



**For Immediate Release  
ASX Announcement**

15 April 2024

**REVISED PROXY FORM FOR 2024 ANNUAL GENERAL MEETING**

Australis Oil and Gas Limited (“**Australis**” or the “**Company**”) advises that an amendment to the Proxy Form contained within the Company’s Notice of Annual General Meeting lodged with the ASX on 12 April 2024 has been made due to a typographical error and lodged with ASX today.

Please find attached Notice of Annual General Meeting and revised Proxy Form. There has been no amendment to the previously lodged Notice of Annual General Meeting.

A revised Proxy Form will be mailed to Shareholders this week.

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

For further information, please contact:

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# Australis Oil & Gas Limited

ABN 34 609 262 937

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

**Date of Meeting**

14 May 2024

**Time of Meeting**

11:00 AM (AWST)

**Place of Meeting**

REIWA Building, Conference Room 1, Level 1, 215 Hay Street, Subiaco,  
Western Australia

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully and complete and return the enclosed Proxy Form in accordance with the specified directions.

## 2024 ANNUAL GENERAL MEETING

The 2024 Annual General Meeting of Australis Oil & Gas Limited is scheduled to be held on Tuesday, 14 May 2024 at 11.00am (AWST) at Reiwa Building, Conference Room 1, Level 1, 215 Hay Street, Subiaco WA 6008.

The Company will adopt a physical meeting format.

Australis will stream the Meeting via a webcast allowing Shareholders to observe the proceedings of the meeting. A recording of the webcast will be available on the Company's website at [www.australisoil.com](http://www.australisoil.com) after the AGM. Shareholders are encouraged to submit questions for the Company or the Auditor ahead of the AGM to [contact@australisoil.com](mailto:contact@australisoil.com). Written questions must be received no later than 11.00am AWST on 12 May 2024. **Shareholders should note that the webcast will not provide for a voting mechanism during the Meeting. If Shareholders wish to participate in, or vote at, the Meeting, they should attend in person or lodge the proxy by following the instructions set out in this Notice.**

All AGM resolutions will be voted upon by poll and conducted using either:

- the proxy instructions received from Shareholders in advance of the Meeting; or
- the personalised poll form issued to Shareholders in attendance immediately prior to the Meeting (**Poll Form**).

The Company encourages all Shareholders to participate in the Meeting by:

- a) reading the Notice carefully;
- a) voting by proxy following the instructions set out in this Notice and return it to the Company no later than 11.00am AWST on 12 May 2024; or
- b) attending the Meeting in person to participate and vote. The personalised Poll Form must be completed and returned to the Company during the Meeting after the poll has been called and prior to the close of polling. During the Meeting the Chair will notify you when and how you are to complete the personalised Poll Form.

Directors who are unable to attend the physical meeting will be attending the Meeting via webcast.

# AUSTRALIS OIL & GAS LIMITED

## ABN 34 609 262 937

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

#### FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 31 December 2023, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

#### RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's Annual Report for the year ending 31 December 2023 be adopted. The Company's Annual Report for the year ending 31 December 2023 is also available on the Company's website ([www.australisoil.com](http://www.australisoil.com)).

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**) to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All Directors who were in office when the applicable Remuneration Report was

approved by the Board, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 31 December 2022 received a vote of less than 25% against its adoption at the Company's last general meeting held on 2 May 2023. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity-based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions in relation to the Remuneration Report.

### **Voting**

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

### **RESOLUTION 2 – RE-ELECTION OF MR GRAHAM DOWLAND AS A DIRECTOR**

Pursuant to Clause 6.1(f) of the Company's Constitution, Mr Dowland, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Dowland was appointed to the Board on 12 November 2015 and is the Chief Financial Officer of Australis.

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

Based on Mr Dowland's relevant experience and qualifications, the members of the Board (in the absence of Mr Dowland) support the re-election of Mr Dowland as a Director of the Company.

### **RESOLUTION 3 – RE-ELECTION OF MR ALAN WATSON AS A DIRECTOR**

Pursuant to Clause 6.1(f) of the Company's Constitution, Mr Watson, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Watson was formerly an independent, non-executive director of Aurora from 17 November 2010 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd on 11 June 2014.

Sydney-based Mr Watson is a former investment banker with 35 years of experience within various global equity markets. Over this period he established, directed and was responsible for the conduct of securities businesses both in Europe and Asia advising many companies on capital structuring, initial public offerings, takeovers and mergers and investment relations strategies. Mr Watson held positions at Barclays de Zoete Wedd Limited, Donaldson, Lufkin & Jenrette Securities Corporation, Lehman Brothers Holdings Inc and as Head of Securities Europe for Macquarie Capital (Europe) Ltd.

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

Mr Watson was appointed to the Board on 24 May 2016 and is an independent non-executive director of Australis, Chair of the Remuneration and Nomination Committee and member of the Audit and Risk Management Committee.

Based on Mr Watson's relevant experience and qualifications, the members of the Board (in the absence of Mr Watson) support the re-election of Mr Watson as a Director of the Company

#### **RESOLUTIONS 4 AND 5 – ISSUE OF PERFORMANCE RIGHTS TO MR IAN LUSTED AND MR GRAHAM DOWLAND OR THEIR NOMINEE(S) PURSUANT TO THE 2024 LTI AWARD UNDER THE PLAN**

The Company proposes to issue Performance Rights to all eligible Australis employees (including Mr Lusted and Mr Dowland), or their nominees, pursuant to the 2024 LTI Award.

A total of up to 9,652,368 Performance Rights (each with an exercise price of nil and an expiry date of 31 January 2029) are proposed to be issued to Mr Lusted and Mr Dowland (**Executive Directors**), or their nominee(s), pursuant to the 2024 LTI Award. The Company proposes to issue up to 4,963,226 Performance Rights to Mr Lusted subject to the passing of Resolution 4, and up to 4,689,142 Performance Rights to Mr Dowland subject to the passing of Resolution 5.

The 2024 LTI Award is similar to prior years' annual LTI Awards and comprises the contractual annual long-term component of the 'at risk' remuneration for the Executive Directors and aligns with the longer-term objectives of Shareholder return.

The 2024 LTI Award will again take the form of the issuance of Performance Rights, which provide the holder the right to receive one Australis Share upon satisfaction of all vesting conditions. The number of Performance Rights proposed to be granted is based on the terms of the 2024 Remuneration Plan approved by the Board on 29 January 2024. At that time, the Board determined the 2024 LTI Award methodology would follow prior years' methodology subject to the changes set out below.

- Removal of service only performance vesting conditions for Mr Lusted - Chief Executive Officer. Previously 25% of the Performance Rights in each Tranche vested based on continuous service only over the relevant vesting periods. Mr Lusted voluntarily offered to remove the continuous service only component of his 2024 LTI Award such that vesting will be subject to **both** continued service and the achievement of a performance hurdle measured by share price improvements, thus further aligning achievement with the interests of Shareholders.
- Removal of the Relative Total Shareholder Return performance hurdle. In prior years, share price performance was split into two performance hurdles: 56.25% based on absolute Australis share price increase over the performance period and the balance of 18.75% based on the Australis share price performance compared to a peer group over the performance period. The Board considers that a comparable peer group of public onshore, unconventional oil and gas companies has become increasingly difficult to identify and no longer believe this to be a meaningful performance measure. Therefore, the Performance Rights that are subject to a share price performance hurdle is now solely based on Absolute Total Shareholder Return.
- Introduction of a cap on the total number of Performance Rights that can be issued pursuant to the 2024 LTI Award to all staff, including the Executive Directors, of no greater than 4% of issued share capital.

The methodology for calculation of the amount of Performance Rights issued pursuant to 2024 LTI Award included:

- each Award being a percentage of the eligible employee's 2024 commencing contractual base salary converted to Performance Rights using the Australis share trading VWAP for the month of December 2023; and
- application of a scaling factor to reduce the total 2024 LTI Award such that the total number of Performance Rights being issued pursuant thereto are no greater than 4% of issued share capital. The scaling factor applied for eligible employees increased based on seniority.

Such Performance Rights will vest over three years, subject to continuous employment during each Vesting Period and, for a portion of the award (which increases with seniority), subject to both continuous employment and the achievement of share price performance hurdles.

For Mr Lusted the Performance Rights Vest over three years, with 100% subject to both continuous employment and the achievement of share price performance hurdles.

For Mr Dowland the Performance Rights Vest over three years, with 25% subject to continuous employment only and 75% subject to both continuous employment and the achievement of share price performance hurdles.

"Absolute Total Shareholder Return" Performance Hurdle: In order for Performance Rights subject to a performance hurdle to vest, the Australis Share price must achieve a minimum increase (20%) from the December 2023 VWAP of A\$0.0155, and the number of Performance Rights that vest increases with the increase in Share price (up to the total awarded number of Performance Rights). The maximum vesting for this portion of the Performance Rights occurs at a 300% increase in the Share price over the performance period.

The terms of the Performance Rights (including the performance hurdle and their application to the proposed vesting of Performance Rights) proposed to be issued to the Executive Directors are set out in full in Annexure C.

### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Lusted and Mr Dowland are related parties of the Company as they are Directors of the Company. Resolutions 4 and 5 relate to the proposed issue of Performance Rights to Mr Lusted and Mr Dowland (or their nominee(s)) respectively, which are financial benefits that require Shareholder approval for the purposes of section 208 of the Corporations Act Unless an exception applies.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board (in the absence of Mr Lusted and Mr Dowland) to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

Having considered the Company's circumstances and Mr Lusted and Mr Dowland's respective positions with the Company, the Board (in the absence of Mr Lusted and Mr Dowland) is of the view the financial benefits conferred by the issue of the Performance Rights to Mr Lusted and Mr Dowland (or their nominee(s)) the subject of Resolutions 4 and 5 respectively are reasonable given:

- (a) the respective experience of Mr Lusted and Mr Dowland;
- (b) the 2024 LTI Award is based on similar awards provided in prior years under the Group-wide long-term incentives; and
- (c) the benefit derived from the proposed issue of the Performance Rights would otherwise be provided as a cash settled equivalent.

Therefore, the exception in section 211 applies.

#### **Section 195(4) of the Corporations Act**

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

A Director does not have a material personal interest in the issue of Performance Rights to another Director (or their nominee(s)). However, given that it is proposed that all current Directors are either issued Performance Rights pursuant to Resolutions 4 and 5, or Fee Rights pursuant to Resolutions 6, 7 and 8 they may be considered to have a material personal interest in the outcome of these Resolutions, in which case the Directors may be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act and put the matters to Shareholders to resolve.

#### **Directors' recommendation**

Mr Lusted declines to make a recommendation about Resolution 4 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Performance Rights to him individually (or his nominee(s)). Mr Dowland declines to make a recommendation about Resolution 5 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Performance Rights to him individually (or his nominee(s)).

ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest.

Accordingly, each Director declines to make a recommendation with respect to Resolutions 4 and 5. The Directors are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions.



## Information Requirements– Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed issue of Performance Rights to Mr Lusted and Mr Dowland (or their nominee(s)) pursuant to the 2024 LTI Award under the Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolutions 4 and 5 are passed, the Company will issue Performance Rights to Mr Lusted and Mr Dowland respectively (or their nominee(s)) on the terms set out in Annexure C to this Explanatory Memorandum. If Resolutions 4 and 5 are not passed, the Company will not issue Performance Rights to Mr Lusted or Mr Dowland respectively (or their nominee(s)) and the Company may consider alternative ways to remunerate Mr Lusted and Mr Dowland, including by way of payments settled in cash based on similar performance hurdles.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Performance Rights will be issued to Mr Lusted and Mr Dowland, or their nominee(s), as noted above and in Annexure C to this Explanatory Memorandum.
- (b) Mr Lusted and Mr Dowland are related parties of the Company for the purposes of Listing Rule 10.14.1 as they are Directors of the Company.
- (c) Mr Lusted is a Director of the Company and the issue of Performance Rights the subject of Resolution 4 is intended to remunerate or incentivise Mr Lusted, whose current total annual remuneration package as at the date of this Notice is as follows:
  - base salary of A\$314,000 (excluding superannuation);
  - short-term incentive (**STI**) of up to 75% of achieved base salary for 2024 (paid during the year) excluding superannuation; and
  - long-term incentive (**LTI**) of up to 70% of base salary excluding superannuation as at 1 January 2024 subject to a Scaling Factor of 65%, being the 4,963,226 Performance Rights the subject of Resolution 4.
- (d) Mr Dowland is a Director of the Company and the issue of Performance Rights the subject of Resolution 5 is intended to remunerate or incentivise Mr Dowland, whose current total annual remuneration package as at the date of this Notice is as follows:
  - Base salary of A\$296,660 (excluding superannuation) however Mr Dowland continues to voluntarily agree to waive payment of 50% of his base salary whilst maintaining his CFO and Finance Director responsibilities until a partnering transaction is achieved;
  - STI of up to 65% of achieved base salary for 2024 (paid during the year) excluding superannuation; and
  - LTI of up to 70% of base salary excluding superannuation as at 1 January 2024 subject to a Scaling Factor of 65%, being the 4,689,142 Performance Rights the subject of Resolution 5.

- (e) up to 4,963,226 Performance Rights will be issued to Mr Lusted (or his nominee(s)), and up to 4,689,142 Performance Rights will be issued to Mr Dowland (or his nominee(s)) pursuant to the 2024 LTI Award under the Plan.
- (f) the full terms of the Performance Rights (including the performance hurdle) are contained in Annexure C to this Explanatory Memorandum. The proposed issue of Performance Rights to Messrs Lusted and Dowland (or their nominee(s)) in respect of the 2024 LTI Award will, subject to the satisfaction of the Vesting Conditions and performance hurdle (described in Annexure C), vest in 3 tranches over a 3-year period as follows:

2024 LTI Award Tranche	Performance Test Period	Vesting Date	Number of Performance Rights vesting
Tranche 1	1 January 2024 to 31 December 2024	31 January 2025	Up to 1/7 <sup>th</sup> of total 2024 LTI Award Performance Rights
Tranche 2	1 January 2024 to 31 December 2025	31 January 2026	Up to 2/7 <sup>th</sup> of the total 2024 LTI Award Performance Rights
Tranche 3	1 January 2024 to 31 December 2026	31 January 2027	Up to 4/7 <sup>th</sup> of the total 2024 LTI Award Performance Rights

Vesting of Performance Rights requires continued employment through to the Vesting Date and 100% for Mr Lusted and 75% for Mr Dowland of the Performance Rights in each Tranche are subject to the “*Absolute total shareholder return*” (ATSR) performance minimum threshold and vesting schedule set out in Annexure C.

- (g) a summary of the material terms of the Plan are set out in Annexure A to this Explanatory Memorandum.
- (h) the proposed issue of Performance Rights under the Plan is designed to encourage the Executive Directors to have a continuing strong alignment with other Shareholders through increasing share ownership by way of a combination of the achievement of the Company’s objectives (and that progress being reflected in share price performance) and retention mechanisms to provide consistent long-term service. Under the Company’s current circumstances, the Directors consider (in the absence of Mr Lusted and Mr Dowland) that the incentives represented by the issue of Performance Rights are a cost effective and efficient means for the Company to provide a reward and incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.
- (i) the Company’s advisers, RSM Australia Pty Ltd, have valued the Performance Rights using the Analytical Model and a Monte-Carlo simulation model in the manner set out in Annexure B to this Explanatory Memorandum. Based on the assumptions set out at Annexure B to this Explanatory Memorandum, it is considered that the estimated average value of the Performance Rights to be issued to the Participating Directors pursuant to each Vesting Condition for each tranche are as follows:

Valuation date	Award Type	Vesting Condition	Valuation methodology	Value per Performance Right
4 Mar 2024	Performance Rights -Tranche 1	Service condition	Analytical Model	A\$0.015
4 Mar 2024	Performance Rights – Tranche 1	Service condition and ATSR hurdle	Monte-Carlo	A\$0.0102
4 Mar 2024	Performance Rights -Tranche 2	Service condition	Analytical Model	A\$0.015
4 Mar 2024	Performance Rights – Tranche 2	Service condition and ATSR hurdle	Monte-Carlo	A\$0.0098
4 Mar 2024	Performance Rights -Tranche 3	Service condition	Analytical Model	A\$0.015
4 Mar 2024	Performance Rights – Tranche 3	Service condition and ATSR hurdle	Monte-Carlo	A\$0.0082

Estimated Value of the proposed 2024 LTI Award Performance Rights to Directors	Ian Lusted A\$	Graham Dowland A\$	Total A\$
Tranche 1	\$7,232	\$7,637	\$14,869
Tranche 2	\$13,897	\$14,871	\$28,768
Tranche 3	\$23,256	\$26,527	\$49,783
<b>Total</b>	<b>\$44,385</b>	<b>\$49,035</b>	<b>\$93,420</b>

- (j) the Performance Rights will be issued on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules.
- (k) the Performance Rights will be issued for no cash consideration.
- (l) no funds will be raised from the issue of the Performance Rights.
- (m) there is no loan that will be made to Mr Lusted or Mr Dowland in relation to the acquisition of the Performance Rights
- (n) the number of Performance Rights that have previously been issued to Mr Lusted and Mr Dowland (or their nominee(s)) under the Plan (including previous versions of the Plan) and the average acquisition price paid by Mr Lusted and Mr Dowland (or their nominee(s)) for those

Performance Rights is set out in Annexure A to this Explanatory Memorandum. The terms and conditions, including the performance hurdles, for the prior awards of Performance Rights to Mr Lusted and Mr Dowland are detailed in the 2018 to 2023 Remuneration Reports.

- (o) details of any securities issued under the Plan have or will be published in the annual report of the Company for the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (p) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after these Resolutions are approved and who were not named in this Notice will not participate until approval is obtained under that rule.
- (q) a voting exclusion statement applies to these Resolutions as set out in the Notice.

If approval is given for the issue of the Performance Rights under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

### **Voting**

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

## RESOLUTIONS 6, 7 AND 8:

### ISSUE OF “FEE RIGHTS – A” TO MR JONATHAN STEWART, MR STEVE SCUDAMORE AND MR ALAN WATSON (OR THEIR NOMINEE(S)) IN LIEU OF NON-EXECUTIVE DIRECTOR CASH FEES (RESOLUTIONS 6, 7 AND 8 RESPECTIVELY)

To reduce the cash burden on the Company in 2024, the non-executive Directors agreed in February 2024 to reduce their annual fees from 1 March 2024 by 25% each and, similar to previous years, to reduce the portion of their total annual fees for 2024 paid in cash in lieu of the Company issuing Fee Rights - A for no consideration on the terms and conditions set out in Annexure D to this Explanatory Memorandum.

Subject to the receipt of Shareholder approval, 50% of the non-executive Director reduced fees for 2024 will be settled in equity by the issue of rights which are able to be exercised into Shares (**Fee Rights – A**) as follows:

Director	Annual Fees (excluding superannuation)			Settlement	
	From 1 January 2024	From 1 March 2024	Total 2024	Cash (50%)	Fee Rights – A (50%)
	A\$	A\$	A\$	A\$	A\$
Mr Jon Stewart	228,310	171,233	180,746	90,373	90,373
Mr Steve Scudamore	91,324	68,493	72,298	36,149	36,149
Mr Alan Watson	91,324	68,493	72,298	36,149	36,149

The deemed issue price of the Fee Rights - A is based on the Company's VWAP for the 12 months to 31 December 2023, being A\$0.0272. The number of Fee Rights - A proposed to be issued to each Director (or their nominee) is set out below.

Director	Number of Fee Rights - A proposed to be issued
Mr Jon Stewart	Up to 3,322,544
Mr Steve Scudamore	Up to 1,329,010
Mr Alan Watson	Up to 1,329,010

If a non-executive Director ceases to hold office during 2024, the number of Fee Rights - A vesting on 31 January 2025 will be reduced proportionally to the time served as a Director during 2024.

#### Rationale for the issue of Fee Rights – A

Commencing in 2020, the offer by non-executive Directors to materially reduce the portion of fees paid in cash was made to conserve Company cash resources due to the volatility in oil price based due to COVID-19 negatively impacting operating conditions and supply and demand dynamics. Whilst economic conditions within the oil and gas industry, including oil price, have since improved, the non-executive Directors consider it prudent to maintain a disciplined approach to cash management and

have continued in each year since to offer to reduce the portion of their annual fees paid in cash. The non-executive Directors fees had remained unchanged since 1 January 2018. However, given the current position of the Company, the non-executive Directors considered it prudent to reduce their annual fees by 25% from 1 March 2024. The fee structure will be reviewed should the Company's circumstances change during the year.

The Directors (in the absence of the non-executive Directors) consider the proposed issue of Fee Rights – A assists in the conservation of the Company's cash through this period. The rationale for the proposed issue of Fee Rights – A to the Directors is set out in further detail below.

The proposed issue of Fee Rights - A is to compensate Mr Stewart, Mr Scudamore and Mr Watson for the sacrifice of 50% of each non-executive Director's cash fees, an offer made by each non-executive Director at the commencement of 2024 to assist the Company to reduce cash expenditure through this stage of the Company's development.

The Directors (in the absence of the non-executive Directors) consider that the compensation represented by the issue of Fee Rights - A are an efficient means for the Company to settle the non-executive Director's fees whilst conserving cash. In the event Shareholders do not approve the issue of Fee Rights - A to a non-executive Director, the Company will continue to settle the full amount of that non-executive Director's fees, together with superannuation due, in cash.

