



ASX Announcement

UPDATE ON RED EARTH DIVESTMENT TRANSACTION

Highlights

- Agreement with Blue Sky amended to divest Red Earth assets from the Company, retain Canadian subsidiary
- Additional partial payment A\$750k to be received end of October 2024
- Residual \$1.5m due 30 December 2024
- Expected cost savings to AOK via reduced tax burden on disposal

Australian Oil Company Limited (**Australian Oil** or **the Company**) (**ASX: AOK**) is pleased to provide an update regarding the divestment of its Red Earth Assets. The Company has reached agreement with Blue Sky Resources Limited (**Blue Sky**) to amend the original omnibus settlement agreement (announced 30 August 2024) on terms more beneficial for both parties.

Under the revised agreement, the following is a summary of the key changes to terms and conditions agreed to between the parties:

Consideration

No amendment has been made to the total consideration receivable under the settlement agreement, however, the timing of tranches has been amended to include a second, non-refundable interim payment of A\$750,000 on or before 31 October 2024, with both parties agreeing to a deferral of the final A\$1,500,000 payment to 30 December 2024.

Assets Conveyed

Under the original omnibus agreement, Blue Sky agreed to purchase 100% of the share capital of Saccasco AB Ltd – a wholly owned, Canadian domiciled subsidiary of Australian Oil. Under the

australianoilco.com.au

Head Office:
Level 1, 31 Cliff Street, Fremantle, WA 6160
Australia
T: (08) 9388 2654
E: enquiries@australianoilco.com.au

**Investors / Shareholders
Investor Relations:**
Stewart Walters
E: Stewart@marketopen.com.au
M: +61 414 644 166

Managing Director
Kane Marshall
E: ManagingDirectorcompanysecretary@australianoilco.com.au
M: +61 8 9435 3200



revised agreement, the parties have agreed for the Red Earth assets to be divested out of Sacgasco AB Ltd, with Australian Oil retaining the ownership of 100% of the share capital. This amendment to terms serves to provide a substantial reduction in tax obligations by the Australian Oil group.

Effective Date

Under the amended agreement, the parties have agreed that the effective date of the divestment has been changed from 30 November 2024 as originally contemplated, to 30 June 2024.

The Company's Managing Director will be discussing this update and further developments in a webinar shortly which will be accordingly disclosed to the ASX.

Management Comment

Kane Marshall, Managing Director of Australian Oil Co said:

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This revision to the omnibus settlement agreement serves to provide a greater balance of near-term cash for the Company to carry out its stated objectives, in line with its strategic growth plans whilst also managing tax compliance obligations that maximise shareholder value.

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- ENDS -

This announcement has been authorised by the Board of Directors of the Company.



About Australian Oil Co

Australian Oil is an Australian-based energy company focused on under-explored, recently overlooked, world class oil and gas opportunities near under-supplied markets.

The Company is currently focused on conventional oil and gas exploration and production in the Sacramento Basin in California. Australian Oil has a portfolio of natural gas and oil producing wells, in addition to prospects and discoveries at various exploration and appraisal stages.

AOK is in process of evaluating the acquisition of oil and gas producing and exploration assets to enhance the Company's strategic needs and delivering shareholder value.

Australian Oil Company Limited

ACN: 114 061 433

ASX Code: AOK

Shares on Issue

944,640,140

Unlisted Options

10,000,000 exercisable \$0.025 on or before 30-Apr-2029

10,000,000 exercisable \$0.035 on or before 30-Apr-2029

10,000,000 exercisable \$0.045 on or before 30-Apr-2029

82,476,533 exercisable \$0.008 on or before 30-Jun-2026