



ASX Announcement

SETTLEMENT WITH FORMER DIRECTOR

Key Information

- Forgiveness of \$1m loan and accrued interest
- Payment of \$28,000 cash and issuance of 36m shares

Australian Oil Company Limited (**Australian Oil** or **the Company**) (**ASX: AOK**) provides an update to the Company's announcement of 30 August 2024 (*'Red Earth Assets Divestment & Update on Nido Transaction'*) where the Company noted its intention to undertake a thorough review of operations and management conduct of the Company (**Review**) for the period of operations from and including calendar years 2021 through 2023.

As a result of those investigations, the Company is pleased to advise that it has now entered into a settlement agreement with former Director, Gary Jeffery, and his associated company, Dungay Resources Pty Ltd (**Dungay**). Commercial considerations were taken into account by both parties, with respect to the financial stability of the Company moving forward in discussions regarding the terms of the settlement.

Pursuant to the terms of the settlement:

- the Company has agreed to pay Dungay the sum of \$28,000 in partial payment of accrued interest on the Dungay loans and to issue Dungay (or its nominee) 36,000,000 fully paid ordinary shares in the Company in satisfaction of outstanding creditor balances in respect of historical Directors' fees;
- Dungay has agreed to forgive the principal amount of the loans (\$1,000,000) and the balance of interest accrued as at the date of the deed, after deducting the payment of \$28,000 identified above. The interest forgiveness totals \$184,602.75; and
- the Company has agreed to release Mr Jeffery and Dungay from any and all claims arising out of the Review.

Australian Oil will issue the shares to Dungay (or its nominee) utilising its Listing Rule 7.1 capacity, and it is noted that as Mr Jeffery resigned from the Board in April 2024, there is no requirement for obtaining shareholder approval under Listing Rule 10.11.

The Review remains ongoing in relation to parties other than Mr Jeffery.

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Kane Marshall, Managing Director of Australian Oil Co said:

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After performing our management review and investigation on behalf of shareholders, the Company is pleased to have been able to enter into this settlement with Mr Jeffery.

The settlement strengthens our balance sheet and the current management team is now focused and dedicated to delivering on the strategic plan of growing new business opportunities and delivering real value from our Californian operations.

With our bolstered financial capability, the Company can capitalise on both new and existing opportunities at a time when global energy security challenges show no signs of abating.

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– ENDS –

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



AUSTRALIAN

OIL CO.

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

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