ASX Announcement
For Immediate Release

1 March 2021

Corporate Presentation Material

Please find attached the investor presentation for the Australis Oil and Gas Limited capital raising.

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

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ASX: ATS

Capital Raise

February 2021

AUSTRALIS
OIL & GAS

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Australis – Compelling Strategic Opportunity

1

ATS holds a material position in a play with demonstrated Tier 1 productivity and economics

- ✓ Tier 1 Productivity of the delineated TMS Core already proven by others and further demonstrated by Australis
- ✓ Base case well economics established with sources for significant potential upside identified
- ✓ ATS is the largest acreage holder in and has effective control of the TMS Core with over 100,000 contiguous net acres, representing ~400 future net well locations
- ✓ Large resource 2P + 2C mid case recoverable estimate of 170 MMbbls[1] and opportunity for significant growth

2

TMS Assets have performed throughout recent volatility and remain positioned for success

- ✓ Achieved positive cash flows from operations each quarter in 2020 and maintained ability to pay down credit facility, even through downturn, due to:
  - ✓ Disciplined cost management
  - ✓ Execution of robust hedge programs
  - ✓ Continued strong well performance
- ✓ Increased PDP reserves to 3.7 MMbbl at YE 2020[1], with an NPV(10) of US$55mm[2]

3

Changes in shale industry aligning with Australis strategy

- ✓ Evolution of US unconventional industry accelerated by COVID 19 pandemic and shareholder pressure for capital returns and disciplined development – **Tier 1 oil inventory shortage**
- ✓ Scope for material production growth in developed plays limited to Permian but industry consolidation has concentrated Tier 1 acreage into fewer hands
- ✓ Players without significant Permian inventories have increasingly limited options as few undeveloped Tier 1 unconventional oil plays remain in the United States

4

Ability to solidify TMS position at entry cost levels exists today

- ✓ Changing market conditions raising the profile of ATS TMS assets as unique Tier 1 opportunity
- ✓ Timing is right for a modest capital raise to recommence leasing of the TMS core area mineral rights; general working capital purposes to aid any negotiations with potential partners, provide capacity for additional debt repayments if desirable[A] and to pay the costs of the offer
- ✓ Position ATS appropriately to take advantage of valuation re-rating

A There is no obligation for the Company to accelerate existing debt repayments and there is currently no intention of doing so.

Equity Raising Overview & Timetable

Australis is seeking to raise up to approximately A$8.2 million (US$6.3 million) through a private placement to existing and new investors. The Company will also offer an SPP to raise a maximum A$2 million (US$1.5 million)

- Australis is seeking to place new equity to raise up to approximately A$8.2 million (US$6.3 million[A]), before costs of the issue, via a placement of 163.5 million new ordinary shares at a share price of A$0.05/share, equivalent to approximately 16.2% of the shares currently on issue:
  - Tranche 1 - unconditional 15% placement of 150 million shares to sophisticated and professional investors for A$7.5 million (US$5.8 million[A]) under its 15% placement capacity under ASX Listing Rule 7.1; and
  - Tranche 2 – conditional placement of 13.5 million shares to all Directors of Australis for A$0.68 million (US$0.5 million[A]), subject only to shareholder approval.
  - Issue price represents a 13.5% discount to the 5-day VWAP and a 15.8% discount to the 30-day VWAP
- In addition, a Share Purchase Plan will be offered to existing and qualifying shareholders of A$30,000 per holder at A$0.05/share to raise up to a maximum of A$2 million (US$1.5 million[A])
- The funds raised from the equity placement will be used to:
  - Recommence leasing of TMS Core area mineral rights, and
  - General working capital purposes, including but not limited to, balance sheet support to
    - aid any negotiations with potential partners,
    - provide additional capacity to accelerate existing debt repayments, if desirable to do so[B]
    - Pay the costs of the offer

Indicative Financing Timetable

Trading Halt	Pre-open ASX trading Thursday, 25 February 2021
Australian and international placement opens	10:00 am (AEDT), Thursday 25 February 2021
Australian and international placement closes	4:00 pm (AEDT), Thursday 25 February 2021
ASX release of Placement and SPP and return to trading	Monday 1 March 2021
Settlement of Tranche 1	Friday 5 March 2021
Allotment of Tranche 1	Monday 8 March 2021
SPP Opens	Monday 8 March 2021
SPP Closes	Friday 26 March 2021
General Meeting to approve Tranche 2 (Director Participation)	AGM - Tuesday 11 May 2021
Settlement of Tranche 2 (Director Participation)	AGM – Thursday 13 May 2021

(A) AUD:USD exchange rate of 0.77
(B) There is no obligation for the Company to accelerate existing debt repayments and there is currently no intention of doing so

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The TMS Core is a Unique Tier 1 Asset

Proven productivity performance and key advantages sought by shale industry when replacing depleting Tier 1 oil inventory

Highly Productive Reservoir

- Proven oil productivity is on par or better than other established US Tier 1 oil shale basins
- Multiple wells across the field with 6 year production history, provides type curve confidence
- Australis PDP increased at YE20 (vs YE19) due to well performance and cost reductions

Significant Acreage & Resource

- ~107,500 net acres in the TMS Core - long life leases and low average royalties (<20%)
- Material asset with mid case recoverable estimate (2P + 2C) of 170 million barrels (net)[1] and ability to scale further
- ~400 net future well locations each with NPV10 per well > US$3.9 million @ US$55/bbl[A]

Key Advantages

- Contiguous lease position enables scale & manufacturing approach to development
- Strategic location in heart of TMS Core ensures engagement with ATS is only viable entry route for a new entrant seeking a material position and potential for acreage expansion
- Field rules & lease life allow operator, currently ATS, control over pace of capital deployment
- TMS Core one of the few remaining undeveloped Tier 1 oil shale plays with scale and no federal leases.

Premium Oil and Pricing

- TMS production 95% oil weighted
- Quality light sweet crude sold at LLS pricing, achieved ~US$2.10/bbl premium to WTI (Feb 21)
- Access to oil sales infrastructure with capacity and proximity to multiple oil markets

