



ASX Announcement

PRODUCTION BACK ONLINE IN RIO VISTA FIELD AREA

Highlights

- Pipeline Acquisition Agreement with Pacific Gas and Electric (PG&E) completed and easements granted enable ongoing production of the Company's Reclamation Board 7 and 8 wells (Rec Board)
- Gas sales agreement with California Resources Corporation (CRC) completed for the sale and transportation of gas from Rec Board
- Rec Board commenced flowing gas over Easter weekend and will be steadily brought back online. Wells are expected to flow significantly higher than pre-connection rates.
- This advancement is a major step to progressing the Company into a cash flow positive business to enable capital deployment on progressing major exploration plays.
- In-country review has identified opportunities to complement the current portfolio of properties.

Australian Oil Company Limited (**Australian Oil or the Company**) (**ASX:AOK**) is pleased to announce it has advanced a major milestone in executing its Californian strategy through its wholly owned subsidiary, PEOCO LLC (**PEOCO**), which has completed the acquisition of pipeline infrastructure in the Rio Vista Gas Field complex in the Sacramento Basin, onshore California.

The pipeline infrastructure connects to the Company's 100% owned Rec Board project in which gas is sold pursuant to an executed gas sales agreement with CRC. The sales gas will be transported through the Company's pipeline into the CRC gathering system for transportation to the selling point of Rec Board gas.

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AUSTRALIAN OIL CO.

The Rec Board wells will be slowly increased in production along with other CRC wells in the area into one common gathering point until all common wells are producing in a stable manner. The acquisition is anticipated to allow increased gas flow from the current wells, potentially up to four times the current gas volumes from the Company's Rio Vista wells. Accordingly, the Company has set a goal of 500mcf/d gas flows from the acquired pipeline on a gross basis.

Currently, the Reclamation Board-8 well is selling gas and is flowing at a rate of 220mcf/d with the valve open 90%, with zero produced water. The flow rate from this one well is more than both wells were previously flowing on a combined basis, prior to the shut in. In the coming 24-48 hours, it is expected that the Reclamation Board-7 well will be steadily brought back online.

Gas prices in California continue to trend upward and at a premium compared to other states in the USA. The Company has completed an in-country review of existing leases and new opportunities and is proactively evaluating bolt on opportunities with major exploration potential in light of both the gas price environment and sentiment improving around increased oil and gas activities in the USA.



PEOCO Meter (background) with dehydration unit in the Rio Vista Field



Management Comment

Kane Marshall, Managing Director of Australian Oil Co said:



Stemming the capital losses in California and transforming the Californian operations into a viable business are imperative for us to not only acquire complementary value accretive opportunities but also allows us to complement existing leases with larger exploration plays. We are aiming to increase our footprint in California as well as other jurisdictions where the exploration potential has the ability to materially change the size of the Company and can be complemented with a low-risk cash flow business. This is the first step of many we have identified to get the Company on track as a reliable Operator that can transact with other larger Operators and attract reputable partners.



- 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.

Australian Oil Company Limited

ACN: 114 061 433

ASX Code: AOK

Shares on Issue

1,001,782,997

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

125,937,937 exercisable \$0.008 on or before 30-Jun-2026