Key Activities & Highlights 31 January 2020

Australis Oil & Gas Limited
ABN: 34 609 262 937

ASX: ATS

Australis is an upstream oil and gas company seeking to provide shareholders value and growth through the strategic development of its quality onshore oil and gas assets in the United States of America and Portugal.

The Company's acreage within the core of the oil producing TMS provides significant upside potential for ATS with independently assessed 50 million bbls of 2P reserves including 4 million bbls producing reserves providing free cash flow as well as 108 million bbls of 2C contingent resource.

The Company was formed by the founders and key executives of Aurora Oil & Gas Limited, a team with a demonstrated track record of creating and realising shareholder value.

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Strong production, netbacks and cash flow

- Increased production for the quarter to 208,000 bbls generating sales revenue of US$12.6 million for the quarter and US$52.6 million for the year
- Cash flow from operations funded overheads, land leasing and financing expenditure with EBITDA growth of 64% to $4.1 million for the quarter
- Field Netback of US$35/bbl (based on gross production) or US$42/bbl (based on net production) reflects strong 58% operating margin in a US$60/bbl commodity price environment

Funded with flexibility and control

- Cash position of US$16.1 million with debt of US$33 million at year end and remaining undrawn debt of US$40 million
- Amendments to credit facility increased funding flexibility including maturity date extension of two years to November 2023
- Australis continues to adopt a prudent approach to managing its capital position

Completed an in-depth review of the Initial Drilling Program (IDP)

- In aggregate, the first six IDP wells achieved IP30 productivity 9% above the TMS Type Curve on a per 1000ft lateral basis, however the Company did not consistently drill and complete all wells to planned lateral lengths
- Two wells met or exceeded original expectations of well economics and productivity, they represent significant improvements to the Encana 2014 'best in play' well data set
- Internal and independent external analysis reached similar conclusions as to the primary cause of delays and operational difficulties within the IDP and their solutions
- Australis believes, and the independent analysis confirms, that future TMS wells can be consistently drilled and completed to planned lateral length

Australis strategy and the macro environment

- Production growth from US unconventional oil & gas producers is under pressure largely due to diminishing well locations with Tier 1 oil productivity
- Australis believes the TMS Core is becoming an increasingly unique and desirable play, given its characteristics and substantial remaining Tier 1 inventory
- As part of the next phase of corporate strategy, engagement with industry for partnering opportunities has commenced
- The strategic aim remains value realisation for shareholders

KEY FINANCIAL INFORMATION

The following table summarises key financial metrics for Q4 2019.

Key Metrics	Unit	Q4 2019	Q3 2019	Qtr on Qtr Change	2019
Core Land Position (Net)	acres	115,000	115,000	-	115,000
Net Oil (3P + 2C)[1,2]	MMbbls	206	206	-	206
Sales Volumes (WI)	bbls	208,000	198,000	5%	846,000
Average Realised Price	US$/bbl	$60.7	$59.6	2%	$62.2
Sales Revenue (WI)	US$MM	$12.6	$11.8	7%	$52.6
Sales Revenue (Net)	US$MM	$10.3	$9.6	7%	$43.0
Field Netback	US$MM	$7.2	$6.2	16%	$28.5
Field Netback / bbl (WI)	US$/bbl	$35	$31	12%	$34
Field Netback / bbl (Net)	US$/bbl	$42	$39	8%	$41
EBITDA	US$MM	$4.1	$2.5	64%	$13.8
Cash Balance (Qtr end)	US$MM	$16.1	$19.9	(19%)	$16.1
Debt Balance (Qtr end)	US$MM	$33.0	$24.0	38%	$33.0

TMS INITIAL DRILLING PROGRAM ("IDP")

IDP Review

One of the key objectives of the IDP was to repeat the historical well performance of the 15 Encana wells drilled in 2014 that make up the Australis TMS Type Curve ("TMS Type Curve Wells"), at an updated cost base. Australis has successfully demonstrated the Tier 1 productivity of the TMS formation with four IDP wells exceeding the TMS Type Curve on a per 1000ft lateral basis. In aggregate, the six IDP wells achieved and IP30 productivity that was 9% above the TMS Type Curve on a per 1000ft lateral basis.

Australis did not, however, consistently drill and complete wells to their planned lateral lengths as a result of delays, operational issues and decisions made to preserve capital. The six IDP wells averaged 4,141 ft of completed lateral length (approximately 57% of the length of the lateral assumed in the TMS Type Curve), compared to 7,254 ft for the 2014 Encana wells.