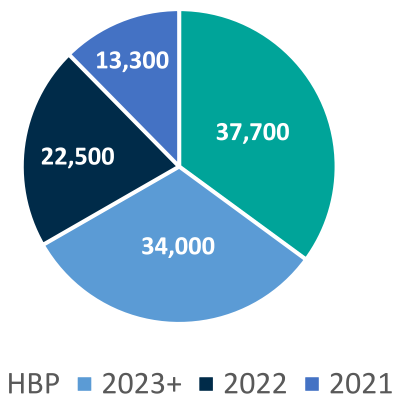
A. See Slides 18 & 19 for more details

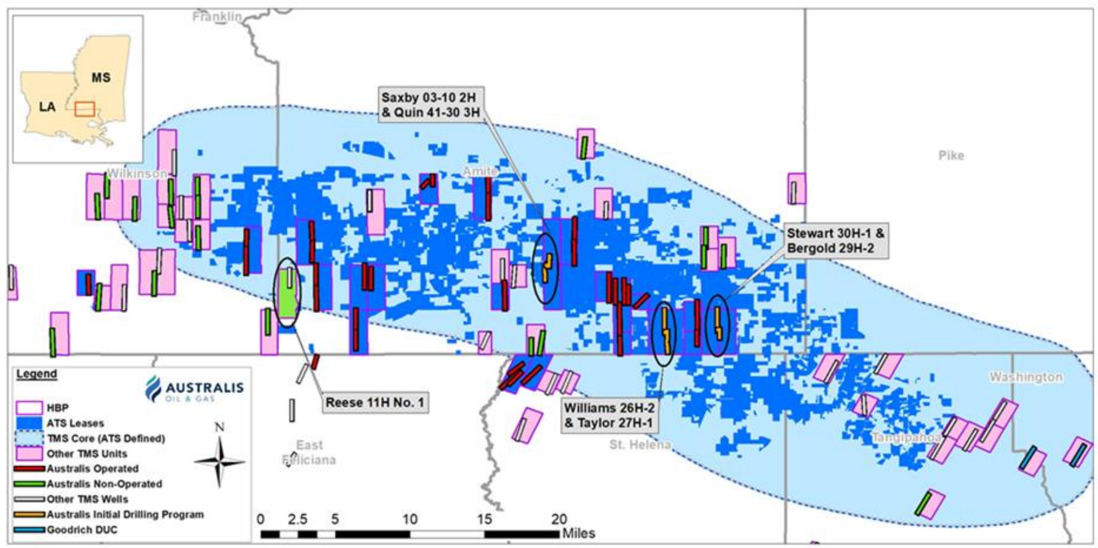
TMS Core – Substantial acreage position with scale and control

- **Large contiguous land position** in the TMS Core with >100,000 net acres (none on federal lands)
- **Ideal location** – services, infrastructure, roads, pipelines etc
- **Development flexibility** – long lease life and favourable field rules
- **Significant inventory** of approx. 400 net well locations
- **Opportunity to grow acreage position** within TMS Core
- **Third party activity** in leasing and well permitting
- Potential for material **acreage increase**

TMS Project Asset Profile Mississippi and Louisiana, USA	
Net Acres	~107,500 (37,700 HBP)
Producing Wells	37 operated 17 non-operated
Net well locations	~400

Acreage Expiry Profile





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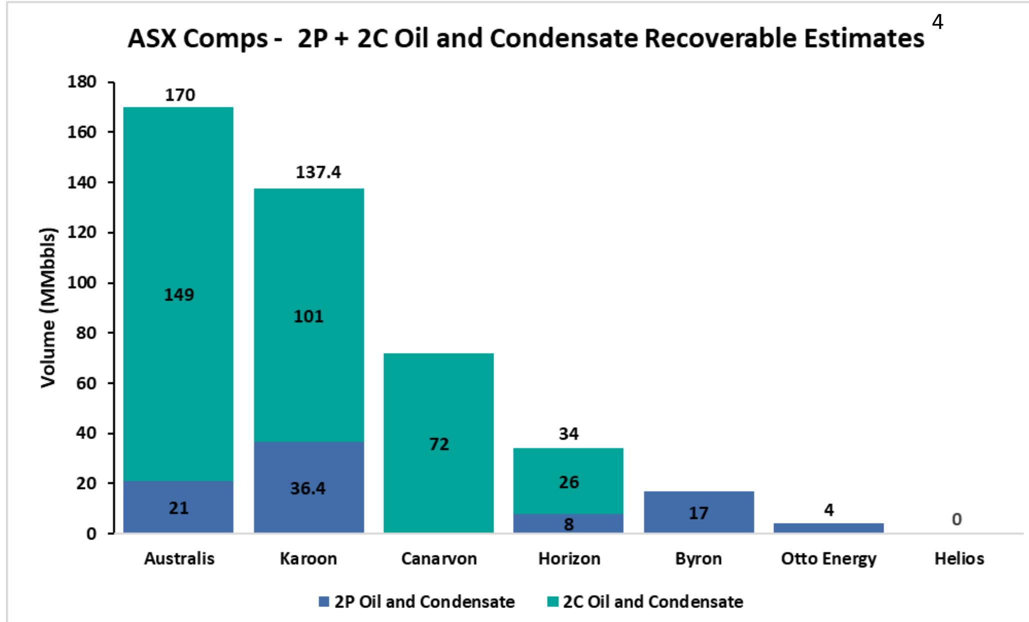
TMS Core - Significant oil reserve and resource

Material mid case recoverable estimate of 170 million bbls independently verified (Ryder Scott LP)

Australis TMS Reserves and Resources – as at 31 December 2020

Reserve and Resource category	Australis Net Oil (MMbbls)
Reserves[1]	
Proved Developed Producing (PDP)	3.7
Proved (1P)	10.4
Proved + Probable (2P)	21.0
Proved + Probable + Possible (3P)	27.5
Resources[1]	
Low Contingent (1C)	20.8
Best Contingent (2C)	149.4
High Contingent (3C)	270.7



- PDP Reserves of 3.7MMbbls[1]; an **increase** over YE2019[3], due primarily to lower achieved operating costs
- PDP NPV(10) of ~US$47 million[1], at a flat US$47.02 oil price, increases to US$55 million[2] based on WTI strip at 22 February 2021.
- Undeveloped reserves based on very modest development in next 5 years of 58 gross (40 WI) wells on only 10,400 net acres – 10% of overall leasehold position
- Remaining net undeveloped leasehold acreage allocated to contingent resource

2020 Operational Performance and Results

Disciplined capital management and TMS asset performance drove strong 2020 results despite challenging market conditions

- Strong Field Netback[C] of $24/bbl (NRI and excluding hedging) provided solid financial base for ATS
  - Operating costs reduced by 13% (on a per/bbl basis) over 2019
  - LLS premium pricing over WTI
- Positive EBITDA[C] each quarter – full year total US$7.0m[A] despite voluntary Q2 curtailment and price volatility
  - G&A costs reduced by 54%
  - Hedge program delivered an average achieved sales price more than 22% above actual market prices in the field - US$51.76/bbl
- Net cash flow generated from operations provided additional capacity to service and repay US$13m[B] in debt in 2020 (a 39% reduction from YE 2019 balance) and improved working capital position
- Continued solid ATS well performance and lower costs resulted in YE 2020 PDP volumes increasing by 3% after FY 2020 sales of 13% of YE 2019 PDP estimates
- Debt matures in Nov 2023 with minimum quarterly repayments of US$1 million; interest rate Libor + 6%; full covenant compliance