Shareholders should note that for the reasons noted above, it is proposed to grant Fee Rights - A to the non-executive Directors notwithstanding the guidelines contained in Box 8.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition) (**Principles**) which states that non-executive directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as this may lead to bias in their decision-making and compromise their objectivity.

### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Stewart, Mr Scudamore and Mr Watson are related parties of the Company as they are Directors of the Company. Resolutions 6, 7 and 8 relate to a proposed issue of Fee Rights - A to Mr Stewart, Mr Scudamore and Mr Watson (or their nominee(s)) respectively, which are financial benefits that require Shareholder approval for the purposes of section 208 of the Corporations Act unless an exception applies.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board (absent the non-executive Directors) to constitute

reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

Having considered the Company's circumstances and the non-executive Directors' positions with the Company, the Board (absent the non-executive Directors) considers that the financial benefit conferred by the issue of Fee Rights – A to each of the non-executive Directors (or their nominee(s)) is reasonable given the issue of Fee Rights – A does not amount to any additional payment as the value of the Fee Rights - A to be issued to the non-executive Directors (or their nominees) represents the non-executive Directors' fees which would otherwise be settled in cash and therefore, the exception in section 211 applies.

### **Section 195(4) of the Corporations Act**

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

A Director does not have a material personal interest in the issue of Fee Rights to another Director (or their nominee(s)). However, given that it is proposed that all current Directors are either issued Fee Rights pursuant to Resolutions 6, 7 and 8 or Performance Rights pursuant to Resolutions 4 and 5, they may be considered to have a material personal interest in the outcome of these Resolutions, in which case the Directors may be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act and put the matter to Shareholders to resolve.

### **Directors' recommendation**

Mr Stewart declines to make a recommendation about Resolution 6 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Fee Rights- A to him individually (or his nominee(s)).

Mr Scudamore declines to make a recommendation about Resolution 7 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Fee Rights - A to him individually (or his nominee(s)).

Mr Watson declines to make a recommendation about Resolution 8 as he may have a material personal interest in the outcome of the Resolution as it relates to the proposed issue of Fee Rights – A to him individually (or his nominee(s)).

ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest.

Accordingly, each of the Directors declines to make a recommendation with respect to Resolutions 6, 7, and 8. The Directors are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass these Resolutions.

### **Information Requirements - Listing Rules 10.11 and 10.13**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue Equity Securities to:

- a related party (*Listing Rule 10.11.1*);

- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (*Listing Rule 10.11.2*);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (*Listing Rule 10.11.3*);
- an Associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (*Listing Rule 10.11.4*); or
- a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (*Listing Rule 10.11.5*),

unless it obtains the approval of its Shareholders.

The proposed issue of Fee Rights – A to Mr Stewart, Mr Scudamore and Mr Watson (or their nominee(s)) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the Company to issue up to 3,322,544 Fee Rights - A to Mr Stewart (or his nominee(s)).

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the Company to issue up to 1,329,010 Fee Rights - A to Mr Scudamore (or his nominee(s)).

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the Company to issue up to 1,329,010 Fee Rights - A to Mr Watson (or his nominee(s)).

If these Resolutions are passed, the Company will be able to proceed with the issue of Fee Rights – A to Mr Stewart, Mr Scudamore and Mr Watson (or their nominee(s)) as applicable.

The Board (in the absence of the non-executive Directors) considers the passing of Resolutions 6, 7 and 8 will have no material impact on each Directors' (or their nominee(s))'s Voting Power in the Company.

If Resolutions 6, 7 or 8 are not passed the Company will not be able to proceed with the issue of Fee Rights - A to Mr Stewart, Mr Scudamore or Mr Watson (or their nominee(s)) (as applicable) and the Company will continue to settle the full amount of each non-executive Director's fees together with superannuation due to each non-executive Director in cash.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Fee Rights - A will be issued to Mr Stewart, Mr Scudamore and Mr Watson (or their nominee(s)), on the terms set out in Annexure D to this Explanatory Memorandum.
- (b) Mr Stewart, Mr Scudamore and Mr Watson are related parties of the Company under Listing Rule 10.11.1 as they are Directors of the Company.
- (c) the number of Fee Rights – A to be issued to each of Mr Stewart, Mr Scudamore and Mr Watson (or their nominee(s)) is set out in the table on page 11 of this Explanatory Memorandum and is based on the Company's VWAP for the period of 1 January 2023 to 31 December 2023, being A\$0.0272.
- (d) the deemed issue price of the Fee Rights – A is A\$0.0272 per Fee Right – A.
- (e) the terms and conditions of the Fee Rights – A are set out in Annexure D to this Explanatory Memorandum.



- (f) the purpose of proposed issue of Fee Rights – A is set out on page 11 of this Explanatory Memorandum under the heading “Rationale for the issue of Fee Rights - A”;
- (g) the Fee Rights – A will be issued on one date, which will be no later than 1 month after the date of the Meeting unless otherwise extended by way of ASX granting a waiver to the Listing Rules.
- (h) the Fee Rights – A will be issued for no cash consideration.
- (i) no funds will be raised from the issue of the Fee Rights – A.
- (j) Mr Stewart is a Director of the Company and, as such, is a related party of the Company and the issue of Fee Rights - A the subject of Resolution 6 is intended to remunerate Mr Stewart in lieu of cash fees. Mr Stewart’s total annual remuneration package as at the date of this Notice is a base salary of A\$171,233 (excluding superannuation) of which 50% is settled in cash plus associated superannuation and 50% is settled in fee rights the subject of this resolution.
- (k) Mr Scudamore is a Director of the Company and, as such, is a related party of the Company and the issue of Fee Rights - A the subject of Resolution 7 is intended to remunerate Mr Scudamore in lieu of cash fees. Mr Scudamore’s total annual remuneration package as at the date of this Notice is a base salary of A\$68,493 (excluding superannuation) of which 50% is settled in cash plus associated superannuation and 50% is settled in fee rights the subject of this resolution.
- (l) Mr Watson is a Director of the Company and, as such, is a related party of the Company and the issue of Fee Rights - A the subject of Resolution 8 is intended to remunerate Mr Watson in lieu of cash fees. Mr Watson’s total annual remuneration package as at the date of this Notice is a base salary of A\$68,493 (excluding superannuation) of which 50% is settled in cash plus associated superannuation and 50% is settled in fee rights the subject of this resolution.
- (m) a voting exclusion statement applies to these Resolutions as set out in the Notice.

If approval is given for the issue of the Fee Rights - A under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

### **Voting**

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

## RESOLUTION 9 – ISSUE OF EQUITY SECURITIES UNDER THE PLAN

Resolution 9 seeks approval of Shareholders for the maximum number of equity securities that may be issued under the Australis Oil & Gas Limited Employee Equity Incentive Plan (**Plan**), the material terms of which are summarised in Annexure A to this Explanatory Memorandum under Exception 13(b) of Listing Rule 7.2.

No changes to the Plan, other than administrative changes, have been made since it was originally approved at the 2016 general meeting.

A previous version of the Plan was approved by Shareholders at the general meeting held on 27 June 2016 and re-approved by Shareholders at a general meeting held on 29 April 2019 and on 25 May 2022 in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

A summary of the securities that have been issued, vested and lapsed under the Plan since inception can be found at Annexure A.

The Directors considered that it was desirable to establish an equity incentive plan under which employees, Directors and other persons providing services to a Group Company may be offered the opportunity to subscribe for Options, Performance Rights and Shares in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees. Fee Rights have also been issued in lieu of cash salary assisting the Company's cash preservation strategy during periods of low oil prices.

The Plan is designed to provide incentives to the employees, Directors and other persons providing services to the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the offer of equity incentives to these persons are a cost-effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses, retention payments, or increased remuneration. To enable the Company to secure and retain employees, Directors and service providers who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel.

The Plan is designed to encourage continued improvement in performance over time and to encourage personnel to acquire and retain significant shareholdings in the Company.

The purpose of the Plan is to:

- 1 assist in the reward, retention and motivation of eligible participants;
- 2 link the reward of eligible participants to performance and the creation of Shareholder value;
- 3 align the interests of eligible participants more closely with the interests of Shareholders by providing an opportunity for eligible participants to receive an equity interest in the form of Options, Performance Rights and Shares;
- 4 provide eligible participants with the opportunity to share in any future growth in value of the Company; and
- 5 provide greater incentive for eligible participants to focus on the Company's longer term goals.

Under the Plan, the Board may offer employees, Directors and other persons providing services to a Group Company the opportunity to subscribe for such number of Options, Performance Rights and Shares as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is contained in the Annexure A to this Explanatory Memorandum.

The specifics of any future incentives awarded pursuant to the Plan will be considered and approved by the Remuneration Committee and Board of Directors.

Shareholder approval is required if any issue of Options, Performance Rights and Shares pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 13(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue. Note, any proposed issue to Directors will still require Shareholder approval.

The maximum number of Options, Performance Rights and Shares that may be issued in the future under the Plan, in reliance on Listing Rule 7.2 Exception 13(b) following Shareholder approval, is expected to be less than 63,843,277 (5% of current issued share capital). Once this number is reached, the Company will need to seek fresh approval from Shareholders if the subsequent issue of Options, Performance Rights or Shares under the Plan is to fall within Listing Rule 7.2 Exception 13. However, shareholders should note the Company has imposed its own maximum cap on the number of Performance Rights (excluding performance Rights – A that are issued in lieu of Non-executive Director fees) that may be issued under the 2024 LTI Plan to 4% of the current issued capital.

If the Resolution is passed, the Company will be able to issue Options, Performance Rights and Shares under the Plan up to the maximum number set out in this Notice and those issues of Options, Performance Rights and Shares will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If the Resolution is not passed, the Company will be able to proceed to issue Options, Performance Rights and Shares under the Plan, however the issue of those Options, Performance Rights and Shares will not fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 and therefore effectively decreasing the number of Equity Securities which may be issued without Shareholder approval.

## **Voting**

Note that a voting exclusion applies to Resolution 9 as set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **RESOLUTION 10 – APPOINTMENT OF AUDITOR**

Resolution 10 seeks approval of Shareholders for the appointment of BDO Audit Pty Ltd as auditor of the Company.

The Company's current auditor BDO Audit (WA) Pty Ltd has notified the Company of its intention to transition its audit engagements to BDO Audit Pty Ltd and has sought consent from ASIC to resign as auditor of the Company with effect from the conclusion of this Annual General Meeting. Resolution 10 will be put to the Meeting if ASIC has consented to the resignation of BDO Audit (WA) Pty Ltd.

The Company has received a notice from a shareholder nominating the appointment of BDO Audit Pty Ltd (Annexure E) as auditor of the Company and BDO Audit Pty Ltd have consented to act as auditor if Resolution 10 is passed.

