ASX Announcement
For Immediate Release

11 June 2020

Chairman's Address and Company Presentation Material
2020 Annual General Meeting

Please find attached to this document a copy of the Chairman's address and the presentation that will be provided by Australis Oil & Gas Limited today at its Annual General Meeting.

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

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Chairman's Address – 2020 Annual General Meeting

Good morning and thank you all for taking the time to attend this meeting.

We live in different times to those that existed as recently as our AGM last year. I hope that you and your families have coped well to date with the various implications of the COVID-19 pandemic and Government response and wish you well for the next phase.

Our CEO Ian Iusted will give a more thorough presentation of the industry, our strategy, position, plans and results to date following the formal part of the meeting. Accordingly, I do not intend to spend a lot of time commenting on matters that will be more effectively dealt with by Ian. I do however have some comments that I would like to make.

The oil industry has seen an incredibly tumultuous period and I'm afraid that is not over yet. Historically oil prices have fluctuated dramatically from time to time based on a number of different issues. Reasons for price falls have included discovery or technological advances pushing the supply side and economic downturns impacting demand. I would certainly include the boom in unconventional oil production, particularly shale, during the last ten years as a clear and major example of this, albeit I believe a relatively short term one in an historical sense. Developing economies, International conflicts, supply controls etc have either stimulated demand or limited supply driving prices up at different times.

The oil industry has not been very effective at smoothing out these price crashes or booms and has a tendency to stumble from one to another. For example, high prices stimulate additional investment and can lead to material production growth over a period until there is oversupply. Low prices of course do the converse. As supply tapers in a low oil price environment, such as now, in due course we see some recovery in oil price. It is not however, that easy to just bring production back on economically or grow it to meet demand so if demand strengthens, we can end up with a period of high prices.

I do not know exactly where oil prices will go but I do know that current prices are economically unsustainable. I believe that oil prices will continue to recover but there may be some bumps on the way. We considered shale oil production in the US to quite possibly have peaked before the Saudi/Russian market moves just prior to the COVID-19 pandemic issues. Output has now fallen materially and continues to fall and even as prices recover, we consider that more economically marginal drilling will be unlikely to recommence.

Perhaps a reasonable question many oil investors around the world are asking themselves is "does shale oil investment work?" My view is that it does work, in fact can work extremely well, but only in certain circumstances.

1. Be early to the party either by exploration, opportunism or have legacy acreage in the right place and as a result do not pay a lot for the land / leases. (Reference EOG, Pioneer, Chevron, Texas Crude Energy, Aurora)
2. Market timing – get in or importantly exit, at the right time in the commodity price cycle. (Reference Brigham, Petrohawk, Aurora)
3. Be honest in your appraisal of acreage, development costs and realised pricing and prioritise its development and value accordingly. Only Tier 1 acreage is truly robust through low price periods and only then if you have not overpaid for it.

We remain convinced that the assets we have put together will be recognised as valuable based on fundamentals of reserves, productivity, scale, and economics. We tick the boxes in terms of what I think is required. Exiting well – time will tell.

Accordingly, our short-term strategy is centred on asset protection, financial conservatism and identification of partners to work with in the future.

We made some difficult decisions soon into this downturn to reduce debt, conserve cash and postpone new development activities. The Executive team led by Ian and staff in the US and Australia have worked very hard and been prepared to work flexibly and for lower remuneration and we should be grateful for that. Board members too offered to reduce their cash remuneration and have been very supportive and constructive during this period. Thank you to all of you.

We appreciate the continued support of shareholders very much. We maintain our optimism with regard to future value, disappointment with current recognition of value and intend to continue to work hard to deliver future returns to shareholders.