ATS 2020 Quarterly Results

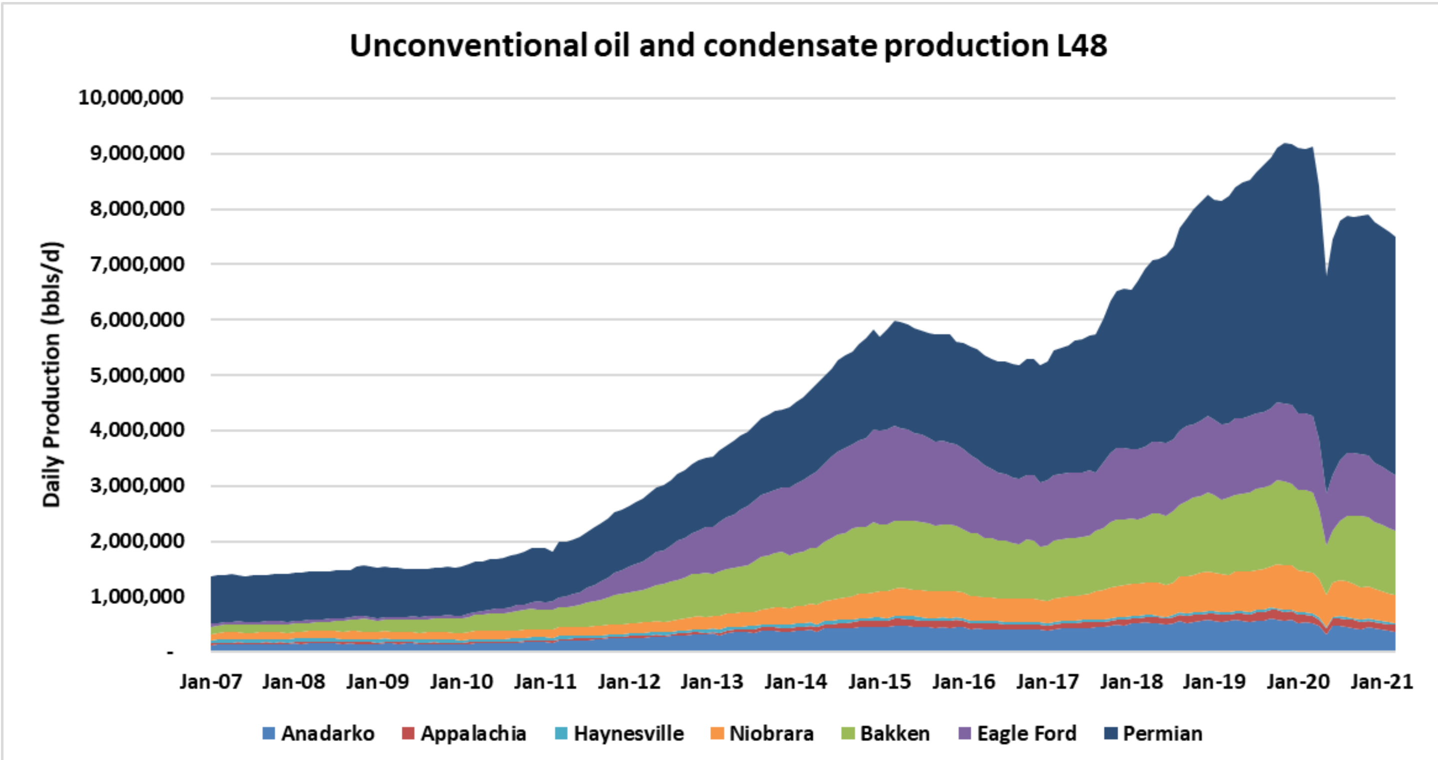
	Q1 (Mbbls)	Q2 (Mbbls)	Q3 (Mbbls)	Q4 (Mbbls)	Total (Mbbls)
Sales Volumes (WI)	170	66	143	125	505
	(US$MM)	(US$MM)	(US$MM)	(US$MM)	(US$MM)
WI Sales Revenue[A]	9.2	4.4	6.6	5.9	26.1
Field Netback[A,C]	5.0	3.4	3.5	2.7	14.6
EBITDA[A,C]	2.8	1.5	1.9	0.8	7.0
Facility Interest	0.9	0.4	0.4	0.4	2.1
Ending Debt Balance	33	23	23	20	20
Ending Cash Balance	13.9	4.4	6.8	4.7	4.7

2020 Earnings before tax, depreciation and amortisation US$4.9m

A – Includes impact of hedging
B – Debt can be repaid at any time without penalties
C – Field Netback and EBITDA are non IFRS[8]

Evolution and impact of the US Shale Industry

US unconventional growth has heavily influenced global oil markets since 2007

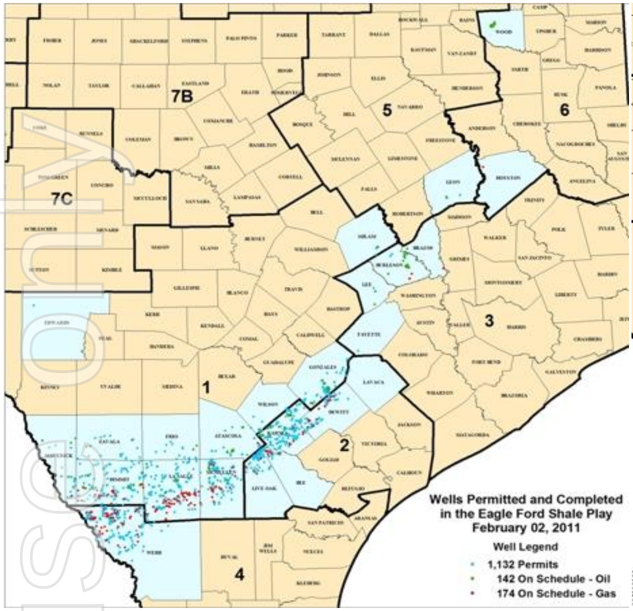


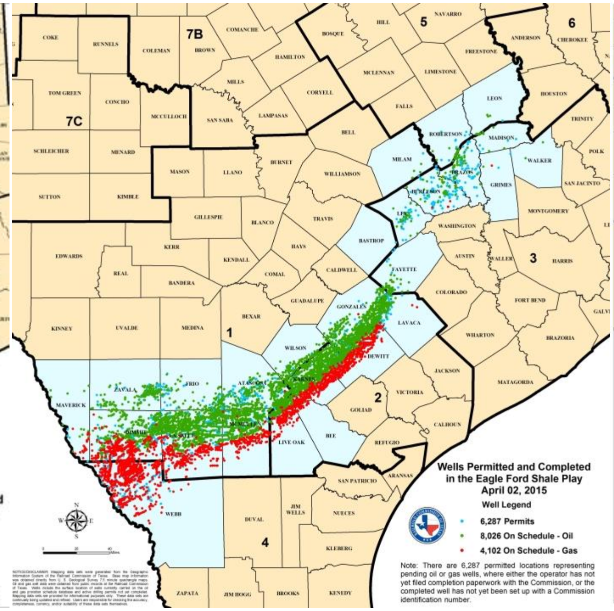
- US oil production grew rapidly during this period to make them the largest producer in the world at over 14 million bbls per day and shale alone as the 4th largest contributor to oil production in the world.
- Practically all growth came from unconventional developments
- Three plays generated almost 85% of the unconventional contribution in 2020: the Permian, Eagle Ford and Bakken
- Eagle Ford and Bakken are now mature – were already plateauing by early 2020

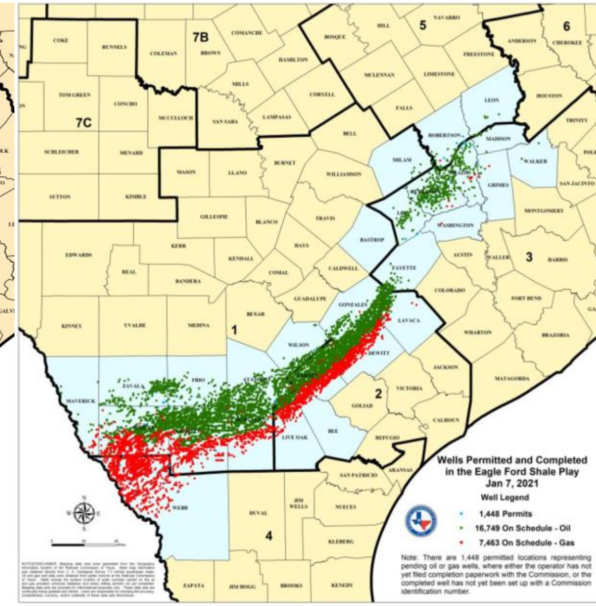
Source: EIA Drilling Productivity Report February 2021