Australis did drill and complete two of the six IDP wells broadly as planned (the Stewart and Taylor wells), and they met or exceeded original expectations of well economics and productivity, at better than expected cost. These wells represent significant improvements to the average data set of the TMS Type Curve wells and in terms of productivity and well cost are amongst the best wells to date.

Due to the shorter than planned completed lateral lengths on the other four IDP wells the economic performance of those wells did not meet expectations.

To help understand why Australis was unable to consistently complete full length laterals, a detailed review of IDP operations was conducted internally and also separately by independent extended reach drilling experts, K & M Technology Group, a subsidiary of Schlumberger Limited. The review included an analysis and comparison of the first six IDP wells drilled in the TMS by Australis and several adjacent Encana drilled wells.

The studies identified many aspects of the technical execution by Australis which were consistent with or were improvements on the operations carried out by Encana in 2014. Both studies, however, identified instances where deviations from planned procedures relating to hole cleaning and tripping practices were the root cause of delays or operational difficulties. The conditions created during these periods were interpreted as being caused by wellbore instability which drove operational decision making at the time. Those conditions were also contributing factors to some of the equipment failures observed and reported during the IDP. Both Australis and its independent experts found that where these procedures were consistently executed by Australis (and Encana), improved hole conditions were conducive to drilling longer laterals.

Management are confident that identification of this key operational execution issue, combined with historic data and the evolution of knowledge gained from the IDP operations has reduced future drilling execution risk. Accordingly, management believe that TMS wells can be consistently drilled and completed to their planned lateral lengths by closely following planned drilling procedures with respect to hole cleaning and tripping practices.

Management believes the Stewart and Taylor wells are more representative of what can be achieved in terms of cost and productivity at this stage of the play's development. As a result of these findings, Australis has updated its operational procedures and controls and undertaken personnel changes to ensure consistent application in the future. Following the review of the IDP, the Company can articulate to potential industry partners how wells can be successfully and consistently executed, such that the proven Tier 1 productivity will generate Tier 1 well economics.

A corporate presentation, released with this quarterly, provides additional information regarding the IDP review findings.

IDP Status Summary

All drilling and completion operations in the quarter were completed without material safety or environmental incidents. An update on the first six wells of the IDP is set out below:

Well Name	Completed Lateral Length (ft)	Initial production (IP) Date	30-day IP rate (bbl/d)	30-day IP rate (per 1000 lateral ft)	Cum Production to 31 Dec 19 (bbls)
Stewart 30H-1	6,845	30-Dec-18	1,177	172	189,388
Bergold 29H-2	1,578	02-Feb-19	98	62	21,740
Taylor 27H-1	6,555	01-Apr-19	1,024	156	119,762
Williams 26H-2	2,566	01-Apr-19	361	141	46,511
Quin 41-30 3H	2,476	23-Oct-19	414	167	23,006
Saxby 03-10 2H	4,825	25-Oct-19	387	100	19,525
IDP average	***4,141***		***577***	***133***	
TMS Type Curve	***7,200***		***878***	***122***	

Stewart 30H-1 and Taylor 27H-1 have shown consistent productivity, lower well costs and highly attractive

economics. Today they are two of the most economic wells in the play. The other four wells were not completed to full length for a variety of reasons and hence in absolute terms will not generate the economics Australis sought to achieve. However, by measuring productivity of the six wells based on horizontal length drilled, it is evident that four of the six wells are outperforming the TMS Type Curve and the reasons for why the other two are underperforming is well understood and avoidable in the future.