Thank you

Jon Stewart
Chairman

ASX: ATS

AGM Presentation

June 2020

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Summary and Overview

Timeframe influenced by recent events, but strategy sound and TMS asset base well positioned

- **In 2019 Australis achieved many strategic objectives**
  - Six well initial drilling program (IDP) re-affirmed productivity of the TMS Core on par with the best of US basins
  - Two wells drilled by ATS were the some of the most economic wells drilled in the play
  - Significant increase to oil reserves and resources – 1P increased by 53% to 49MMbbl and 2P increased by 25% to 62 MMbbl
  - Consolidated acreage position to ~110,000 net acres of which 37,700 acres is Held By Production
- **The impact of COVID-19 has led to unprecedented oil market conditions, and Australis acted swiftly to stabilise the balance sheet and secure the TMS asset base**
  - Australis had previously hedged 70% of planned production in 2020 at a price above $50. Hedge book worth US$5.6 million as at 29 May 2020
  - Restructured credit facility to reduce debt position and allow flexibility from covenants until 2021
  - Curtailment of production to match hedge volume in April and further volume reductions in May due to low oil price
  - Significant G&A, LOE and capital cost reductions.
- **Strong field netbacks means Australis generates operating profit at low achieved oil pricing (<$20/bbl)**
- **Australis corporate strategy remains valid**
  - Accumulate high grade unconventional oil inventory at a low cost which will increase in value as industry participants need to replenish Tier 1 well inventory due to a combination of the following factors:
    - Inventory downgrades – under performing wells and reduction in the number of projected development locations
    - Inventory consumption – Tier 1 inventory largely consumed, even Permian is now being delineated
  - In an ultra low oil price scenario, these factors will be accelerated.
  - Australis strategy timing is delayed but not invalidated

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Corporate Strategy – progress review

ATS has maintained and executed on a clear strategy – summary of progress and remaining steps

Identify

- A Tier 1 oil asset with attractive entry cost
- Ability to build a material position
- Control and flexibility on capital deployment

Found:

- TMS Core delineated and better oil production performance than most US basins
- Large contiguous acreage position available with no competition
- Oil weighted production at premium pricing
- Operator status possible

Achieved

Acquire and Aggregate

- Built a position of over 110,000 contiguous net acres
- Low cost entry – no competition
- Built a strategically controlling position within delineated core.
- Sourced and compiled all available data from previous operators.
- Secured operatorship across bulk of core area - ensures capital control and flexibility

Achieved

Demonstrate Asset Value

- Confirm historical productivity and increase producing well count with initial drilling program (IDP)
- Utilize engineered solution from 2014
- Stewart and Taylor wells prove productivity and economics of the play
- Based on IDP well results, Ryder Scott increased type curve for all reserve categories
- Valuable technical knowledge gained during drilling of IDP
- Identify sources of upside – drilling and productivity

Partially Completed

Realise Value

- Adapt to market conditions to maximise value
- Safeguard asset value whilst managing balance sheet
- Engage with potential partners to participate in development activities to validate asset value proposition
- When market conditions allow seek routes to monetise asset
- Retain Austin Chalk and other horizons potential for substantial majority of acreage

Focus

Why we like the TMS Core

The unique TMS advantages that are sought by US shale industry players when seeking to replace depleting Tier 1 oil inventory

Highly Productive Reservoir

- Proven oil productivity is on par or better than other USA Tier 1 oil shale basins
- Multiple Tier 1 wells across acreage with 5 year production history, provides type curve confidence

Significant Acreage & Resource

- 110,000 net acres in the TMS Core - long life leases and low average royalties (<20%)
- Mid case recoverable resource (2P + 2C) of 192 million barrels (net) including 1P of 49 million barrels[1]
- 400+ net future well locations each with NPV10 per well > US$3 million @ $50/bbl[A]

Unique Status

- Contiguous lease position enables scale & manufacturing approach to development
- As operator, with extensive lease tenure, have control over pace of capital deployment
- TMS Core one of the few remaining undeveloped Tier 1 oil shale plays with scale

Premium Oil and Pricing

- TMS production 95% oil weighted
- Access to oil sales infrastructure with capacity and proximity to multiple oil markets
- Quality light sweet crude sold at LLS pricing, achieved ~US$5.60/bbl premium to WTI in 2019