The Directors recommend that Shareholders vote in favour of this resolution.

## RESOLUTION 11 - ELECTION OF MR KIRK BARRELL AS A DIRECTOR

In the ordinary course, the Company's Remuneration and Nomination Committee proposes the Board nominates directors for election by Shareholders at a general meeting of the Company.

Additionally, clause 6.1 (o) of the Constitution provides that any Shareholder may nominate an individual as a candidate for election as director at a general meeting provided a Notice of Nomination signed by the Shareholder and a consent to the nomination signed by the individual is received by the Company within the requisite time period.

The role of the Company's Remuneration and Nomination Committee and Board is to consider the appropriateness of each nominee and make recommendations to Shareholders. Recommendations are based on many factors, including the current composition of the Board and the skills, competencies and experience of existing directors as well as those of the nominee. The recommendations also consider the nominee's ability to make decisions for the benefit of all Shareholders free of any potential conflicts.

On 18 March 2024, the Company received a Notice of Nomination from Barrell Energy, Inc. (a 1.81% Shareholder in Australis) nominating its President, Mr Kirk Barrell, for the office of director at the Meeting convened by this Notice. The Notice of Nomination included a statement said to outline Mr Barrell's qualifications and experience for the role of director of the Company (**Statement**) and was accompanied by supplementary commentary (**Commentary**) stated as intended to address concerns raised by the Board in response to Mr Barrell's nomination as director in prior years. A copy of the Notice of Nomination and Statement can be found at Annexure F to this Explanatory Memorandum and a copy of the Commentary can be found at Annexure G. **Mr Barrell has not provided any verification for information contained within the Statement and Commentary.**

Barrell Energy, Inc. has nominated Mr Barrell as a director at each general meeting of the Company since the 2021 annual general meeting. At each of the prior year's general meetings, the resolution to appoint Mr Barrell has not passed.

**As the Board has not been able to verify the information contained in the Statement and Response, it does not take responsibility for any part of the Statement or Commentary provided by Barrell Energy, Inc.**

However, the Company disputes certain assertions made in the Commentary. Specifically, Australis has never offered Mr Barrell a consulting position within Australis. Management were introduced to Mr Barrell in April 2016, at which time the Company offered to consider participation in some of the joint TMS study programs with the Louisiana universities mentioned in the Commentary. In July 2017, following the close of the Company's Encana acquisition, Mr Barrell introduced Australis to staff at the University of Louisiana in connection with the study. In January 2020, June 2020 and as recently as September 2023, Australis was asked by Mr Barrell to consider working with Amelia Resources to find a partner, or work with potential partners with whom he claimed to have a relationship (although he would not disclose their identities to the Company). In each such instance the Company advised it would work pragmatically with Mr Barrell and any potential partners to find common ground for participation however none of these interactions have led to any activity beyond the initial discussions with Mr Barrell.

### Board Recommendation

**The Board has considered the nomination and unanimously recommends that Shareholders vote AGAINST Mr Kirk Barrell's election as a director.**

The key reasons for the unanimous recommendation against the election of Mr Barrell are set out below.

Potential conflicts of interest. The Board continues to believe that the positions and activities of Mr Barrell and his associated entities as disclosed in the Statement and Commentary (and otherwise disclosed publicly) would likely create conflicts of interest for an Australis director given the Australis

corporate strategy. This would limit Mr Barrell's participation in, and contribution at, Board discussions. Such potential conflicts include:

- Mr Barrell's position as the President of Amellia Resources LLC (<https://ameliareources.com/>), a company which is referenced in the Commentary. Under the 'Prosects for sale' page of the Amelia Resources website is listed 175,000 acres in the Tuscaloosa Marine Shale, with a map showing an area including the Australis defined TMS Core and the producing units in the TMS, the majority of which are owned and operated by Australis. As such this would likely represent a conflict with the stated Australis business strategy of finding a partner for our acreage position and providing capital for development activity.
- Royalty or other mineral interest benefits. Management believes, based on its research of publicly available title information, that Mr Barrell and/or entities under his control have and may still benefit from over-riding royalties, direct mineral interests or commercial arrangements associated with mineral rights on acreage within the Australis defined TMS Core, which he may have received as compensation for some of the activity referred to in the Statement and Commentary or holds directly as a result of commercial transactions. These interests would create a direct conflict of interest on any transactional or development decisions with a proposed director potentially making personal gains.

Lack of public director experience. Mr Barrell informed the Company in 2021 that he did not have any experience as a director of a public company, in Australia or in any other jurisdiction as at that time. The Board are not aware of any change in this experience base.

Board effectiveness not enhanced. The existing Board has significant experience monetising onshore US oil and gas assets for Australian listed companies. The composition of the existing Board provides the necessary and desirable set of skills, competencies and experience for the Board, as a whole, given its size and stage of development. The skills, competencies and experience claimed on behalf of Mr Barrell in the Statement and Commentary, even if accepted on their face, are not those which the Board believes are necessary or desirable at this time to enhance its effectiveness.

Additional costs not warranted. The costs of an additional director appointment are unwarranted and undesirable at a time that the Board, employees and contractors are undertaking measures and sacrifices to preserve cash in the best interest of Shareholders.

## GLOSSARY

**2024 LTI Award** means the long term incentive awards proposed to be issued under the Plan for 2024.

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Analytical Model** has the meaning set out in Annexure B to this Explanatory Memorandum.

**Annual Report** means the annual report of the Company for the year ended 31 December 2023.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ATSR** has the meaning set out in Annexure C to this Explanatory Memorandum.

**Auditor** means the Company's auditor from time to time (if any).

**Auditor's Report** means the report of the Auditor contained in the Annual Report.

**Australis** means the Company.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair or Chairman** means the individual appointed under clause 5.5 of the Company's Constitution.

**Change of Control** has the meaning set out in Annexure D to this Explanatory Memorandum.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Australis Oil and Gas Limited ABN 34 609 262 937.

**Constitution** means the Company's constitution, as amended from time to time.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Corporations Regulations** means *Corporations Regulations 2001* (Cth).

**Directors** means the directors of the Company.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Executive Directors** has the meaning set out in Annexure C to this Explanatory Memorandum.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Fee Rights - A** has the meaning set out on page 11.

**First Exercise Date** means the date specified in the Offer, or if no date is specified, the date of issue of the Performance Rights.

**Group** means the Company and its Related Bodies Corporate and **Group Company** means the Company or any of its Related Bodies Corporate.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Last Exercise Date** means the date specified in the Offer, or if no date is specified, the date two years after the First Exercise Date.

**Listing Rules** means the ASX Listing Rules.

**Meeting** means the Annual General Meeting convened by the Notice.

**Notice** means this Notice of Annual General Meeting.

**Offer** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Participant** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Performance Rights** means the performance rights issued under the Plan.

**Plan** means the Company's Employee Equity Incentive Plan as summarised in Annexure A to this Explanatory Memorandum.

**Poll Form** has the meaning set out on page 1.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the 2023 Annual Report.

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**RSM** means RSM Australia Pty Ltd.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out on page 2.

**Spill Resolution** has the meaning set out on page 2.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**TSR** has the meaning set out in Annexure C to this Explanatory Memorandum.

**Vesting Condition** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Vesting Period** has the meaning set out in Annexure A to this Explanatory Memorandum.

**Voting Power** has the meaning given to that term in the Corporations Act.

**VWAP** has the meaning set out in Annexure C of this Explanatory Memorandum.



# AUSTRALIS OIL & GAS LIMITED

## ABN 34 609 262 937

### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2024 Annual General Meeting of Shareholders of Australis Oil & Gas Limited ABN 34 609 262 937 will be held on Tuesday, 14 May 2024 at 11am AWST at the REIWA Building, Conference Room 1, Level 1, 215 Hay Street, Subiaco WA for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

### AGENDA

#### Financial Reports

To receive and consider the financial report of the Company for the year ended 31 December 2023, together with the Directors' Report and the Auditor's Report as set out in the Annual Report for the year ended 31 December 2023.

#### Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*"That the Remuneration Report for the year ended 31 December 2023 as set out in the Annual Report for the year ended 31 December 2023 be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting exclusion statement:** The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

(a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and

(b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

(a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## **Resolution 2 – Re-election of Mr Graham Dowland as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, Mr Graham Dowland, who retires in accordance with clause 6.1(f) of the Constitution and, being eligible for re-election, be re-elected as a Director."*

## **Resolution 3 – Re-election of Mr Alan Watson as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, Mr Alan Watson, who retires in accordance with clause 6.1(f) of the Constitution and, being eligible for re-election, be re-elected as a Director."*

## **Resolution 4 – Issue of Performance Rights to Mr Ian Lusted or his nominee(s) pursuant to the 2024 LTI Award**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 4,963,226 Performance Rights for no cash consideration, with each Performance Right having an exercise price of nil and an expiry date of 31 January 2029, to Mr Ian Lusted, Director, or his nominee(s), pursuant to the 2024 LTI Award on the terms and conditions set out in the Explanatory Memorandum (including Annexures A to C to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or their nominee; or
- b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- a) the appointment specifies the way the proxy is to vote on the Resolution; or
- b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## **Resolution 5 - Issue of Performance Rights to Mr Graham Dowland or his nominee(s) pursuant to the 2024 LTI Award**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 4,689,142 Performance Rights for no cash consideration, with each Performance Right having an exercise price of nil and an expiry date of 31 January 2029, to Mr Graham Dowland, Director, or his nominee(s), pursuant to the 2024 LTI Award on the terms and conditions set out in the Explanatory Memorandum (including Annexures A to C to the Explanatory Memorandum)."*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- a) *a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or their nominee; or*
- b) *an Associate of that person.*

*However, this does not apply to a vote cast in favour of the Resolution by:*

- a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
  - (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

**Resolution 6 – Issue of Fee Rights - A to Mr Jonathan Stewart (or his nominee(s)) in lieu of non-executive Director cash fees**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue 3,322,544 Fee Rights - A to Mr Jonathan Stewart, Director, or his nominee(s) in lieu of non-executive Director cash fees, on the terms and conditions set out in the Explanatory Memorandum (including Annexure D to the Explanatory Memorandum)."*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- a) *Mr Stewart who is to receive the Fee Rights - A in question and any other person who will obtain a material benefit as a result of the issue of the Fee Rights - A (except a benefit solely by reason of being a holder of ordinary securities in the entity or his nominee); or*
- b) *an Associate of that person.*

*However, this does not apply to a vote cast in favour of the Resolution by:*

- a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
  - (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