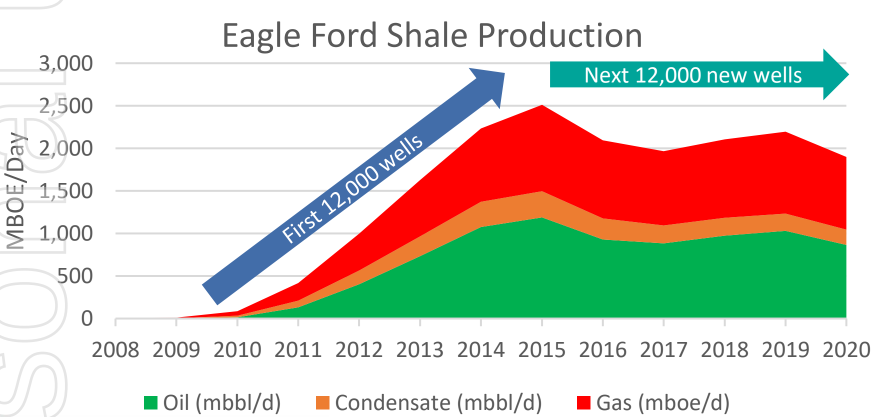
Life Cycle of a Shale Play

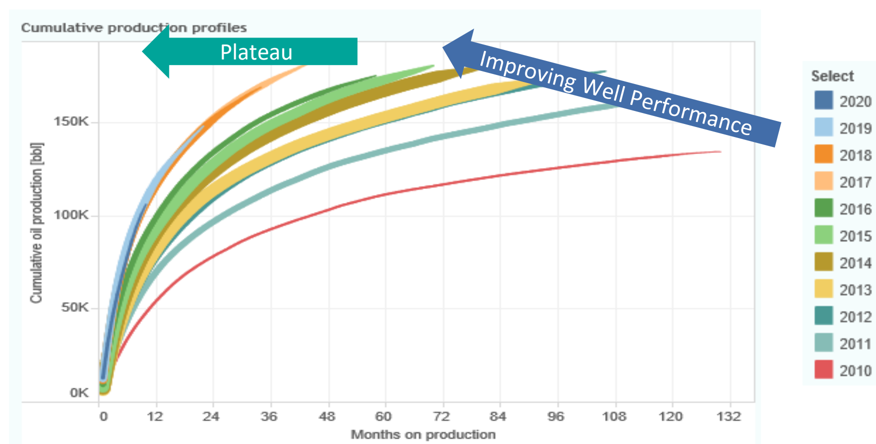
Eagle Ford Shale – Delineation, Improvement, Growth then Plateau











Source: Texas Railroad Commission and Shale Profile

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Consolidation Occurring in the Permian

Permian Basin – Still plenty of Tier 1 inventory but industry consolidation limits entry opportunities for those companies without exposure

- Six material corporate deals in the Permian during 2H 2020 – over 1.1 million acres acquired for US$42.6 billion

Date	Buyer	Seller	Transaction Type	Value (US$B)	Existing Basin exposure	Permian Acres Purchased	Combined Permian Acres	Acreage Uplift
Jul-20	Chevron	Noble	Corp	$13	Permian, DJ, others	92,000	1,700,000	6%
Sep-20	Devon	WPX[A]	Corp	$5.6	Permian, Bakken	150,000	400,000	60%
Oct-20	ConocoPhillips	Concho	Corp	$13.3	Permian	550,000	700,000	367%
Oct-20	Pioneer	Parsley[A]	Corp	$7.6	Permian	250,000	930,000	37%
Dec-20	Diamondback	QEP & Guidon	Corp	$3	Permian	81,564	429,000	23%
	Total			**$42.6**		**1,123,564**	**4,159,000**	**37%**

- Public disclosure from these six transactions indicate a significant number of additional companies were also exploring consolidation opportunities.
- Consistent themes supporting the acquisitions include
  - Increasing Tier-1 assets and drilling inventory to satisfy pressure for accelerating ROC vs. reinvestment/recycle
  - Increasing size and scale
  - Cost synergies – reducing operating and overhead costs
- By Jan 2021, following consolidation, the 10 largest acreage holders had amassed 62% of the 22 million acre greater Permian Basin.
- Opportunities to acquire a meaningful position have become more difficult in the Permian basin due to high cost and availability
- Australis believes more parties requiring Tier-1 inventory will have to look to non-Permian opportunities

"the best companies have been picked off in the past few weeks" "can't see much more happening" (Scott Sheffield, CEO Pioneer Natural Resources on acquisition of Parsley Energy, 20 October 2020)

A: See slide 20 for case histories showing both purchased companies acting as consolidator during transactions which closed in Q1 2020.

TMS Core – Tier 1 Basin Productivity

TMS Type Curve well productivity and decline profile outperforms many of the best counties within the four major oil producing basins: the Permian, Eagle Ford, Williston (Bakken) and DJ - Niobrara

24 month cum. Oil Production ('000 bbls)
ATS TMS v best counties within major onshore oil US plays

Average Cum Oil Production v Months on Production
<u>Best Performing County</u> in Each Oil Play

Source: "The Major Tight Oil Basins" from ShaleProfile Insights May 27 2020. ATS TMS 15 well average has been interposed onto the data.

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Australis strategy and timing

Valuation is always a product of asset quality and scarcity…….empirical data supports TMS Core quality and the US Shale evolution now driving the latter.

- Prior to COVID-19, the US shale industry was going through a structural shift with diminishing Tier 1 inventory locations due to asset maturity and limited access to capital
- Shareholder pressure grew for return of capital over recycling, the result being that shale oil production growth was already slowing prior to the COVID pandemic
- Options for acquiring Tier 1 inventory in developed plays are limited and opportunities in the biggest remaining basin, the Permian, have decreased due to ongoing consolidation
- **With the US heavily explored over the last 14 years the TMS Core is one of the only remaining delineated but undeveloped shale plays with Tier 1 oil productivity**
- Australis holds a controlling interest within the TMS Core and is custodian of practically all the historical data on the play
- The Company is in a position to drive value for this overlooked and undervalued asset in the evolving post COVID market
- Investing in Australis at current prices is an opportunity to acquire an interest in this asset at entry level / exploration level cost basis, a rare opportunity for a play with proven production – we trade at an enterprise value of US$0.03[A] per recoverable bbl in the ground. Our type curve well has an NPV(10) of US$8/bbl at WTI US$55/bbl[B]

A: Value allocation assumes an EV of US$60m, an NPV(10) of PDP at US$55m[2] and 170 MMbbls[1] mid case recoverable (2P + 2C)
B: This is the economics of a single well (see Slide 18), care should be taken if extrapolating across 400 net locations due to the likely scheduling of those wells and associated discount effect.

Summary

Experienced team and strategy will ultimately drive shareholder returns.