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A – see slides 20 & 24 for more detail

Large contiguous land position

Control and flexibility over vast position, with new leasing in area by competitors

Size and Flexibility

- Large drilling units of up to 1,920 acres-allow efficient development to meet lease obligations
- Long lease expiry profiles provide development flexibility and efficiency

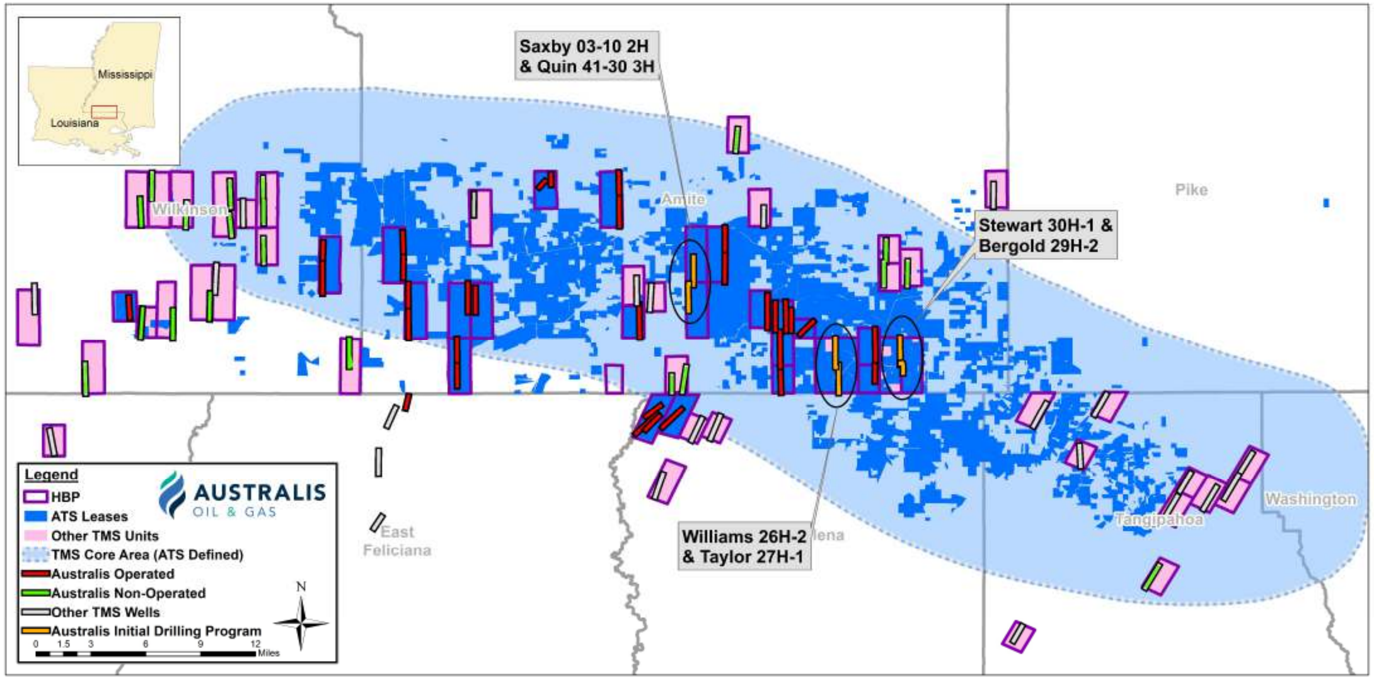
Control and Opportunity

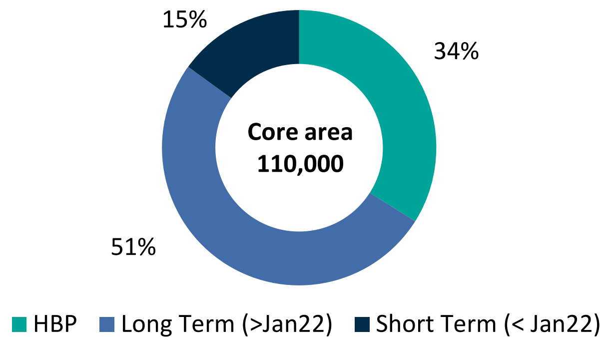
- Contiguous operated position enables
  - multiple development options
  - control over infrastructure, drilling locations
- Flexibility to develop on conservative acre spacing with no parent/child issues