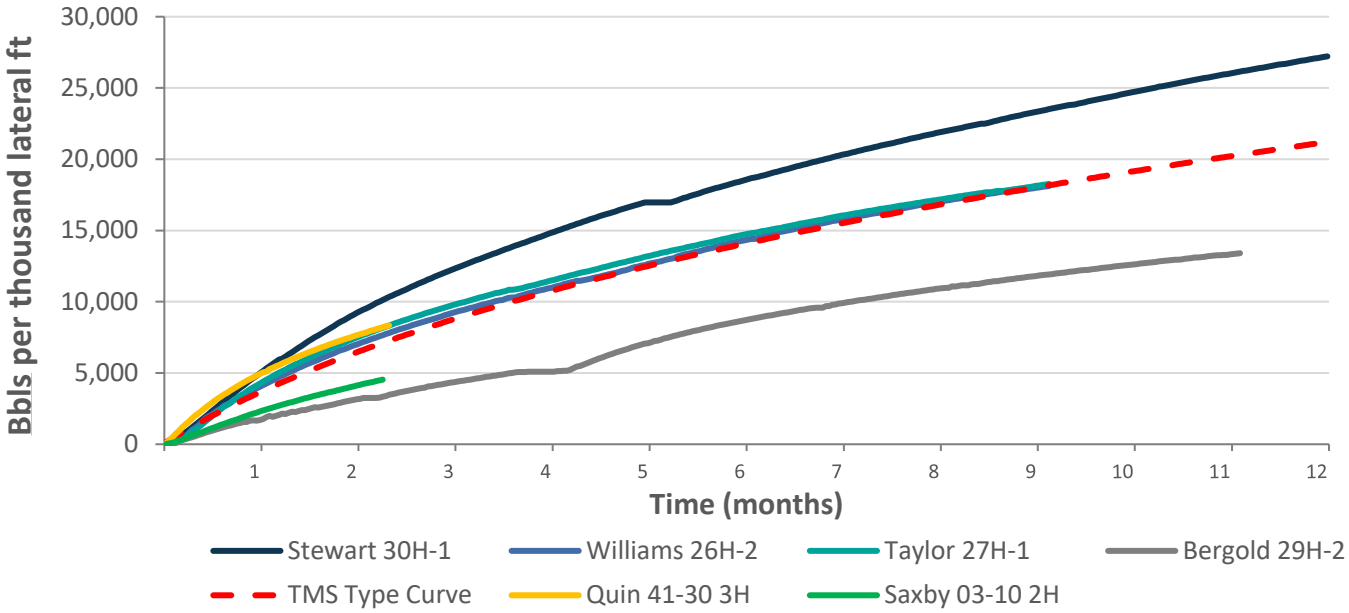

Figure 1: Cumulative Oil Production v TMS Type Curve (per thousand ft of completed lateral)

Wells 5 & 6 of the IDP : Quin 41-30 3H / Saxby 03-10 2H

Both wells commenced flow back in late October 2019. The Quin 41-30 3H well was drilled with a completed lateral length of 2,476 ft with 9 fracture stimulation stages and achieved an IP30 rate of 414 bopd. This equates to 167 bopd per 1,000ft of completed lateral, exceeding the TMS Type Curve rate of 122 bopd per 1,000ft.

The Saxby 03-10 2H well was drilled with a completed lateral length of 4,825 ft with 17 fracture stimulation stages. This well achieved an IP30 rate of 387 bopd, which equates to 80 bopd per 1,000 ft of completed lateral which is below the TMS Type Curve rate. Analysis of tracer data indicates that a number of stages are not contributing to oil production on this well, which Australis believes explains the below type curve performance. These non-contributing stages are located at the base of the horizontal section drilling window and encountered hard mineralogy preventing effective fracture stimulation in these sections. Future wells will narrow the drilling window to avoid this section of the drilling window, although from a review of all historical TMS core wells that Australis has access to, this is the only time this mineral has been encountered at these concentrations and so is not anticipated in future Australis drilling locations in the TMS Core.

TMS PRODUCTION AND OPERATING PERFORMANCE

Oil volumes for the quarter were higher than the previous quarter due to the commencement of production of Quin 41-30 3H and Saxby 03-10 2H in late October. Total oil sales were 208,000 barrels (WI), an average of 2,261 bbls per day throughout the quarter, and an average of 2,317 bbls for the year.

Realised pricing was in line with the previous quarter due to a continuation of weaker commodity prices whilst higher oil sales contributed to a 7% increase in sales revenue to $12.6 million for the quarter. Total sales revenue for the year was $52.6 million.

Field Netback increased by 16% from the previous quarter to US$7.2 million due to a reduction in production and workover expenses for the quarter. Field Netback was US$35/bbl on a working interest basis, and US$42/bbl on a net basis for the quarter and US$34/bbl (WI) and US$41/bbl (Net) for the year.

The following table summarises oil sales and Field Netback for Q4, Q3 and 2019.

	4th Quarter 2019			3rd Quarter 2019			2019		
	bbls	US$MM	US$/bbl	bbls	US$MM	US$/bbl	bbls	US$MM	US$/bbl
Sales (WI)	208,000	$12.6	$61	198,000	$11.8	$60	846,000	$52.6	$62
Net Sales (Net)	170,000	$10.3	$61	158,000	$9.6	$60	694,000	$43.0	$62
Field Netback (WI)		$7.2	$35		$6.2	$31		$28.5	$34
Field Netback (Net)		$7.2	$42		$6.2	$39		$28.5	$41

TMS LEASE POSITION

During the quarter, Australis continued to consolidate its land position and extend the expiry profile of the Tier 1 acreage position. Over 80% of the TMS Core acreage is either HBP or has an expiry later than January 2022. This is important in the current environment as it provides Australis with timing flexibility for future capital commitments.