## **Resolution 7 – Issue of Fee Rights - A to Mr Steve Scudamore AM (or his nominee(s)) in lieu of non-executive Director cash fees**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue 1,329,010 Fee Rights - A to Mr Steve Scudamore AM, Director, or his nominee(s) in lieu of non-executive Director cash fees, on the terms and conditions set out in the Explanatory Memorandum (including Annexure D to the Explanatory Memorandum)."*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- a) *Mr Scudamore who is to receive the Fee Rights - A in question and any other person who will obtain a material benefit as a result of the issue of the Fee Rights - A (except a benefit solely by reason of being a holder of ordinary securities in the entity or his nominee); or*
- b) *an Associate of that person.*

*However, this does not apply to a vote cast in favour of the Resolution by:*

- a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
  - (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

**Resolution 8 – Issue of Fee Rights - A to Mr Alan Watson (or his nominee(s)) in lieu of non-executive Director cash fees**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue 1,329,010 Fee Rights - A to Mr Alan Watson, Director, or his nominee(s) in lieu of non-executive Director cash fees, on the terms and conditions set out in the Explanatory Memorandum (including Annexure D to the Explanatory Memorandum)."*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- a) *Mr Watson who is to receive the Fee Rights - A in question and any other person who will obtain a material benefit as a result of the issue of the Fee Rights – A (except a benefit solely by reason of being a holder of ordinary securities in the entity or his nominee); or*
- b) *an Associate of that person.*

*However, this does not apply to a vote cast in favour of the Resolution by:*

- a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
  - (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

## **Resolution 9 – Issue of Equity Securities Under the Australis Oil & Gas Limited Employee Equity Incentive Plan**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, Shareholders approve any issue of up to a maximum of 63,843,277 securities under the Plan (a summary of the rules of which are set out in Annexure A to the Explanatory Memorandum) as an exception to Listing Rule 7.1."*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- a) *any Director, other than any Directors who are ineligible to participate in the employee incentive plan; or*
- b) *an Associate of that person.*

*However, this does not apply to a vote cast in favour of the Resolution by:*

- a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
  - (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

## **Resolution 10 – Appointment of Auditor**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That BDO Audit Pty Ltd be appointed as auditor of the Company."*

## **Resolution 11 –Election of Mr Kirk Barrell as Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 6.1(n) of the Constitution and for all other purposes, Mr Kirk Barrell, a person nominated by a Shareholder for appointment as a Director, is elected as a Director."*

**OTHER BUSINESS**

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**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

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Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**



Graham Dowland  
Director

Dated: 8 April 2024



## Voting

Subject to the voting instructions on page 1 Shareholders entitled to vote at the Meeting can vote in any of the following ways.

### How to vote

Shareholders can vote by either:

- a) attending the Meeting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- b) appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

### Voting in person (or by attorney) or by a Corporation

The Company and Board encourage all Shareholders to participate in general meetings such as this Meeting by attending and voting in person at the Meeting venue. This includes a Shareholder that is a corporation that has appointed an individual to act as its representative and vote in person at the Meeting.

### Voting by proxy

The Board encourages all Shareholders to vote by proxy following the instructions set out in this Notice and the enclosed Proxy Form.

Shareholders are encouraged to carefully consider whom they appoint as their proxy.

If a proxy, other than the Chair, cannot attend or is not admitted to the Meeting, the Chair will become the proxy. In this circumstance, the Chair will be directed by the voting preferences (if any) provided in the Proxy Form.

Please refer to the Proxy Form for further details.

- a) A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- b) The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
- c) A proxy need not be a Shareholder.
- d) The proxy can be either an individual or a body corporate.
- e) If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 4, 5, 6, 7, 8 and 9 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting

and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- f) Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- g) If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- h) Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- i) To be effective, proxies must be received by 11:00 AM (AWST) on 12 May 2024. Proxies received after this time will be invalid.
- j) Proxies may be lodged using any of the following methods:
  - by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:

Australis Oil & Gas Ltd  
Ground Floor, 215 Hay Street, Subiaco,  
Western Australia
  - or
  - by email to [contact@australisoil.com](mailto:contact@australisoil.com)
  - or
  - by faxing a completed Proxy Form to +61 (0) 8 9220 8799.

- k) The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or email to [contact@australisoil.com](mailto:contact@australisoil.com) or by facsimile, by 11:00 AM (AWST) on 12 May 2024. If facsimile transmission is used, the Power of Attorney must be certified.

#### **Shareholders who are entitled to vote**

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00 PM (AWST) on 12 May 2024.

#### **Shareholders' Questions to the Chair and Board**

- a) The Company strongly encourages Shareholders who would like to ask questions on the Resolutions of the Chair, Board or management to do so in writing before the Meeting.
- b) Any written questions to the Company should be sent to: [contact@australisoil.com](mailto:contact@australisoil.com). Written questions that are sent to the Company must be received by no later than 11.00 (AWST) on 12 May 2024.
- c) Questions from Shareholders are important. Although the Board may not be able to reply to each question individually, the Board will respond to as many of the frequently asked questions as possible at the Meeting and those answers will be posted on the Company's website.

## ANNEXURE A - SUMMARY OF THE PLAN

### The Plan

The Plan was previously approved by Shareholders at a General Meeting of Shareholders. There have been no changes to the Plan since the approval at the Annual General Meeting of the Company in 2022.

Under the Plan, the Board may offer eligible employees the opportunity to subscribe for such number of Options, Performance Rights and Shares as the Board may decide and on the terms and conditions set out in the rules of the Plan. For the purposes of the Plan, a Fee Right satisfies the definition of a Performance Right.

### Summary of the Plan

- (a) Eligibility: The Board may provide an offer to an employee, Director or a person providing services to a Group Company to participate in the Plan (**Offer**). Where such person (or a nominee of such person approved by the Board) accepts the Offer, he or she will become a participant under the Plan (**Participant**).
- (b) Offer: The Board may make an Offer at any time. Where the Offer involves monetary consideration for the issue, sale, exercise or transfer of Options, Performance Rights or Shares, The Offer will include the following information:
  - (i) the name and address of the person to whom the Offer is being made to;
  - (ii) the date of the Offer;
  - (iii) the first date that the person can accept the Offer, which must be at least 14 days after receiving the Offer;
  - (iv) the final date that the person can accept the Offer;
  - (v) the number of Options, Performance Rights or Shares being offered;
  - (vi) the amount payable per Option, Performance Right or Share by the person on application for the Options, Performance Rights or Shares offered;
  - (vii) the conditions (if any) determined by the Board which are required to be satisfied, reached and met before an Option, Performance Right or Share will be issued, and whether not it is issued subject to further Vesting Conditions;
  - (viii) the Vesting Conditions attaching to the Options, Performance Rights or Shares (if applicable);
  - (ix) the First Exercise Date and Last Exercise Date of the Options, Performance Rights or Shares;
  - (x) the exercise price or the manner of determining the exercise price of the Options, Performance Rights or Shares;
  - (xi) the Vesting Period of the Options, Performance Rights or Shares;
  - (xii) any other specific terms and conditions applicable to the Offer;and to the extent required by applicable laws:
  - (xiii) a prominent statement to the effect that:
    - (A) any advice given by the Company in relation to Awards issued under the Plan, and Shares issued upon exercise of the Options or Performance Rights, does not take into account an Eligible Employee's objectives, financial situation and needs; and

- (B) the Eligible Employee should obtain their own financial product advice in respect of the Offer from a person who is licensed by ASIC to give such advice;
- (xiv) general information about the risks of acquiring and holding the Options and Performance Rights (and underlying Shares) or Shares the subject of the Offer;
- (xv) an explanation of how a Participant could, from time to time, ascertain the market price of the Shares underlying the Options or Performance Rights;
- (xvi) a statement that a person named in the Offer with their consent, the Directors and any proposed Director is not liable for any loss or damage suffered by a Participant if any of the matters set out in section 1100Z(3) of the Corporations Act apply;
- (xvii) the terms of any loan or contribution plan under which a Participant may obtain Shares, Options or Performance Rights (or else a summary of the terms of any loan or contribution plan and a statement that, on request, a copy of the terms of the loan or plan will be provided);
- (xviii) the trust deed of any trust that will hold Shares, Options or Performance Rights on trust (or else a summary of the trust deed and a statement that, on request, a copy of the full deed will be provided);
- (xix) a copy of any disclosure document prepared by the Company under Part 6D.2 of the Corporations Act, or a product disclosure statement prepared under Part 7.9 of the Corporations Act, in the 12 months before the date of the Offer (or else a statement directing to any such document);
- (xx) a copy of the Plan rules; and
- (xxi) any other information that is required by applicable laws.
- (c) Issue Price: The issue price in respect of the Options, Performance Rights or Shares granted under the Plan is as determined by the Board at its discretion.
- (d) Nominees: A Participant may, by notice in writing to the Board, nominate a nominee in whose favour the Participant wishes the Options, Performance Rights or Shares to be issued. The Board may, in its sole and absolute discretion, decide not to permit the Options, Performance Rights or Shares to be issued to a nominee.
- (e) Transferability: Options, Performance Rights or Shares may not be assigned or transferred except on the death of the Participant in limited circumstances or with the prior consent of the Board.
- (f) Vesting: An Option, Performance Right or Share will vest when the Vesting Conditions attaching to the Option, Performance Right or Share are met, or immediately upon:
  - (i) a takeover bid (as defined in the Corporations Act) becoming or being declared unconditional;
  - (ii) the Court sanctioning a compromise or arrangement relating to the Company under Part 5.1 of the Corporations Act;
  - (iii) any other merger, consolidation or amalgamation involving the Company occurring which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation;
  - (iv) any Group Company entering into agreements to sell in aggregate a majority in value of the businesses or assets of the Group to a person, or a number of persons, none of which are Group Companies; or
  - (v) the Board determining in its reasonable opinion that control of the Company has or is likely to change or pass to one or more persons.

- (g) Lapse of Option, Performance Right or Share: An Option, Performance Right or Share will not vest and will lapse on the earlier of:
- (i) the Board determining that the Vesting Conditions attaching to the Option, Performance Right or Share have not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
  - (ii) the day immediately following the Last Exercise Date; or
  - (iii) with respect of unvested Options, Performance Rights or Shares, the date the Participant ceases to be employed by the Company or ceases to hold office in the Company, including upon the death, permanent disability or redundancy of the Participant, subject to certain exceptions.
- (h) Issue of Shares on vesting of Options or Performance Rights: Upon determination that the Performance Rights have vested, the vested Performance Rights may be exercised and following exercise of the Options or Performance Rights, the Company will, subject to the terms of the Company's relevant policies, issue or transfer Shares to that Participant and apply for official quotation or listing of those Shares on the ASX if applicable. Unless and until the Options or Performance Rights have been exercised and the relevant Shares issued or transferred to that Participant as a result of that exercise, a Participant has no interest in those Shares.
- (i) Ranking of Shares: Shares issued upon exercise of the Options or Performance Right will rank equally in all respects with existing Shares.
- (j) Adjustment of Options or Performance Rights: If, prior to the vesting of an Option or Performance Right, there is a reorganisation of the issued share capital of the Company (including a consolidation, sub-division or reduction of capital or return of capital to Shareholders), the number of Shares the subject of the Options or Performance Rights will be adjusted in a manner required by the Listing Rules.
- (k) Amendments to the Plan: Subject to and in accordance with the Listing Rules while the Company is listed, the Board may amend the Plan (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company), provided that rights or entitlements in respect of any Option, Performance Right or Share granted before the date of the amendment shall not be reduced or adversely affected without the prior written consent of the Participant affected by the amendment.