Leasing in Area by Competitors

- Acreage position built into core area

Australis Land Position





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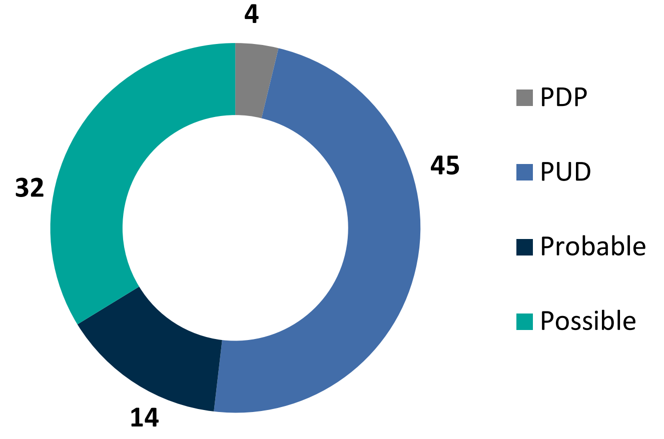
Significant oil reserve and resource position in TMS

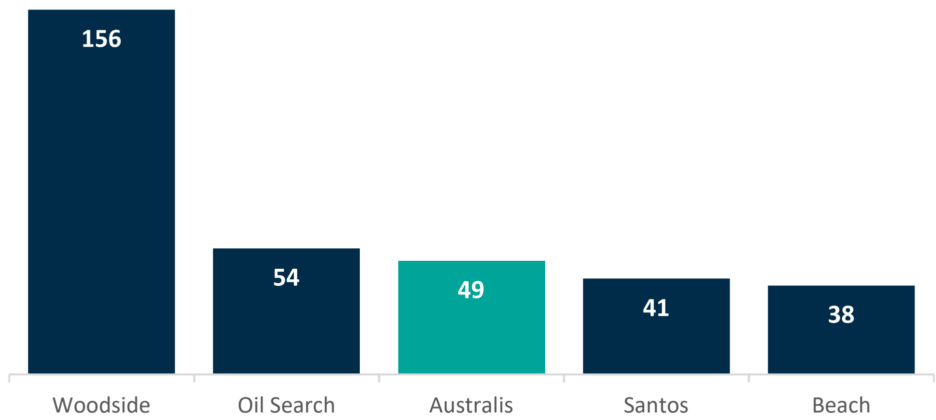
Significant scale based on 250 acre well spacing and modest EUR's

- Net recoverable oil independently assessed as at 31 December 2019[1], based on 115,000 net acres in TMS Core
  - 1P Reserve of 49 MMbbl (+53%)
  - 2P Reserve of 62 MMbbl (+25%)
  - 2C Resource of 130 MMbbl (+20%)
- Increase of reserves and resources during 2019 principally due to:
  - De-risking and higher production expectation as a result of the 2018/19 wells drilled by Australis
  - Increase in working interest in development area
  - Increase in leased acreage
- Reserves allocation only assessed 31% of acreage for development (in the maximum 5 year timeframe permitted under rules) - remainder of acreage allocated to resources

Australis TMS Reserves (only 36,000 net acres (~31%) assessed for development)[1]



1P Net Oil & Condensate Reserves - ATS vs ASX Majors (as at 31 Dec 19) (MMbbl)