TMS Asset Quality

- Comparable productivity to best areas in the USA. Long production history from 85 wells removes guess work
- Product stream 95% oil and a light sweet crude demands a premium to WTI
- ATS has shown base case well economics, with all other plays having shown incremental improvement during development

Strategic Advantages of TMS

- Large resource of oil
- Proximity to infrastructure
- Known well spacing with >6 year production history
- Supportive legislative environment with no federal leases
- Modest and flexible capital requirements
- Potential for acreage growth

Shale Industry Transformation

The broader shale industry is facing a structural transformation due to the following:

- Diminishing Tier 1 inventory locations
- Limited opportunity for exploration or new field developments
- Remaining growth play, Permian, tightly held

Australis Capital Raise

Having managed and protected the asset during the turmoil of 2020, Australis is seeking to raise funds to

- Allow for the maintenance of key leaseholds to retain control
- Strengthen balance sheet for engagement with potential partners
- Provide capacity to repay further debt, if desired[A]
- General working capital requirements

A There is no obligation for the Company to accelerate existing debt repayments and there is currently no intention of doing so.

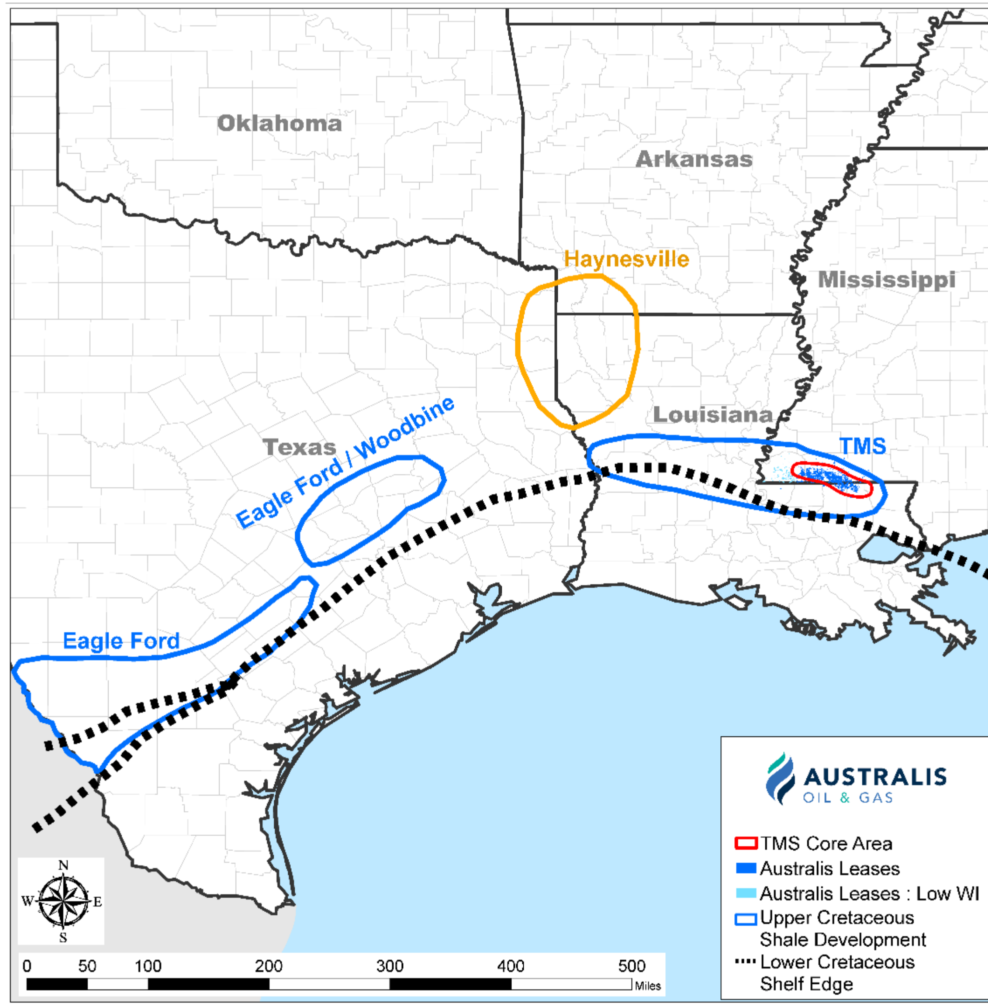
Additional Information

TMS is an undeveloped Tier 1 oil shale play

On trend with Eagle Ford Basin in Texas, similar depositional history and age

- Onshore basin - Louisiana and Mississippi.
- On trend with Eagle Ford Basin in Texas, similar depositional history and age.
- 85 horizontal wells were drilled from 2010 to 2015 and have delineated the Core Area.
- Performance from the early drilled wells was variable and unusually binary - either in or outside of the core area.
- The wells drilled in 2014 in the core of the TMS demonstrated consistently high oil productivity and downward trending well costs
- Australis well results continue this trend

TMS Location



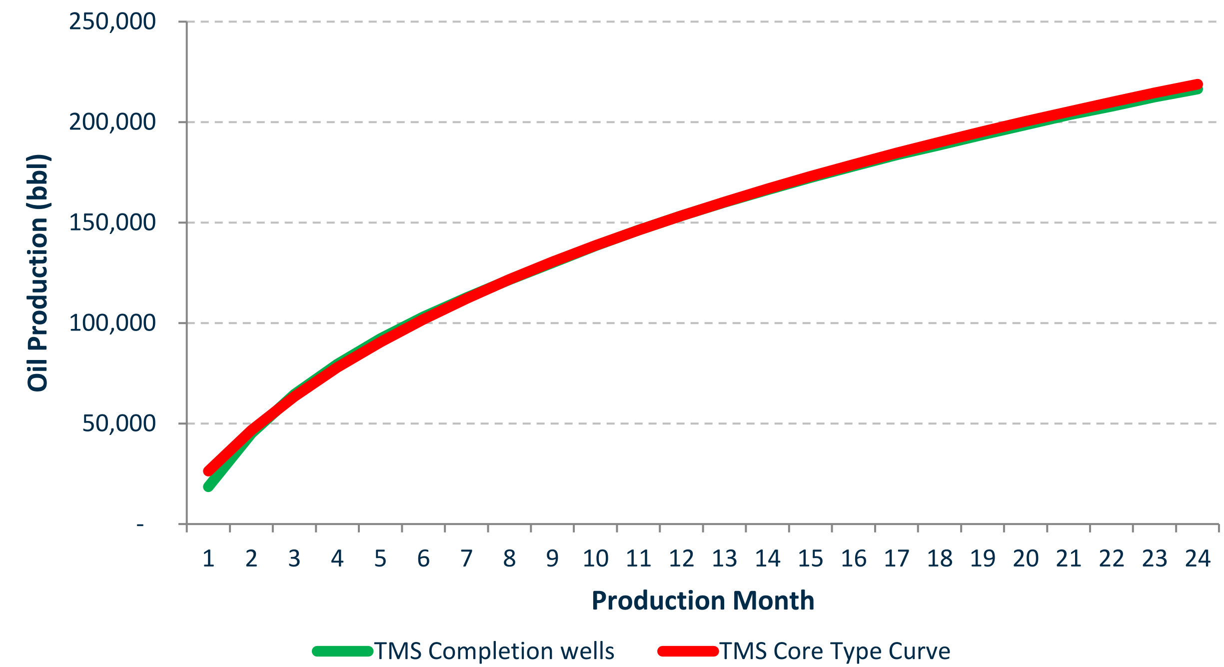
Single Well TMS Type Curve

TMS Type Curve is a simple history match to averaged data from 15 ATS operated wells drilled in 2014

TMS Type Curve – Assumptions

- Oil EUR – 610 Mbbls
- Gas EUR – 159 MMscf
- NGL EUR – 20 Mbbls
- EUR (30 yr) – 656 Mboe (97% liquids)