Figures 2 and 3 provide more detail on the expiry profile and location of the Core acreage position.

Expiration Year – TMS Core Net Acres

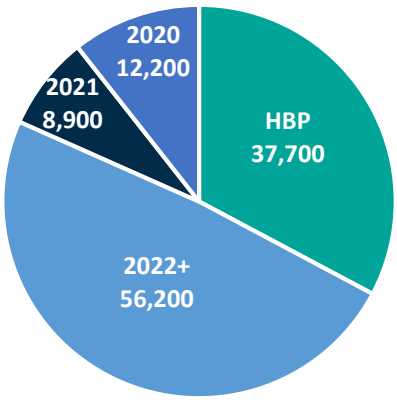

Figure 2: Expiration Year: Undeveloped Net Acres

Total TMS Core Net Acres

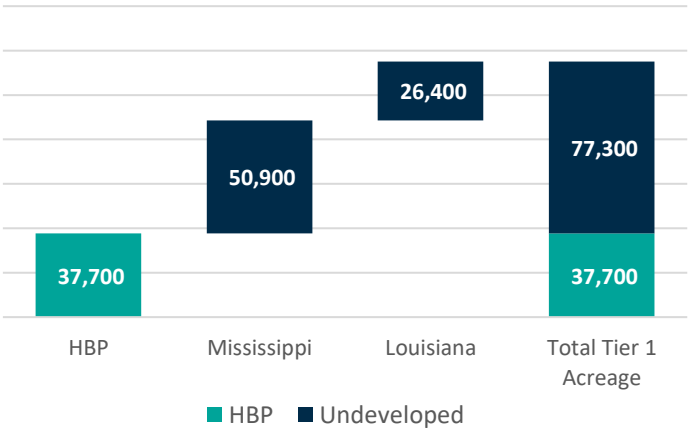

Figure 3: Australis TMS Core Net Acreage Position

Figure 4 in the 'About Australis' section of the quarterly provides the latest map of the Australis acreage position.

FINANCE AND CORPORATE

Cash and Capital

At 31 December 2019, cash on hand totalled US$16 million. Capital expenditure incurred during the quarter was US$6 million, comprising expenditure applied to the IDP and the TMS land renewal and acquisition program. Capital expenditure was funded from a combination of Field Netback and the credit facility from Macquarie Bank Limited ("Macquarie").

Australis applied financial discipline to the allocation of capital throughout the IDP. This capital discipline led to decisions for drilling to be stopped short of the targeted length on certain wells to ensure adherence to the aggregate IDP capital budget. The cost for the drilling, completion, tie in and direct facility costs for the six IDP wells was US$78 million. Additional capital of approximately US$12 million has been applied within the IDP to other development activities including:

- land permitting, access rights and title validation for the six IDP wells and proposed future wells;
- pad preparation including road access and power distribution to an additional site for future wells;
- the construction of facilities to provide water for stimulations for the IDP wells and future wells; and
- production facilities for shared use for future wells on existing pads.

Australis achieved well costs of less than US$11 million each for the Stewart and Taylor wells, which were drilled to plan and met or exceeded the absolute productivity targets. For the two most recent wells of the IDP, the Quin and Saxby wells, Australis changed drilling fluid programs to assess the operational benefits of water-based mud systems for the first time in the TMS. This major change to the operations program introduced a new learning curve which manifested itself with additional down time, incremental trips and mud costs as the systems were refined. In addition, these wells tested a contingency liner installation and had additional data gathering take place with the logging of the Austin Chalk. As a result, drilling costs on these wells were higher than the first four IDP wells.

Credit Facility

During the 4th quarter, Australis undertook a review of its secured credit facility and approached Macquarie with certain amendments offering additional financial flexibility. The amendments agreed late in December 2019 are as follows:

- extend the Maturity Date by two years to November 2023;
- extend the availability period of Tranche 1 (the first US$65 million of the committed Facility) by one year to April 2021;
- reduce and restructure certain financial covenants providing Australis with greater balance sheet flexibility in a lower oil price environment;
- provide greater ability to transact partnering opportunities within the existing security arrangements; and
- the ability to repay all or a portion of drawn amounts at any time without cancelling the remaining availability.

In return for these amendments Australis has agreed to pay a customary standby fee of 2% pa on undrawn committed funds during the availability period.

Net debt of US$9 million was drawn during the quarter increasing the total debt drawn at year end to US$33 million.