Australis 2018/19 Initial Drilling Program – Achievements

The IDP program demonstrated the productivity and economics of the TMS Core

Key IDP Achievements

✓ **All wells demonstrated productivity potential of the TMS Core**	▪ All six wells have-cumulatively produced half a million barrels of oil to date ▪ The average initial oil productivity (IP30) of all 6 IDP wells exceeds the TMS Type Curve on a per 1000ft lateral basis
✓ **2 of the wells some of the best producers and most economic wells ever drilled in the play**	▪ Demonstrated successful and economic TMS wells can be drilled ▪ Assisted refining and confirming the design and execution of drilling Stewart and Taylor both drilled for less than $11m, with 12 month production of 190,000 barrels and 137,000 barrels respectively
✓ **Convert acreage to HBP status**	▪ ATS increased HBP acreage position by 32% to 37,700 net acres – note more than 3P reserve development area
✓ **Increased reserves position**	▪ IDP well production data led Ryder Scott to increase anticipated future well performance in their YE19 reserve report
x **Historic inconsistency in execution,** ✓ **However, challenges contributed to future learnings**	▪ Execution challenges in planned operations and capital preservation decisions resulted in 4 IDP wells not achieving full length laterals ▪ Following a review of drilling challenges, Australis has identified root causes and remedies, updated its operational procedures and controls and basis of design

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Balance Sheet Stability

Australis acted swiftly to strengthen its balance sheet amidst the market volatility

1. **Debt Restructure**
   - Reduced debt balance to US$23 million with a US$10 million prepayment
   - No further amortisation payments until YE2020 and maturity date remains at November 2023
   - Obtained waiver of the key financial covenant relating to reserve valuation until 30 December 2020
   - Removal of US$40 million of undrawn debt availability and associated standby fees

2. **Hedging**
   - Australis hedged in late 2019 and early 2020 resulting in price protection above US$50/bbl for 80% of planned production during Q2 2020
   - Forward hedge book from 30 June 2020 of 308,000 bbls out to mid 2023
   - Hedge book has a mark-to-market value of US$5.6 million as at 29 May 2020

3. **Field Operations**
   - Curtailment of production volumes to maximise total revenue, incl hedged volumes, whilst reducing costs
   - Significant cost efficiencies achieved through initiatives to reduce field costs (LOE)
   - Positive cash from operations funds financing costs and G&A

4. **G&A and discretionary capex**
   - All discretionary capex on hold
   - Substantial salary reductions for KMP, reduction of staff (headcount and remuneration), contractors and service providers - G&A reduced by over 50%

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TMS production on par with best of other basins

TMS Type Curve well productivity and decline profile outperforms many of the best counties within the four major oil producing basins: The Permian, Eagle Ford, Williston (Bakken) and DJ - Niobrara

24 month cum. Oil Production ('000 bbls)
ATS TMS v best counties within major onshore oil US plays

Average Cum Oil Production v Months on Production
<u>Best Performing County</u> in Each Oil Play

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Source: "The Major Tight Oil Basins" from ShaleProfile Insights May 27 2020. ATS TMS 15 well average has been interposed onto the data.

Case Study – Delaware Basin vs TMS

Two recent 'Tier 1' transactions highlight the comparative value of the TMS

WPX acquires Felix Energy for US$2.5 B (cash & stock) – December 2019

- 58,500 net acres, 60,000 boe/d production (70% oil), 190 wells drilled, 1,500 gross locations. At $30k/boe/d equates to $12,000/acre

Parsley acquires Jagged Peak Energy for US$2.3 B (stock) – October 2019

- 78,000 net acres, 38,300 boe/d production (76% oil). At $30k/boe/d equates to $6,500/acre

Productivity Comparison with Australis TMS well performance	12 month Cum bbl oil	Lat Length ft	bbl/ft	Net (post royalties) bbl/ft
Wells highlighted by the Acquirer				
Felix Average – 21 Wells	233,619	9,964	23.5	17.6
Jagged Peak Average – 35 Wells	193,400	8,658	22.3	16.8
Australis TMS Wells				
TMS Type Curve 15 Wells (Encana 2014 wells)	153,356	7,254	21.1	16.9
Stewart 30H-1 Well	188,754	6,845	27.6	22.1
Taylor 27H-1 Well	136,508	6,555	20.8	16.6