## Performance Rights and Fee Rights issued under the Plan<sup>(4)</sup> since inception

Number of Performance Rights				Number of Fee Rights B			
Issued <sup>(1)</sup>	Vested	Lapsed	Unvested <sup>(2)</sup>	Issued <sup>(1)(3)</sup>	Vested	Lapsed	Unvested
169,347,331	48,030,943	42,479,783	78,836,608	44,054,182	42,877,432	1,176,750	-

(1) Issued since inception of the Plan in 2016 (no Performance Rights have been issued under the 2024 LTI Award).

(2) Subject to achievement of performance hurdles in future performance periods.

(3) Fee Rights B were issued in lieu of cash salary in 2020.

(4) Fee Rights - A have not been issued under the plan as only issued to Non executive Directors in lieu of cash fees.

In addition to continued service, 55% of the unvested Performance Rights require additional performance conditions to be satisfied, with 75% of such Performance Rights subject to performance conditions requiring the Australis share price to increase (for maximum vesting 200% increase is required). The remaining 25% of the Performance Rights subject to performance conditions require comparison of the Australis share price to a peer group of 12 companies listed on the ASX over the vesting period. For maximum vesting, the increase in the Australis share price has to be greater than all peers.

Since commencing the Plan in 2016, of the issued Performance Rights, approximately

- 28% have vested.
- 25% have lapsed or been forfeited for not achieving the performance conditions,
- 47% remain unvested and subject to service and performance conditions.

The Performance Rights and Fee Rights - B (in lieu of salary and other compensation) that have been issued to Mr Lusted and Mr Dowland or their nominee(s) under the Plan since the establishment of the Plan in 2016 to date are set out below.

Director	Number of Performance Rights				Number of Fee Rights – B issued and vested	Average Acquisition Price	
	Issued	Vested	Lapsed	Unvested			
					% subject to share price thresholds (ATSR and RTSR)	Fee Rights were issued in lieu of cash remuneration in 2020	
Ian Lusted (or his nominee(s))	22,742,870	4,100,346	6,664,187	11,978,338	81%	9,861,125	Nil
Graham Dowland (or his nominee(s))	18,579,594	3,177,398	4,749,387	10,652,809	80%	7,019,458	Nil
<b>Total</b>	<b>41,322,464</b>	<b>7,277,744</b>	<b>11,413,574</b>	<b>22,631,147</b>	<b>81%</b>	<b>16,880,583</b>	<b>Nil</b>

### **Shares issued under the Plan since inception**

7,880,396 Shares have been issued under the Plan since its inception. As approved by shareholders at the 2022 general meeting, 1,559,212 Shares have been issued to Executive Directors under the Plan since its inception.

### **Maximum number of Equity Securities that may be issued under the Plan**

The maximum number of Equity Securities that may be issued for up to three years following the approval of Resolution 9 under Exception 13(b) in Listing Rule 7.2, is 5% of the current issued Capital being 63,843,277 Equity Securities.

Please note **there is no current intention to issue this maximum**, however, it is a requirement under the ASX Listing Rules to disclose a maximum possible number the Company may issue in the future. The Company is likely to continue in future years to offer LTI Awards in the form of Performance Rights, all subject to performance conditions and with the majority of all awards to executives subject to increased share price performance condition(s), however, the number issued will be a function of various factors including but not limited to the terms of the LTI Award, base salaries and the number of employees participating and market conditions.

If Shareholders do not approve Resolution 9 then any further grants under the Plan will not be exempt under Exception 13 of Listing Rule 7.2 from the calculation of the 15% capacity limit for the issue of new securities under Listing Rule 7.1 without shareholder approval.

If Shareholder approval for Resolution 9 is not granted then the Board may consider alternative long-term incentive remuneration arrangements including, but not limited to, long-term cash incentives.

## ANNEXURE B – MONTE-CARLO VALUATION METHOD

The Company's advisers, RSM Australia Pty Ltd (RSM), have valued the Performance Rights using the Monte-Carlo simulation model and the Hoadley's "Options 1" valuation model (**Analytical Model**).

The Analytical Model has been used to value those Performance Rights for which only service conditions exist. The Monte-Carlo simulation model has been used to value those Performance Rights subject to ATSR conditions in addition to service conditions.

The value of a Performance Right calculated by the Analytical Model and the Monte-Carlo Model is a function of a number of variables. The indicative valuation of the Performance Rights has been prepared using the following assumptions:

Variable	Tranche 1	Tranche 2	Tranche 3
Share price	\$0.015	\$0.015	\$0.015
Exercise price	Nil	Nil	Nil
Risk Free Interest Rate	3.80%	3.80%	3.80%
Volatility	75%	75%	75%
Time (years to expiry)	5	5	5
Dividend yield	Nil	Nil	Nil

RSM have calculated the value of each Performance Right based on the following assumptions:

- (a) the underlying value of each Share in the Company on the ASX using the closing price of A\$0.015 on the valuation date of 4 March 2024 utilised by RSM;
- (b) risk free rate of return – 3.80% for Tranche 1, 2 and 3 (estimated, based on the five-year yield for Commonwealth bonds); and
- (c) volatility of the Share price of 75% as determined from the historical volatility in Share price over the last one, two and three year trading periods.



Based on the assumptions, it is considered that the estimated average value of each Performance Right to be issued to the Executive Directors is as follows:

	Maximum Number of Performance Rights- under the 2024 LTI Award		Valuation per Performance Right
	Ian Lusted (or his nominee(s))	Graham Dowland (or his nominee(s))	
Tranche 1 – Service condition	-	167,469	A\$0.015
Tranche 1 – ATSR hurdle	709,032	502,408	A\$0.0102
Tranche 2 – Service condition	-	334,939	A\$0.015
Tranche 2 – ATSR hurdle	1,418,065	1,004,816	A\$0.0098
Tranche 3 – Service condition	-	669,878	A\$0.015
Tranche 3 – ATSR hurdle	2,836,129	2,009,633	A\$0.0082
<b>Total</b>	<b>4,963,226</b>	<b>4,689,142</b>	

Estimated Value of the proposed 2024 LTI Award Performance Rights	Ian Lusted (or his nominee(s)) A\$	Graham Dowland (or his nominee(s)) A\$	Total A\$
Tranche 1	\$7,232	\$7,637	\$14,869
Tranche 2	\$13,897	\$14,871	\$28,768
Tranche 3	\$23,256	\$26,527	\$49,783
<b>Total</b>	<b>\$44,385</b>	<b>\$49,035</b>	<b>\$93,420</b>

Any change in the variables applied in the Analytical Model and the Monte Carlo calculation between the date of the valuation and the date the Performance Rights are issued would have an impact on their value.

### Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 27 March 2024:

Highest Price (A\$)/Date	Lowest Price (A\$)/Date	Latest Price (A\$)/Date
A\$0.043 / 3 April 2023	A\$0.012 / 11 December 2024	A\$0.016 / 27 March 2024

### Other Information

Under the Australian equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Performance Rights in its statement of financial performance for the current financial year.

## ANNEXURE C – SUMMARY OF 2024 LTI AWARD AND TERMS OF THE PERFORMANCE RIGHTS

### The 2024 LTI Award

Resolutions 4 and 5 seek Shareholder approval for the issue of the following Performance Rights to the Executive Directors or their nominee(s) pursuant to the 2024 LTI Award:

Executive Director	Number of Performance Rights
Ian Lusted (or his nominee(s))	4,963,226
Graham Dowland (or his nominee(s))	4,689,142
<b>Total</b>	<b>9,652,368</b>

The proposed issue of Performance Rights to the Executive Directors or their nominee(s) in respect of the 2024 LTI Award will, subject to the satisfaction of the Vesting Conditions and performance hurdles (described below) vest in 3 tranches over a 3-year period as follows:

Tranche	Performance Test Period	Vesting Date	Number of Performance Rights vesting
Tranche 1	1 January 2024 to 31 December 2024	31 January 2025	Up to 1/7 <sup>th</sup> of the total 2024 LTI Award Performance Rights
Tranche 2	1 January 2024 to 31 December 2025	31 January 2026	Up to 2/7 <sup>th</sup> of the total 2024 LTI Award Performance Rights
Tranche 3	1 January 2024 to 31 December 2026	31 January 2027	Up to 4/7 <sup>th</sup> of the total 2024 LTI Award Performance Rights

### Service-based Vesting Condition

For the 2024 LTI Award the Board has determined that:

- Mr Lusted - 100% of the relevant tranche of the 2024 LTI Award will vest on the relevant vesting date subject to Mr Lusted remaining in the employment of the Company throughout the period from 1 January 2024 through to the vesting date for each tranche (Vesting Period) and the achievement of the performance hurdles set out below.

Mr Dowland – Subject to Mr Dowland remaining in the employment of the Company throughout all Vesting Periods, 25% of the relevant tranche of a 2024 LTI Award will vest on the relevant vesting date and 75% of the relevant tranche of a 2024 LTI Award will vest on the relevant vesting date subject to the achievement of the performance hurdles set out below.

### Performance hurdle

#### *Absolute total shareholder return performance target*

Up to 100% (for Mr Lusted) or 75% (for Mr Dowland) of the relevant tranche of a 2024 LTI Award will vest on the relevant vesting date subject to remaining in the employment of the Company throughout the relevant test period and in accordance with the following vesting schedule dependent on the

Company's absolute total shareholder return (**ATSR**) performance measure, being the increase from the Company's volume weighted average Share price (**VWAP**) for December 2023, of A\$0.0155, to the Company's VWAP for the month of December prior to the vesting date for the relevant tranche.

ATS TSR per share increase compared to Dec 2023 VWAP A\$0.0155	Dec 23 VWAP up to 120%	120% < 150%	150% to <200%	200% to <250%	250% to <300%	300%+
<b>Vesting Date</b>						
<b>31 Jan 2025</b>	0%	40%	60%	80%	100%	100%
<b>31 Jan 2026</b>	0%	20%	40%	80%	100%	100%
<b>31 Jan 2027</b>	0%	10%	20%	60%	80%	100%

### *Retest*

The 2024 LTI Award incorporates a retest facility whereby any Performance Rights that do not vest on the Tranche 1 and/or Tranche 2 vesting dates pursuant to the ATSR performance target will be retested at the Tranche 3 vesting date in accordance with the Tranche 3 performance hurdles.