Hedging

Consistent with the focus on balance sheet stability, the Company continues to hedge a portion of future production to protect against lower oil prices, whilst retaining partial exposure to higher oil prices through a costless collar instrument. The following hedges were in place as at the date of this report:

Australis Hedge Position – Swaps and Collars					
Period	**Instrument**	**Volumes**	**WTI Swap**	**WTI Put[1]**	**WTI Call[1]**
		'000 bbls	**US$/bbl**	**US$/bbl**	**US$/bbl**
H1 2020	Swaps	27	54		
	Collars	127		54	73
H2 2020	Swaps	62	52		
	Collars	30		55	77
H1 2021	Swaps	47	51		
	Collars	7		55	73
H2 2021	Swaps	34	51		
H1 2022	Swaps	15	50		
H2 2022	Swaps	7	50		
		356			

1. Based on weighted average price

LUSITANIAN BASIN – PORTUGAL

Having agreed the Environmental Impact Assessment (EIA) work scope for each concession area in Q2 2019, activities are now well underway. All phases of the EIA are now well progressed, with a number completed and being translated in preparation of the final documentation. Our contract operator is nearing the end of the engineering design which will allow completion of the final elements of the EIA. Preparation has begun on safety management systems and other requirements required to be provided as appendices to the EIA.

The comprehensive program of work will ensure a complete and thorough analysis of any potential impacts of the planned operations and if required, any required mitigations will be identified and implemented.

MACRO ENVIRONMENT AND CURRENT FOCUS FOR AUSTRALIS

Australis believes the US shale industry is undergoing a significant transition that will lead to a decline in the rate of oil production growth. We consider this transition to be principally driven in a large part by the following factors observed and noted by many industry participants:

- reduced inventory of Tier 1 oil development locations in more mature plays;
- aggressive assumptions on spacing have led to lower well performance and economics and further reduction in assumed inventory; and

- shareholder pressure for free cash flow and limited availability of capital markets funding is reducing Capex budgets.

The impact of this can be seen in the significant reductions in horizontal drilling rig counts and frac fleet utilisation in the US during 2019, statistics which are indicative of weaker production growth in the US going forward.

As production growth from mature Tier 1 basins reduces, the industry will need to find replacement inventory in new and emerging plays. Australis believes these circumstances have made the TMS Core an increasingly unique and attractive play as it has the following attributes:

- highly productive oil-weighted onshore reservoir proven to be as productive as mature Tier 1 plays in the US;
- for prospective partners, Australis' acreage is at an attractive stage where it has been substantially de-risked, has data from wells having been on production for >5 years and delineated but remains largely undeveloped;
- proximity to oil sales infrastructure, with large capacity and multiple markets;
- quality light crude that attracts premium LLS pricing;
- a position that is sizable and contiguous, and enables control of development of the play; and
- favourable land and development rules, regulatory context and receptive local and state governments.

Australis believes the macro environment for the unconventional oil & gas industry remains favourable to its corporate strategy, although the time frame for achieving ultimate value realisation may be longer than initially anticipated whilst market conditions improve. Management will therefore adopt a prudent and cautious approach in maintaining and, under the right circumstances, developing its TMS Core acreage.

As part of the next steps in executing on its corporate strategy to demonstrate the underlying value of the ~200 million bbls of undeveloped reserves and resources associated with its TMS Core acreage, Australis has been, and will continue, engaging in the following activities:

- reviewing its corporate G&A, which has led to a 20% reduction going into 2020
- updating its basis of TMS well design and drilling processes and procedures on the back of the comprehensive IDP review to ensure consistent well execution;
- undertaking an exercise in re-pricing goods and services in the current environment to improve project economics; and
- exploring potential partnering, both technical and financial, for further development of its acreage.

Ends

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

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ABOUT AUSTRALIS

Australis (ASX: ATS) is an ASX listed oil and gas company seeking to provide shareholders value and growth through the strategic development of its quality onshore oil and gas assets in the United States of America and Portugal.

Australis' 115,000 net acres within the production delineated core of the oil producing TMS provides significant upside potential with a Company estimated 425 net future drilling locations, and an independently assessed 50 MMbbl of 2P oil reserves. This includes 4 MMbbl producing reserves providing net free cash flow, as well as 108 MMbbl of 2C contingent oil resource[1] (based on net acreage at the effective date of the report of 110,000 acres) and a further 9 MMbbl of 2C contingent oil resource[2] attributable to the 5,000 net acres added since that report.

Australis was formed by the founder and key executives of Aurora Oil & Gas Limited, a team with a demonstrated track record of creating and realising shareholder value.

TMS Assets & Background

Australis holds 115,000 net acres within the production delineated core of the oil producing Tuscaloosa Marine Shale. The map below is a representation of the acreage position that Australis holds within the TMS Core.