Comparison of key parameters – net oil production, water cut, cost and achieved price[5,6]

- Average Felix wells 17.6 bbl/ft, Jagged Peak 16.8 bbl/ft and **TMS Type Curve 16.9 bbl/ft**
- Jagged Peak well cost (2018) - $1,500/hz ft; **Stewart $1,519/hz ft and Taylor $1,632/hz ft**
- Jagged Peak wells average water production 61.6 bbl/ft and **TMS Type Curve 10.5 bbl/ft**
- Achieved oil price Q3 2019 Jagged Peak - $53.55/bbl, **ATS $59.60**

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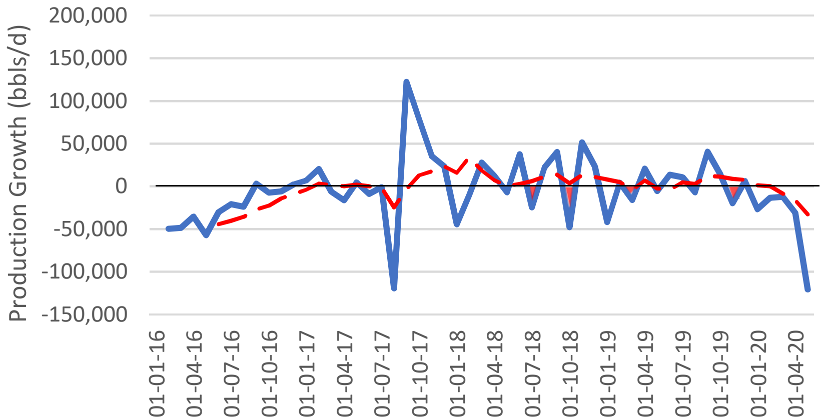
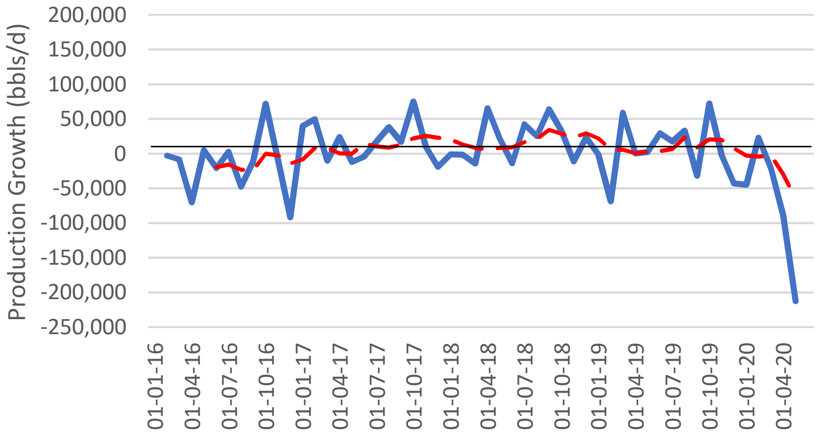
US Unconventional Production

EIA data clearly showed growth had stalled prior to pandemic and oil price movement in March 2020