TMS Core Type Curve v TMS Production



Type Curve	Well EUR	Basis
TMS Type Curve	656 Mboe	History match average of the 15 wells spudded by Encana in 2014 (~7,200 ft stimulated lateral)
TMS Productivity Upside	787 Mboe	20% uplift of the TMS Type Curve which is less than the industry average improvement in well performance (normalised) since 2014

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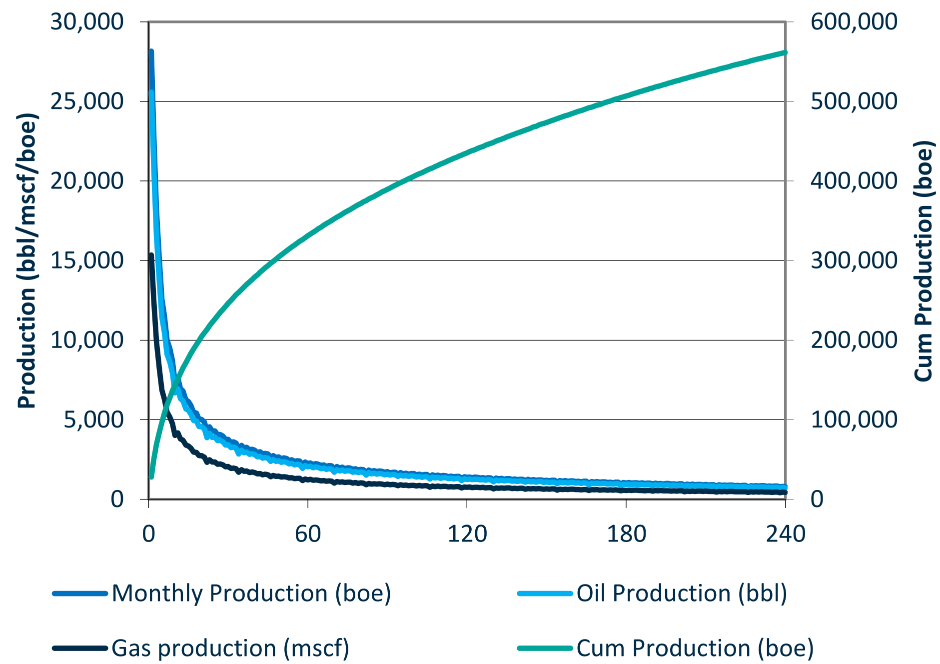
Single Well Economics – Conservative Base Case

Assumptions consistent with RS 2020 Reserves including Capex, Opex and lateral length – no future upsides are assumed in the base case

Base Case Assumptions*

EUR[C]		
Gas	0.37	Bcf
Oil/Condensate	611	Mbbl
EUR/well	**672**	**Mboe** [5]
Well Cost	**US$**	
Drilling	$4.0	million
Completion	$4.5	million
Tie in	$1.0	million
Total Well Cost	**$9.5**	**million**
Operating Expenditure	**US$**	
Fixed Opex	$8,935	/well/month
Variable Opex	$1.07	per bbl fluid
Variable Opex[A]	$1.93	per bbl
Other Assumptions		
NRI	80%	
Realised Net Differential[B]	$2.00	$ per bbl
Abandonment cost	1.0%	of well cost
Escalation	2.0%	

Production Forecast



Oil Price - WTI US$/bbl	Cashflow US$ million	Pre-tax NPV10 US$ million	IRR %	Payback Months
$55	$10.7	$3.9	27%	32
$65	$15.0	$6.6	42%	21
$75	$19.2	$9.2	60%	15

A. Includes water disposal
B. Australis sells its oil at LLS benchmark, which trades at a premium to WTI. Realised differential represents LLS premium less local differential.
C. EUR based on YE2019 Ryder Scott 2P curve
** Economics based on 20 year cash flows from first production*

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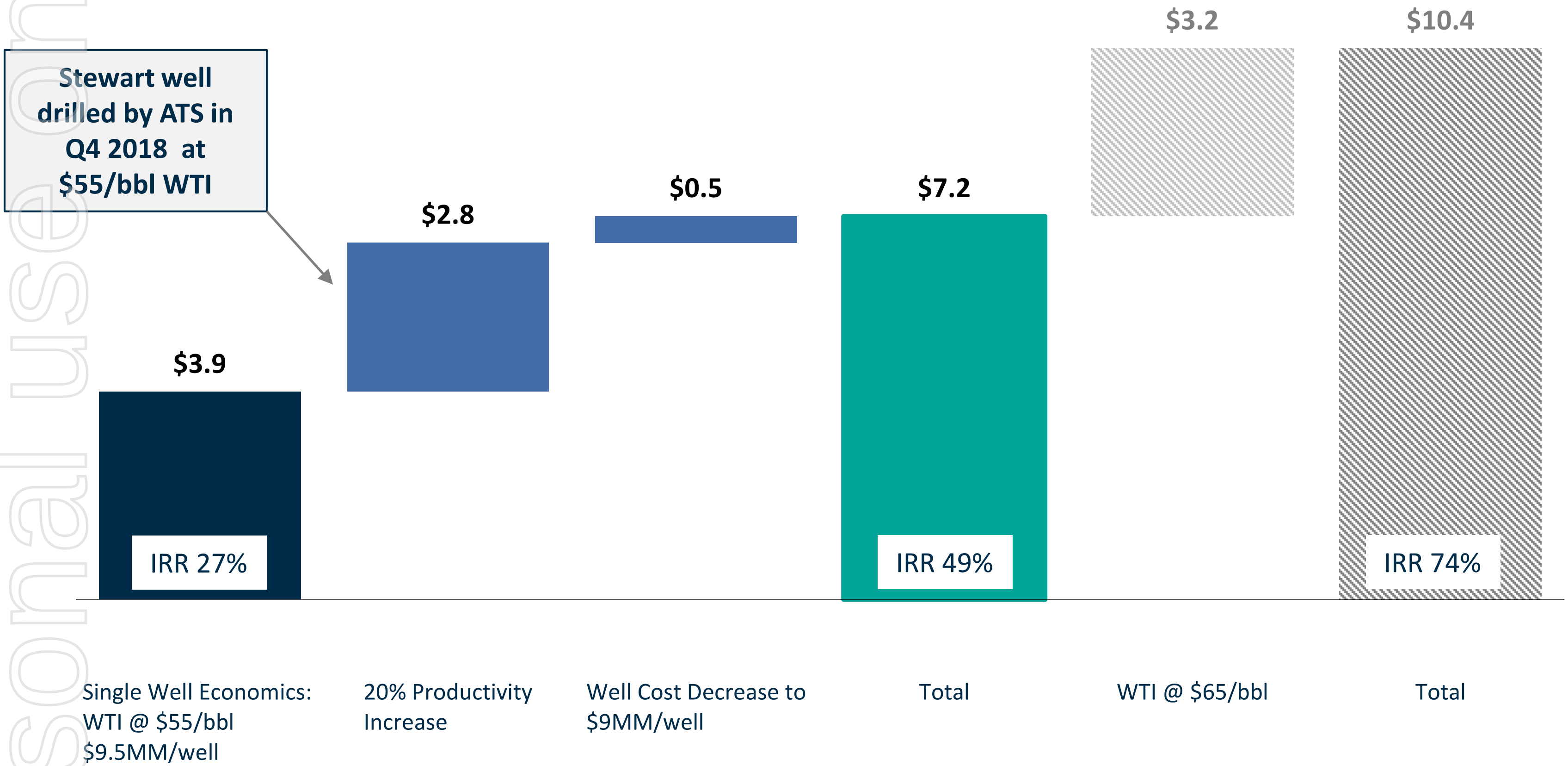
Large well inventory each with attractive economics