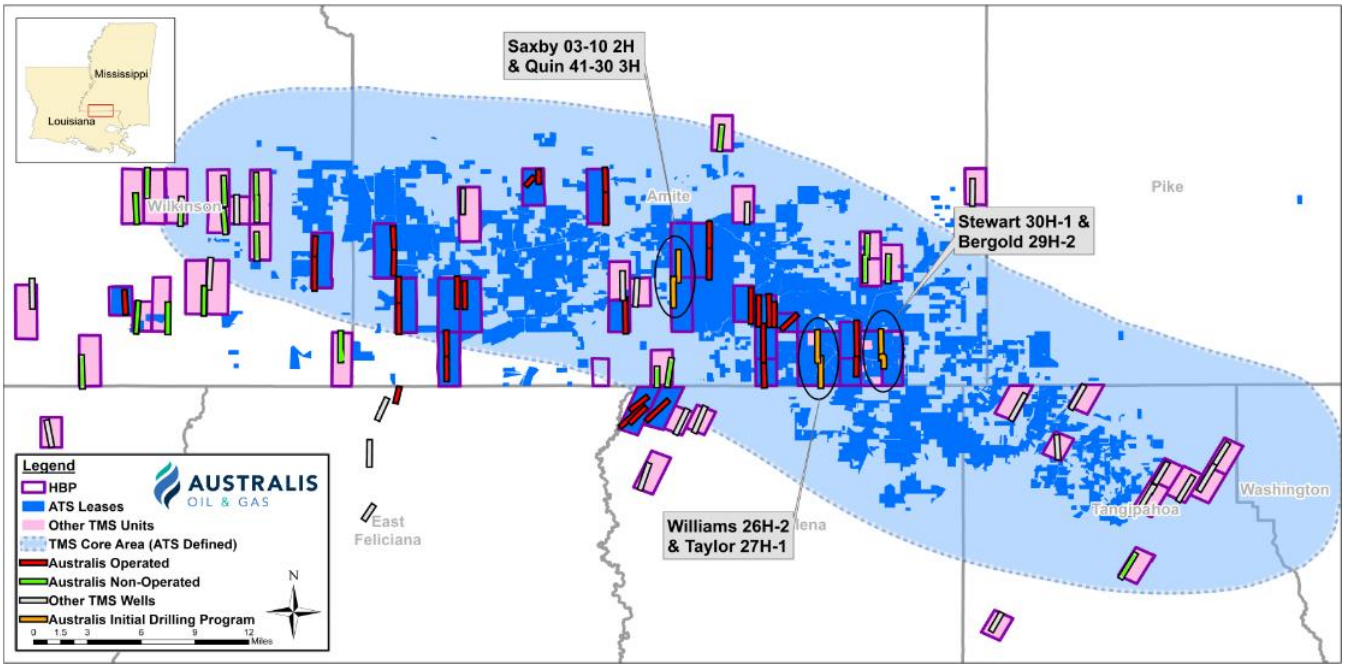

Figure 4: Overview of the TMS Core and Australis approximate lease hold position

The Tuscaloosa Marine Shale is a Cretaceous shallow marine unconventional shale that is present across central Louisiana and southwest Mississippi. The play is the same geological age as the Eagle Ford Shale in South Texas and the Woodbine Shale in East Texas.

The play is deep, high pressured and oil weighted. As experienced in most unconventional plays, early results demonstrated variable production performance and relatively high well costs, driven by operational

difficulties encountered whilst drilling and completing the wells. The activity that did take place however, delineated a core area of the play where production results were consistent and comparable to other, far more developed, unconventional plays such as the Eagle Ford and the Permian. This area is shown in the blue oblong in Figure 4 above and represents Australis' interpretation of the TMS Core.

The comparison of the 2014 production results from the core of the TMS (the 15 wells drilled in the Australis TMS core leasehold area in 2014 and which comprise the TMS Type Curve) with other plays over a 24-month period is shown in Figure 5 below. Average TMS production in 2014 already exceeds wells drilled in 2017 in other established basins, without industry improvements being applied.