### *Change of Control*

In the event of a change of control event all unvested Performance Rights vest.

**Change of Control Event** occurs where:

- (a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
- (a) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (b) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (c) any Group Company enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; or
- (d) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies.

## **Terms of the Performance Rights**

The terms of the Performance Rights are as follows:

### **Issue price**

- (a) Each Performance Right will be issued for nil cash consideration.

### **Rights**

- (b) The Performance Rights do not carry any voting rights in the Company.
- (c) The Performance Rights do not entitle the holder to any dividends.
- (d) The Performance Rights do not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (e) The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) The Performance Rights do not confer the right to participate in new issues of securities such as entitlement issues. If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Performance Right before the record date for determining the entitlements to the bonus issue, the number of Shares which must be issued on the conversion of a Performance Right will be increased by the number of Shares which the holder would have received if the relevant Performance Right had converted before the record date for the bonus issue.
- (g) If at any time the issued capital of the Company is reorganised, the Performance Rights are to be treated in the manner set out in Listing Rule 7.2 (or other applicable Listing Rule), being that the number of Performance Rights or the conversion ratio or both will be reorganised so that the holder of the Performance Rights will not receive a benefit that holders of Shares do not receive and so that the holders of Shares will not receive a benefit that the holder of the Performance Rights does not receive.
- (h) The Performance Rights give the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

### **Vesting and exercise**

- (i) Subject to these terms, once vested, each Performance Right may be exercised to convert into one Share. The Performance Rights may be exercised by the Participant delivering to the Company Secretary the certificate for the Performance Rights and a notice of exercise in a form approved by the Board signed by the Participant.
- (j) The Company must issue or transfer Shares into the name of the Participant (or its nominee(s)) within 15 days of delivery of the documents referred to in (i) above.
- (k) Each Share issued or transferred on exercise of a Performance Right will rank equally with a fully paid ordinary share in the capital of the Company.
- (l) The Performance Rights will not be quoted on any securities exchange and the Company will not make an application for quotation in respect of them. However, application will be made to ASX for official quotation of any Shares issued pursuant to the exercise of the Performance

Rights, to the extent required by Listing Rule 2.4 if the Company is listed on the ASX at the relevant time.

- (m) A vested Performance Right can be exercised either:
- a. during the 10 ASX Trading Days following the release of either:
    - i. The first or third quarters activities report,
    - ii. The half yearly financial report
    - iii. the annual audited financial statements
  - b. the 10 ASX Trading Days prior to the expiry date being 2 years from vesting, or
  - c. within 10 ASX Trading Days of receiving approval from the Chairman, or in the case of the Chairman from the Lead Independent Director.

### **Expiry**

- (n) If a Vesting Condition is not satisfied on or before 31 January 2027, the relevant Performance Rights will immediately and automatically lapse. If a vested Performance Right is not exercised on or before 31 January 2029, the relevant Performance Right will immediately and automatically lapse.

### **Transferability**

- (o) The Performance Rights are not transferable. The Board has determined that no approval for the transfer of the Performance Rights will be granted.

### **Compliance with Corporations Act, Listing Rules and Constitution**

- (p) Despite anything else contained in these terms and conditions, if the Corporations Act, Listing Rules or Constitution prohibits an act being done, that act must not be done.
- (q) Nothing contained in these terms and conditions prevents an act being done that the Corporations Act, Listing Rules or Constitution require to be done.
- (r) If the Corporations Act, Listing Rules or Constitution conflict with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.
- (s) The terms of the Performance Rights may be amended as necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms, provided that rights and entitlements in respect of any Performance Rights issued before the date of the amendment shall not be reduced or adversely affected without the prior written approval from the affected Participant.

## **ANNEXURE D - TERMS OF FEE RIGHTS - A**

The terms of the Fee Rights - A are as follows:

### **Issue price**

- (a) Each Fee Right will be issued for nil cash consideration.

### **Rights**

- (b) The Fee Rights do not carry any voting rights in the Company.
- (c) The Fee Rights do not entitle the holder to any dividends.
- (d) The Fee Rights do not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (e) The Fee Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) The Fee Rights do not confer the right to participate in new issues of securities such as entitlement issues. If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Fee Rights before the record date for determining the entitlements to the bonus issue, the number of Shares which must be issued on the conversion of a Fee Right will be increased by the number of Shares which the holder would have received if the relevant Fee Right had converted before the record date for the bonus issue.
- (g) If at any time the issued capital of the Company is reorganised, the Fee Rights are to be treated in the manner set out in Listing Rule 7.21 (or other applicable Listing Rule), being that the number of Fee Rights or the conversion ratio or both will be reorganised so that the holder of the Fee Rights will not receive a benefit that holders of ordinary shares do not receive and so that the holders of ordinary shares will not receive a benefit that the holder of the Fee Rights does not receive.
- (h) The Fee Rights give the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

### **Vesting and exercise**

- (i) Fee Rights vest on 31 January 2025 (or earlier on a Change of Control)
- (j) If a non-executive Director ceases to hold office at any time during the period from grant to 31 December 2024, the amount of Fee Rights that vest on 31 January 2025 reduces proportionally to the time served as a Director during 2024.
- (k) Subject to these terms, once vested, each Fee Right may be exercised to convert into one ordinary Share. The Fee Rights may be exercised by the holder delivering to the Company Secretary the certificate for the Fee Rights and a notice of exercise in a form approved by the Board signed by the holder.
- (l) The Company must issue or transfer Shares into the name of the holder (or its nominee(s)) within 15 days of delivery of the documents referred to in (k) above.

- (m) Each Share issued or transferred on exercise of a Fee Right will rank equally with a fully paid ordinary share in the capital of the Company.
- (n) The Fee Rights will not be quoted on any securities exchange and the Company will not make an application for quotation in respect of them. However, application will be made to the ASX for official quotation of any Shares issued pursuant to the exercise of the Fee Rights, to the extent required by Listing Rule 2.4 if the Company is listed on the ASX at the relevant time.

### **Expiry**

- (o) Fee Rights will expire 2 years from the date of vesting.

### **Exercising of a Fee Right**

- (p) A vested Fee Right can be exercised either:
  - a. during the 10 ASX Trading Days following the release of either:
    - i. The first or third quarters activities report,
    - ii. The half yearly financial report
    - iii. the annual audited financial statements
  - b. the 10 ASX Trading Days prior to the expiry date being 2 years from vesting, or
  - c. within 10 ASX Trading Days of receiving approval from the Chairman, or in the case of the Chairman from the Lead Independent Director.

### **Transferability**

- (q) The Fee Rights are not transferable. The Board has determined that no approval for the transfer of the Fee Rights will be granted.

### **Compliance with Corporations Act, Listing Rules and Constitution**

- (r) Despite anything else contained in these terms and conditions, if the Corporations Act, Listing Rules or Constitution prohibits an act being done, that act must not be done.
- (s) Nothing contained in these terms and conditions prevents an act being done that the Corporations Act, Listing Rules or Constitution require to be done.
- (t) If the Corporations Act, Listing Rules or Constitution conflict with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.
- (u) The terms of the Fee Rights may be amended as necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms, provided that rights or entitlements in respect of any Fee Rights issued before the date of the amendment shall not be reduced or adversely affected without the prior written approval of the affected holder.

**Change of Control** means a Shareholder, or a group of associated Shareholders:

- (v) becoming entitled to sufficient Shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Board; or
- (w) gaining the ability to control more than 50% of the Voting Power in the Company.

**ANNEXURE E – NOTICE OF NOMINATION OF PROPOSED AUDITOR**

Graham Dowland  
2 Watt Street  
Swanbourne WA 6010

The Directors  
Australis Oil & Gas Limited  
Ground Floor  
215 Hay Street  
SUBIACO WA 6008

20 March 2024

Dear Directors,

The undersigned being a member of Australis Oil & Gas Limited hereby nominates BDO Audit Pty Ltd for appointment as auditor of the company at the forthcoming annual general meeting.

Yours faithfully

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

Graham Dowland



ANNEXURE F – NOTICE OF NOMINATION AND STATEMENT OF PROPOSED DIRECTOR



18 March 2024

**By e-mail**

Ms Julie Foster  
Company Secretary  
Ground Floor, 215 Hay Street  
Subiaco WA 6008  
Australia

[ifoster@australisoil.com](mailto:ifoster@australisoil.com) and [contact@australisoil.com](mailto:contact@australisoil.com)

Dear Ms Foster

**Nomination of Mr Kirk A Barrell as a director of Australis Oil & Gas Limited**

I am the president of Barrell Energy, Inc. (**Barrell Energy**), a member of Australis Oil & Gas Limited (**Company**).

In accordance with rule 6.1(o) of the Company's constitution, Barrell Energy hereby nominates MR KIRK A BARRELL for the office of director of the Company. Barrell Energy serves this notice on the Company by electronic mail in accordance with rules 6.1(p) and 13.3 of the Company's constitution.

Please find enclosed my signed consent to act as a director of the Company. I would be happy to provide the original signed consent to act and nomination letter on request.

Please also find enclosed a short statement regarding my qualifications and experiences for inclusion in the Company's notice of meeting for its 2024 annual general meeting.

Yours sincerely

A handwritten signature in red ink that reads "Kirk A. Barrell".

Kirk A Barrell  
President  
**Barrell Energy, Inc.**

303 S. Broadway, #200-356, Denver, CO, 80209  
[www.barrellenergy.com](http://www.barrellenergy.com)

**STATEMENT OF KIRK A BARRELL**

Kirk A. Barrell has served as a geologist in the petroleum industry for over thirty-eight years. His career has spanned across the United States Gulf Coast, Rocky Mountains, and Permian Basin. Mr. Barrell has explored and evaluated the Tuscaloosa Trend for thirty-five years. He is considered by the industry to be the expert in the Tuscaloosa Marine Shale. He has performed the most exhaustive trend-wide study of the entire play and has created the most advanced TMS geological analytics database in the industry. Mr. Barrell has presented at over two dozen industry conferences on the TMS Play. He has closed \$477 million of transactions over the past thirteen years. His network of contacts across the TMS Play are unmatched and he's a Louisiana-native, born and raised in New Orleans. Mr. Barrell's track record, knowledge, and relationships would greatly benefit Australis in achieving the maximum value for their shareholders.

**The Board has not been able to verify the information contained in the above Statement, and it does not take responsibility for any part of the Statement provided by Barrell Energy, Inc.**

## ANNEXURE G – COMMENTARY TO SUPPORT NOMINATION AS DIRECTOR (COMMENTARY)

The information within Annexure G – “Commentary” has been provided by Barrell Energy, Inc.

The Board has not been able to verify the information contained in the Commentary, nor does it take responsibility for any part of the Commentary provided by Barrell Energy, Inc.