Australis has 400 net well locations - each with a base value of US$3.9 million @ $55/bbl (excluding upside)

Single Well Economics NPV10[A] (US$ million)



A. Assumes realised net LLS premium of $2 over WTI and is pre-tax

Case Study – Delaware Basin vs TMS

Two recent 'Tier 1' transactions highlight the comparative value of the TMS [6,7]

WPX acquires Felix Energy for US$2.5 B (cash & stock) – December 2019

- 58,500 net acres, 60,000 boe/d production (70% oil), 190 wells drilled, 1,500 gross locations. At $30k/boe/d equates to $12,000/acre

Parsley acquires Jagged Peak Energy for US$2.3 B (stock) – October 2019

- 78,000 net acres, 38,300 boe/d production (76% oil). At $30k/boe/d equates to $6,500/acre

Productivity Comparison with Australis TMS well performance	12 month Cum bbl oil	Lat Length ft	bbl/ft	Net (post royalties) bbl/ft
Wells highlighted by the Acquirer				
Felix Average – 21 Wells	233,619	9,964	23.5	17.6
Jagged Peak Average – 35 Wells	193,400	8,658	22.3	16.8
Australis TMS Wells				
TMS Type Curve 15 Wells (Encana 2014 wells)	153,356	7,254	21.1	16.9
Stewart 30H-1 Well	188,754	6,845	27.6	22.1
Taylor 27H-1 Well	136,508	6,555	20.8	16.6

Comparison of key parameters – net oil production, water cut, cost and achieved price

- Average Felix wells 17.6 bbl/ft, Jagged Peak 16.8 bbl/ft and **TMS Type Curve 16.9 bbl/ft**
- Jagged Peak well cost (2018) - $1,500/hz ft; **Stewart $1,519/hz ft and Taylor $1,632/hz ft**
- Jagged Peak wells average water production 61.6 bbl/ft and **TMS Type Curve 10.5 bbl/ft**
- Achieved oil price Q3 2019 Jagged Peak - $53.55/bbl, **ATS $59.60**

Subsequent to these transactions, both acquirers have now been consolidated themselves – see slide 11

AUSTRALIS OIL & GAS

Australis Corporate Snapshot at 22 Feb 2021

Well positioned after 2020 with experienced and invested Management Team

Key ATS Financial Statistics for FY 2020	
Average Sales (WI)	~1,380 bbl/day
Average Sales Price (inc. hedging)	US$51.76/bbl
Revenue (WI) (inc. hedging)	US$26.1 million
EBITDA[8]	US$7.0 million
Interest costs	US$2.1 million
Cash Balance (31 December 2020)	US$4.7 million
Total Debt Balance (31 December 2020)	US$20 million

Board & Management – Ex Aurora Founders & Management	
Jon Stewart	Non-Executive Chairman
Ian Lusted	Managing Director
Graham Dowland	Finance Director
Alan Watson	Non-Exec Director
Steve Scudamore	Non-Exec Director
Darren Wasylucha	Chief Corporate Officer
Julie Foster	VP Finance & Company Secretary

Share Capitalisation (as at 22 February 2021)	
Ordinary shares issued and outstanding	~ 1,008 million
Australian Securities Exchange symbol	ATS
Market capitalisation	A$58 million
Board & Management Ownership	**~11%**

Hedge Book – as at 31 December 2020

Period	Volume Hedged (mbbls)	% of YE20 RS PDP	AVG. WTI Floor Price ($/bbl)
2021	277	75%	$46
2022	45	14%	$49
2023	4	9%	$50

Indicative Capital Structure post the Placement & SPP

Assumes

- **Tranche 1: 150 million shares issued at 5c to raise A$7.5 million before costs,**
- **Tranche 2: 13.5 million shares issued at 5c to raise A$0.675 million, and**
- **The SPP: 40 million new shares being issued at 5 cents to raise A$2.0 million - assuming existing shareholders subscribe to at least the A$2 million cap.**

Shares	Existing Shares	Placements		Proforma Post Placements	SPP (subscribed to the A$2 million cap)[A]	Pro forma on issue	A$ Raised
	ATS shares (millions)						A$'000
		Tranche 1	Tranche 2				
Directors & Employees	112		13.5	125.5		125.5	$675
Other existing Shareholders & new investors	896	150		1,046	40	936	$9,500
Total	**1,008**	**150**	**13.5**	**1,171.5**	**40**	**1,211.5**	**$10,175**

A: Assumes valid applications received for the capped amount of A$2 million.
There is no guarantee of any amount being raised under the SPP.

AUSTRALIS OIL & GAS

Capital Structure – 24 February 2021

Ordinary Shares on issue
1,007,963,678

Options & Performance Rights				
Grant dates	**Exercise Price (A$)**	**Vesting**	**Expiry**	**Number**
Directors, Executives & Management				
13 Nov 2015	$0.35	Vested	31 Dec 2022	29,200,000
28 Apr 2016	$0.35	Vested	31 Dec 2022	2,000,000
24 May 2016	$0.275	Vested	24 May 2021	420,000
10 April 2017	$0.3125	Vested	30 Nov 2021	420,000
18 Dec 2017	$0.285	Vested	31 Dec 2022	500,000
18 Dec 2017	$0.345	Vested	31 Dec 2022	500,000
18 Dec 2017	$0.400	Vested	31 Dec 2022	500,000
				33,540,000
Macquarie Bank (Debt Facility)				
4 Jun 2018	$0.49	Vested	4 Jun 2021	20,000,000
4 Jun 2018	$0.51	Unvested [A]	4 Jun 2021	10,000,000
Performance Rights on issue				
2018 – 2020	Nil	Vested	31 Jan 2022 - 31 Jan 2023	4,209,268
2019 – 2020	Nil	Unvested [B]	31 Jan 2023 - 31 Jan 2025	26,486,321
Fee Rights				
25 June 2020	Nil	Vested [C]	31 Jan 2023	34,494,104

A. Due to restructure of the Facility in April 2020, this tranche of options is incapable of vesting and will lapse on the expiry date.
B. Vesting performance rights are based on various targets including continued service and Company's total shareholder return compared to price at commencement of year of grant and relative to peers over the same period.
C. Fee Rights were granted to a) Non- executive directors in lieu of cash fees for 2020, b) Executive Directors and Management in compensation for 2020 salary reductions and / or voluntary forfeiture of 2019 achieved STI.

