimates when assessing the 2C Resources attributable to a land holding of 95,000 net acres. Maintaining the same average recovery factor, the additional 15,000 net acres is attributed a 2C Resource of 27 million barrels (Australis estimate). This contingent resource estimate is based on, and fairly represents, information and supporting documentation, prepared by, or under the supervision of, Michael Verm, P.E., who is an employee (Chief Operating Officer) of Australis. Mr Verm is a member of the Society of Petroleum Engineers and a Professional Engineer in the State of Texas. The reserve and resource information pertaining to the Tuscaloosa Marine Shale in this announcement has been issued with the prior written consent of Mr Verm in the form and context in which it appears.