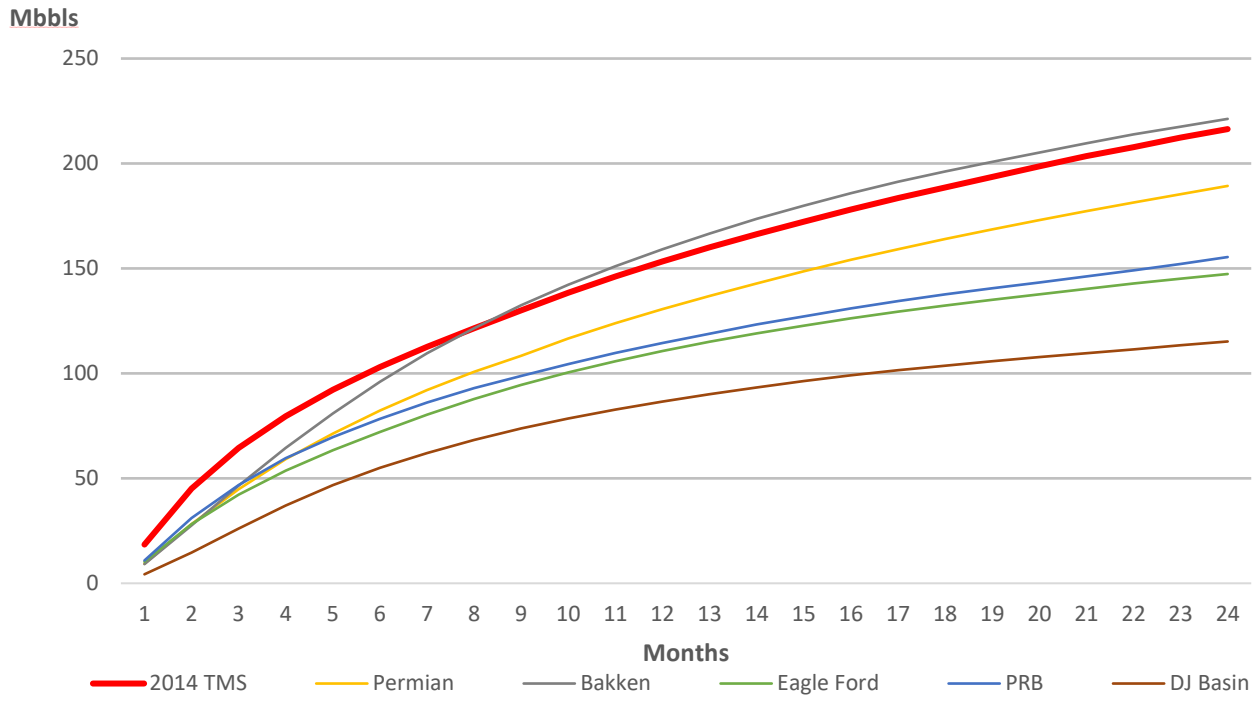

Figure 5: Average oil production of ATS 2014 TMS wells v 2017 wells in other basins[6]

The 2014 fall in commodity price generated the opportunity for the two low cost acquisitions by Australis in the play and for an ongoing cost-effective leasing program where longer lease life is targeted together with improved commercial terms. Australis has remained very disciplined and focused only within the production delineated TMS Core.

The appraisal activity by Encana and other participants in the TMS during 2013/2014 also addressed many of the operational challenges that were initially experienced. Costs and performance repeatability were improving, and activity levels were increasing during 2014 until evolution in the play was interrupted by the oil price drop in late 2014. As a direct result, Australis' current operations are the first drilling activity that has occurred since the beginning of 2015. Consequently, none of the numerous industry improvements that have continued to drive forward the economics of other unconventional plays during this extended period of lower oil price have yet been applied to the TMS.

Portugal Assets

In September 2015 Australis was awarded two onshore exploration concessions in the Lusitanian Basin (known as the Batalha and Pombal Concessions). The concessions cover a total area of 620,000 acres, are in the exploration phase and are at the beginning of the fourth year of an eight-year valid term. They have a modest minimal commitment work program in the first three years. The Concessions are located to the north of Lisbon.

Australis has purchased from the Portuguese Government, at nominal cost, aeromagnetic data interpretation study, exploration well logs and 2D seismic lines across both concessions as well as a 3D survey that covers part of the Batalha concession. Australis activity during the first year of the concessions broadly consisted of data review and analysis of the 2D and 3D seismic[5] and other existing information relating to prior wells.

This has allowed the Company to define a large gas discovery in the Jurassic formations and to identify likely production mechanisms that contributed to the observed 2-3 MMscf/d from the discovery wells. Furthermore, Australis now has a preferred well design to achieve commercial flow which would allow the net 2C contingent resource of 459 Bcf[3] be reassessed as a reserve.