AUSTRALIS OIL & GAS

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Footnotes

1. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2020 and generated for the Australis concessions to SPE standards. See ASX announcement released on 5 February 2020 titled “Reserves and Resources Update Year End 2020”. Australis is not aware of any new information or data that materially affects the information included in the referenced announcement and all the material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. Ryder Scott generated their independent reserve and contingent resource estimates using a deterministic method which is based on a qualitative assessment of relative uncertainty using consistent interpretation guidelines. The independent engineers using a deterministic incremental (risk based) approach estimate the quantities at each level of uncertainty discretely and separately.
2. Updated PDP NPV(10) of US$54.9 million uses the PhDWin model created by Ryder Scott for the PDP year end 2020 estimates[1] with an updated oil price assumption using the forward strip on 22 February 2021 (2021 US$57.20/bbl; 2022 US$53.30/bbl; 2023 US$50.90/bbl; 2024 US$49.67/bbl and 2025+ US$49.10/bbl) with an effective date 1 March 2021. All other assumptions on production profiles and operating cost were retained as per Ryder Scott model inputs and Australis is not aware of any new information or data that materially affects them.
3. Estimates from the independent Ryder Scott report, effective 31 December 2019. 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 deterministic methods.
4. Based on public data including reserve announcements and annual reports from ASX Peer Companies with oil weighted portfolios.
5. 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
6. Analysis of data sourced from WPX Energy Investor Presentation “Acquisition of Felix Energy” 16 December 2019 & Texas Railroad Commission completion reports
7. Analysis of data sourced from Parsley Energy Investor Presentation “Acquisition of Jagged Peak Energy” 14 October 2019, Texas Railroad Commission completion reports, ShaleProfile.com & Jagged Peak Energy Q3 report.
8. For the year ended 31 December 2020, the following table reconciles the net loss to EBITDA:

	US$’000
Net (loss) / profit after tax	(125,208)
Adjustments:	
Depletion	434
Depreciation – production equipment	1,521
Depreciation	639
Net finance expenses	2,931
Impairment provision	126,710
EBITDA	**7,027**

Glossary

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

Abbreviation	Description
TMS	Tuscalossa Marine Shale
TMS Core	The Australis designated productive core area of the TMS delineated by production history
WI	Working Interest
C	Contingent Resources – 1C/2C/3C – low/most likely/high
NRI	Net Revenue Interest (after royalty)
Net	Working Interest after deduction of Royalty Interests
NPV (10)	Net Present Value (discount rate), before income tax
HBP	Held by Production (lease obligations met)
EUR	Estimated Ultimate Recovery per well
WTI	West Texas Intermediate Oil Benchmark Price
LLS	Louisiana Light Sweet Oil Benchmark Price
Opex	Operating Costs
Capex	Capital Costs
PDP	Proved Developed Producing
PUD	Proved Undeveloped Producing
2P	Proved plus Probable Reserves
3P	Proved plus Probable plus Possible Reserves
D, C & T	Drilling, Completion, Tie In and Artificial Lift
G&A	General & Administrative
KMP	Key Management Personnel
Royalty Interest or Royalty	Interest in a leasehold providing the lessor with the right to receive a share of production associated with the leasehold area
Field Netback	Oil and gas sales net of royalties, production and state taxes, inventory movements, field based production expenses, hedging gains or losses but excludes depletion and depreciation.
EBITDA	Net income / loss for the period before income tax expense or benefit, finance costs, depreciation, depletion, and amortisation charges and impairment provision
Net Acres	Working Interest before deduction of Royalty Interests
IP24	The peak oil production rate over 24 hours of production
TMS Type Curve	The history matched production performance of 15 wells drilled in the TMS by Encana in 2014. Corresponds to an average treated horizontal length of 7,200ft. Refer to the Appendix of the Australis Corporate Presentation
IDP	Initial drilling program of 6 wells in the TMS by Australis commencing late 2018
IP30	The average oil production rate over the first 30 days of production

Risk Factors

Investing in the placement involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out below before making an investment decision. The list of risk factors is not exhaustive and there may be other risks relevant to Australis which are not stated herein. For a more comprehensive list of risk factors, please refer to the Annual Report for the year ended 31 December 2020. A prospective investor should carefully consider all the risks related to Australis, and should consult his or her own expert advisors as to the suitability of an investment in Australis. An investment Australis entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Against this background, an investor should make a careful assessment of Australis and its prospects before deciding to invest.

Offer Risk. The proposed placement is not underwritten, and there is no guarantee applicants will settle. If settlement does not occur with respect to the placement, there is no assurance that Australis will be able to access and secure additional funding on reasonable terms or at all.

Australis is exposed to commodity risk. Australis develops onshore oil and gas assets. The prices of oil and gas are outside the control of Australis and fluctuate; the prices impact the availability and costs of opportunities for Australis, and any future revenue and profitability from the sale of oil and gas. Australis' strategy is predicated on the belief that the fundamental drivers are in place for a potential increase in oil prices in due course. There is no guarantee the oil price will increase.

Australis is exposed to financing risk. The assets and companies in which Australis invests in are capital intensive and require equity and debt financing in order to develop the projects in which they are involved. If Australis, or the assets or companies in which Australis invests in, are unable to obtain financing on beneficial terms it could have a material adverse effect on Australis's financial condition. The Company has incurred indebtedness under the credit agreement with Macquarie Bank Limited, which may adversely affect its cash flows and ability to operate its business and remain in compliance with and repay such indebtedness. As such Australis is exposed to interest risk on interest bearing current and non current liabilities following a placement of debt.

Australis is exposed to production risk. Within the TMS assets there are a number of producing wells that were drilled and operated by third parties, and many of these are now operated by Australis. Australis has drilled and completed 6 wells which it now operates and produces from. There can be no guarantee that these wells will continue to, or any new wells drilled, will produce at the expected rates and / or for the predicted duration. Physical risks from climate change are those arising from an increase in severity and/or frequency of weather events such as hurricanes and flooding. Weather events, including hurricanes and ice storms, have proven to cause substantial disruptions to hydrocarbon production and as a result of such weather, the Company's (i) facilities may be substantially damaged and (ii) any oil and gas production may be reduced or interrupted entirely.

Australis is exposed to operational risk. Australis' future financial condition and results of operations will depend on the success of its exploration, development and production activities. Oil, condensate, and natural gas exploration and production activities are subject to numerous risks, including the risk that drilling will result in dry holes or not result in commercially feasible oil or natural gas production. Selecting a drilling location is influenced by the interpretation of geological, geophysical, and seismic data, which is a subjective science and has varying degrees of success. 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 is exposed to leasing / title risk. Australis has acquired and will continue to acquire Working Interests in leaseholds from mineral rights owners in Louisiana and Mississippi, USA. Certain TMS Leases 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 determined, it may have a financial impact on the value of that lease.

Australis is exposed to environmental risk. Investments in oil & gas assets involves an inherent exposure to environmental risk which may reduce profitability of certain projects. Significant liability could be imposed on Australis for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties purchased or used by Australis, acts of sabotage by third parties or non-compliance with environmental laws or regulations by Australis.

Australis is exposed to legal and regulatory risk. Changes in laws and regulations relating to ownership and the development of land could have an adverse effect on Australis's business. New laws may be introduced which may be retrospective and affect environmental planning, land use and development regulations. Furthermore, changes in tax legislation and/or increases in tax rates could have a material adverse effect on Australis's financial condition.

Risk Factors

Australis is exposed to key personnel risk. 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 Australis' 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 Australis will be able to continue to attract and retain all personnel necessary for the implementation, development and operation of its business strategy.

Australis is exposed to resource and reserve estimation risk. There are inherent risks in the estimation of prospective and contingent resources and reserves. There is a risk that such estimations will not convert into reserves or any actual production may significantly vary from such estimates.

Australis is exposed to exchange rate risk. The Company operates in multiple currencies and exchange rates are constantly fluctuating. Australis does not hedge currencies but the current policy is to convert the majority of its cash balances to USD.

Australis is exposed to Competition Risk. 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 increase its reserves in the future will depend not only on its ability to explore and develop the TMS leases, but also on its ability to select and acquire suitable producing properties or prospects for drilling.

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