March 18, 2024

1. Competitive Relationship with Australis
  - a. Amelia Resources is focused only on the geologic “core” of the TMS play and has never been in a competitive leasing situation with Australis. In fact, Amelia Resources played a vital role in assisting Australis with obtaining leases from Crosby Mississippi Resources LTD. In other cases where Australis issued forced integration letters to mineral owners that Amelia Resources represented, Amelia relinquished their agreements assisting Australis with proceeding with their proposed process.
2. Academic Degrees – Kirk Barrell
  - a. Louisiana State University – Bachelors of Science – Geology – December, 1985 b. Texas A&M University – Masters of Science – Geology – August, 1988
3. Kirk Barrell’s industry reputation as an expert in the TMS
  - a. In 2012, who did Encana joint venture with to build their first acreage block of 60,000 acres? Kirk Barrell/Amelia Resources (Note that Encana eventually became the largest acreage holder in the play)
  - b. In 2014, who did Comstock Resources partner with to build their acreage block in the TMS? Kirk Barrell/Amelia Resources
  - c. In 2014, who did Paloma Resources attempt to joint venture with in the TMS? Kirk Barrell/Amelia Resources
  - d. Who did Halcon partner with to build their acreage block in the TMS? Kirk Barrell/Amelia Resources
  - e. Immediately following their acquisition of Encana’s TMS assets, who did Australis call and attempt to hire as their TMS consultant? Kirk Barrell
  - f. In 2017 who did ConocoPhillips joint venture with to build their first acreage block of 87,000 acres in the Austin Chalk? Kirk Barrell/Amelia Resources (Note that ConocoPhillips eventually became the largest acreage holder in the play)
  - g. In 2018, who did Juniper Capital joint venture with to build their 53,000 acre block of TMS acreage? Kirk Barrell/Amelia Resources
  - h. Who founded the TMS-GRC Consortium? Kirk Barrell/Amelia Resources
  - i. Who did the University of Louisiana Lafayette call to assist with founding the TMSL consortium? Kirk Barrell/Amelia Resources
  - j. In January, 2022, immediately following their acquisition of Goodrich Petroleum, who did Paloma Resources call to gain insight into the TMS? Kirk Barrell/Amelia Resources
4. Kirk Barrell, through his companies Barrell Energy Inc., Amelia Resources LLC, and NuQuest Energy LLC, has developed projects across the Gulf Coast of the United States in oil, natural gas, solar, wind, CO<sub>2</sub>, and lithium brine. Combined, he has closed over \$477 million of transactions over the past thirteen years. At the foundation of all of his projects is proprietary knowledge, technology, and significant relationships across not only the industry, but also the Gulf Coast large landowners.
5. Amelia Resources’ TMS evaluation, database, and analytics

- a. As stated prior, Barrell founded the TMS-GRC Consortium which included numerous conventional cores and geochemistry data across the TMS. This consortium included Louisiana State University (Geology/Petroleum Engineering Departments) and University of Louisiana Lafayette (Geology Department)
- b. As stated prior, Barrell was instrumental in assisting the University of Louisiana Lafayette with obtaining the DOE grant and TMS conventional core donations. These data were analyzed by Barrell and the consortium in detail. The consortium included the US Department of Energy, University of Louisiana at Lafayette, The University of Southern Mississippi, University of Oklahoma, Missouri University of Science and Technology, and Los Alamos National Laboratory
- c. Kirk Barrell has performed geological analyses on the Tuscaloosa Trend for 34 years, five of which at Amoco Production Company which was the trend's leading operator for over 40 years. While at Amoco, Barrell had access to the industry's most robust core and cuttings database of the Tuscaloosa.
- d. Amelia Resources owns the most advanced analytical database of the TMS incorporating drilling, completion, production, petrophysical, and land. The system incorporates a geographic grid across the entire TMS play with petrophysical data to the 1920 acre grid size enabling the rapid evaluation of any acre in minutes. Australis' internal data only covers the former Encana acreage area. Barrell has conducted regional evaluations of both the TMS and Austin Chalk from the Mexican border to Mississippi.
- e. Amelia Resources data is proprietary and is only shared with joint venture partners. f. Mr. Barrell has been active in the Tuscaloosa Trend for over 34 years and has relationships with local political officials, attorneys, landowners, service vendors, and numerous other stakeholders. Amelia Resources has leased over 855,000 acres across the TMS and Austin Chalk trends in the past thirteen years.
- g. Industry conferences, Tuscaloosa industry papers, and blog
  - i. Blog: 596 posts, 1,671,860 views ([www.tuscaloosatrend.blogspot.com](http://www.tuscaloosatrend.blogspot.com))
  - ii. GCAGS Convention 1997: "Sequence Stratigraphy and Structural Trap Styles of the Tuscaloosa Trend"
  - iii. AAPG Convention 1997: "Conducting a Field Study With GIS: Port Hudson Field, The Tuscaloosa Trend"
  - iv. AAPG Convention 1997: "G.I.S., The Tool for the Multi-Discipline Team" (AAPG EMD President's Award)
  - v. Lafayette Geological Society 1997: "Sequence Stratigraphy and Structural Trap Styles of the Tuscaloosa Trend"
  - vi. New Orleans Geological Society SLOPES Conference 2003: "Sequence Stratigraphy and Structural Trap Styles of the Tuscaloosa Trend"
  - vii. New Orleans Geological Society South Louisiana Field Studies 2010: "Port Hudson Field"
  - viii. DNR SONRIS Sunset 2011: "Tuscaloosa Marine Shale"
  - ix. Imperial Capital Conference 2012: "Tuscaloosa Marine Shale, An Emerging Play"
  - x. American Association of Petroleum Landmen 2012: "Tuscaloosa Marine Shale, An Emerging Play"
  - xi. GCAGS 2012: "Tuscaloosa Marine Shale, An Emerging Play"
  - xii. Emerging Shales Conference 2012: "Tuscaloosa Marine Shale, An Emerging Play"
    - xiii. PLANO 2012: "Tuscaloosa Marine Shale, An Emerging Play"
    - xiv. NOGS 2012: "Tuscaloosa Marine Shale, An Emerging Play"
    - xv. Hart DUO Conference 2012: "Tuscaloosa Marine Shale, An Emerging Play"
    - xvi. GCAGS 2013 (New Orleans): "Tuscaloosa Marine Shale, An Emerging Play"
    - xvii. Emerging Shales Conference 2013: "Tuscaloosa Marine Shale, An Emerging Play"
      - xviii. AAPG Playmakers Forum 2013: "Tuscaloosa Marine Shale, An Emerging Play"
  - xix. Shreveport Geological Society 2013: "Tuscaloosa Marine Shale, An Emerging Play"
  - xx. Mississippi Geological Society 2013: "Tuscaloosa Marine Shale, An Emerging Play"
  - xxi. Houston Geological Society 2013: "Tuscaloosa Marine Shale, An Emerging Play"
  - xxii. SIPES New Orleans 2019: "The Louisiana Austin Chalk and LAMS Stack Play"
  - xxiii. Online presentations/references/blog:
    1. <https://www.youtube.com/watch?v=ieV16u6t0Pw>
    2. <https://www.aapg.org/videos/playmaker/articleid/37667/kirk-barrell-tuscaloosa-marine-shale-emerging-oil-shale-play>
    3. <https://www.enverus.com/blog/tuscaloosa-marine-shale-progress-update/>
    4. [www.tuscaloosatrend.blogspot.com](http://www.tuscaloosatrend.blogspot.com)

# PROXY FORM

**AUSTRALIS OIL & GAS LIMITED**  
**ABN 34 609 262 937**

## Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse side of this page. I/We \_\_\_\_\_ of \_\_\_\_\_, being a Shareholder/Shareholders of Australis Oil & Gas Limited, pursuant to my/our right to appoint not more than two proxies, appoint:



The Chair of the Meeting  
(mark with an "X")

OR

Write here the name of the person you are appointing if this person is someone other than the Chair of the Meeting.

Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (or if no proxy is specified above), the Chair of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held at REIWA Building, Conference Room 1, Level 1, 215 Hay Street, Subiaco, Western Australia 6008 and at any adjournment of that Meeting.

This proxy is to be used in respect of \_\_\_\_\_% of the ordinary Shares I/we hold.

## Voting directions to your Proxy

**Important for Resolutions 1, 4, 5, 6, 7, 8 and 9– If the Chair of the Meeting is your proxy or is appointed as your proxy by default.**

Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolutions 1, 4, 5, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention) even though Resolutions 1, 4, 5, 6, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair of the Meeting.

**The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolutions 1 to 10 (inclusive) and AGAINST Resolution 11.**

RESOLUTION	For	Against	Abstain*
1. Non-binding Resolution to adopt Remuneration Report <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 1</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Graham Dowland as a Director <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 2</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Alan Watson as a Director <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 3</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Performance Rights to Mr Ian Lusted or his nominee(s) <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 4</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Performance Rights to Mr Graham Dowland or his nominee(s) <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 5</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Fee Rights - A to Mr Jonathan Stewart or his nominee(s) in lieu of non-executive Director cash fees <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 6</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Fee Rights - A to Mr Steve Scudamore or his nominee(s) in lieu of non-executive Director cash fees <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 7</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Fee Rights - A to Mr Alan Watson or his nominee(s) in lieu of non-executive Director cash fees <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 8</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Issue of Equity Securities Under the Australis Oil and Gas Limited Employee Equity Incentive Plan <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 9</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Appointment of Auditor <b>The Chair of the Meeting intends to vote all available undirected proxies in FAVOUR of Resolution 10</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Election of Mr Kirk Barrell as a Director <b>The Chair of the Meeting intends to vote all available undirected proxies AGAINST Resolution 11</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

If executed by a company, executed in accordance with section 127 of the *Corporations Act 2001* (Cth):

### Individual or Shareholder 1

Sole Director and Sole Company Secretary

### Joint Shareholder 2

Director

### Joint Shareholder 3

Director/Company Secretary

Date: \_\_\_\_\_ / \_\_\_\_\_ 2024

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact Business Telephone/Mobile

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. If a proxy, other than the Chair, cannot attend or is not admitted to the Meeting, the Chair will become the proxy. In this circumstance, the Chair will be directed by the voting preferences (if any) provided in the Proxy Form.
2. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a Shareholder of the Company.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.
5. Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

### 6. Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** Where the holding is in one name, the holder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this Proxy Form must be signed by that person.

If the company (pursuant to section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this Proxy Form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### 7. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 11:00 AM (AWST) on 12 May 2024 (48 hours before the commencement of the Meeting). Any Proxy Form received after that time will not be valid for the scheduled Meeting.

**By mail:** Ground Floor, 215 Hay Street, Subiaco, Western Australia

**By fax** +61 (0) 8 9220 8799

**By email** contact@australisoil.com