GLOSSARY

Unit	Measure	Unit	Measure
B	Prefix – Billions	**bbl**	Barrel of oil
MM	Prefix – Millions	**boe**	Barrel of Oil equivalent (1bbl = 6 mscf)
M	Prefix – Thousands	**scf**	Standard cubic foot of gas
/d	Suffix – per day	**Bcf**	Billion cubic feet of gas

Term	Definition
TMS Core	The Australis designated productive core area of the TMS delineated by production history
WI	Company beneficial interest before royalties
Royalty	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
Net or NRI	Company beneficial interest after royalties or burdens
C	Contingent Resources (1C/2C/3C equivalent to low/most likely/high)
NPV(10)	Net Present Value (@ discount rate)
EUR	Estimated Ultimate Recovery of a well
WTI	West Texas Intermediate oil benchmark price
LLS	Louisiana Light Sweet oil benchmark price
D, C&T	Drill, Complete and Tie - in
2D/3D	2 and 3 dimensional seismic surveys
Opex	Operating Expenditure
HBP	Held by production – within a formed unit a producing well meets all lease obligations within that unit. Primary term remains valid whilst well is on production.
PRB	Probable Reserves
PDP	Proved Developed Producing Reserves
PDNP	Proved Developed Not Producing Reserves
PUD	Proved Undeveloped Reserves
Net Acres	Working Interest before deduction of royalties or burdens
Field Netback	Oil and gas sales net of royalties, production and state taxes, inventory movements, hedging gains or losses, field based production expenses but excludes depletion and depreciation
EBITDA	Earnings before interest, tax, depreciation, depletion, and amortisation expenses
IP30	The average oil production rate over 30 days of production following clean up
IP24	The peak oil production rate over 24 hours of production
TMS Type Curve	The history matched production performance of 15 wells drilled in the TMS by Encana in 2014. Corresponds to an average treated horizontal length of 7,200ft. Refer to the Appendix of the Australis Corporate Presentation

Notes

1. The TMS estimates have been taken from the independent Ryder Scott report, effective 31 December 2018 and announced on 6 February 2019 titled 'Reserve and Resource Update – Year end 2018'. The report was prepared in accordance with the definitions and disclosure guidelines contained in the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management (SPE-PRMS) as revised in June 2018. Ryder Scott generated their independent reserve and contingent resource estimates using a deterministic method. The Company is not aware of any new information or data that materially affects the information included in the referenced market announcement and that all material assumptions and technical parameters underpinning the estimates in the referenced market announcement continue to apply and have not materially changed.

2. The 2C Resource estimate has been generated by Australis effective 4 April 2019 in accordance the definitions and disclosure guidelines contained in the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management (SPE-PRMS) as revised in June 2018. The analysis was based on methodology applied within the report prepared by Ryder Scott as at 31 December 2018 (See ASX announcement released on 6 February 2019 titled "Reserves and Resources Update Year End 2018"). Ryder Scott presumed a 9% recovery factor from the mid case oil in place estimates when assessing the 2C Resources attributable to a land holding of 110,000 net acres. Maintaining the same average recovery factor, the additional 5,000 net acres is attributed a 2C Resource of 9 million barrels (Australis estimate). This contingent resource estimate was originally disclosed in an announcement on 5th April 2019 entitled "TMS Initial Drilling Program Update". The Company is not aware of any new information or data that materially affects the information included in the referenced market announcement and that all material assumptions and technical parameters underpinning the estimates in the referenced market announcement continue to apply and have not materially changed.

3. The Portugal Concession estimates have been taken from the independent Netherland, Sewell & Associates report, effective 31 December 2016 and announced on 25 January 2017 titled '2016 Year End Resource Update'. The report was prepared in accordance with the definitions and disclosure guidelines contained in the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management (SPE-PRMS). The Company is not aware of any new information or data that materially affects the information included in the referenced market announcement and that all material assumptions and technical parameters underpinning the estimates in the referenced market announcement continue to apply and have not materially changed.

4. The deterministic method is based on qualitative assessment of relative uncertainty using consistent interpretation guidelines. The independent engineers using a deterministic incremental (risk-based) approach estimates the quantities at each level of uncertainty discretely and separately.

5. Aljubarrota 3D Seismic Survey – 160 km2 acquired December 2010 to March 2011 under permit issued by the Portuguese Divisao para a Pesquisa e Exploracao do Petroleo ("DPEP").

6. Basin average oil production sourced from Shaleprofile.com "US Update Through January 2019"

Non-IFRS Financial Measures

References are made within this report to certain financial measures that do not have a standardised meaning prescribed by International Financial Reporting Standards (IFRS). Such measures are neither required by, nor calculated in accordance with IFRS, and therefore are considered Non–IFRS financial measures. Field Netback, as defined within the Glossary, is a Non-IFRS financial measure commonly used in the oil and gas industry. Non-IFRS financial measures used by the Company, including Field Netback, may not be comparable with the calculation of similar measures by other companies.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Australis' planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Australis believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.