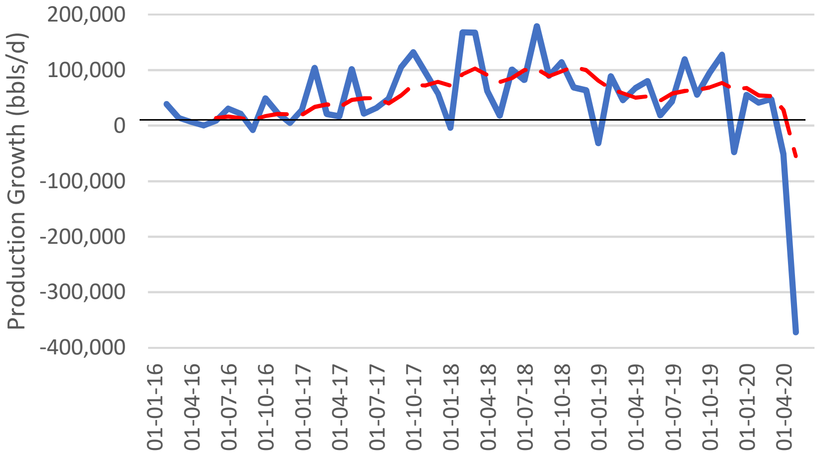
Eagle Ford monthly growth (bbls/d)



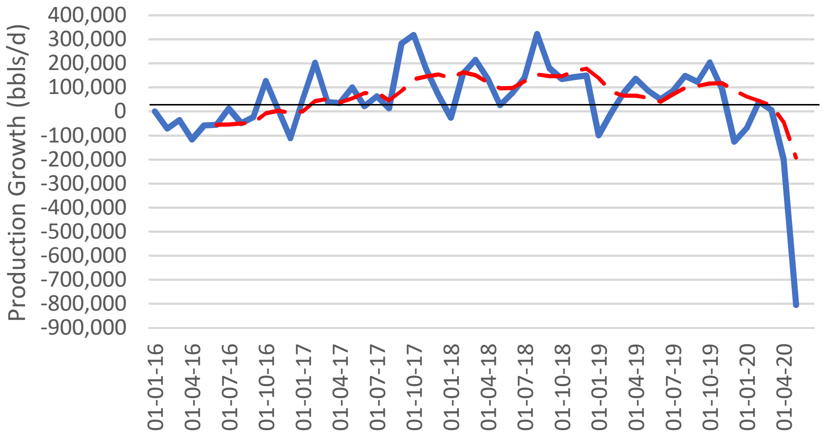
Bakken monthly growth (bbls/d)



Permian monthly growth (bbls/d)



Total Unconventional monthly growth (bbls/d)



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Monthly growth — 6 month av growth

Source: EIA Drilling Productivity Report May 2020

Major shale basins – challenges to premium economics

The major basins in the US come with issues that challenge their Tier 1 economics over time – pre Covid19

Decreasing Tier 1 Locations	▪ Inventory of Tier 1 locations is rapidly decreasing in more mature plays (such as Eagle Ford & Bakken), as the development is focused on the better economics of certain confined 'core' geological areas ▪ Secondary tier locations result in declining productivity per well – operators must drill longer laterals and use more proppant to approach Tier 1 productivity **= higher D&C costs per well attempting to maintain well productivity**
Parent / Child Interference	▪ Rapid growth in drilling by competing operators has encouraged tighter spacing between wells, resulting in well-to-well interference, with child wells producing as much as 30-40% less than the parent well in some basins ▪ Greater proportion of wells drilled are now child wells – and again longer laterals and more proppant required to approach parent productivity **= higher D&C costs per well attempting to maintain well productivity**
Increase GOR	▪ Many basins started with a high level of gas content, such as 45% in Eagle Ford and 69% in Scoop/Stack (Anadarko Basin) and as the plays mature, the gas-oil ratio is increasing, resulting in increased production of gas into a very poor price environment **= lower netbacks at current gas prices**
High Water Cut	▪ A number of the major basins exhibit increasing volumes of produced water **= increased water disposal costs and risk of seismic activity**
Oil Price Differentials	▪ Negative oil price differentials for several major basins due to variable oil quality, pipeline and infrastructure constraints and/or a locally oversupplied market **= further reduction of netbacks**
Access to capital	▪ Pre Covid19 US unconventional O&G under shareholder pressure to deliver returns and limit capital spend

The TMS Core compares very favourably to the major basins on each of these issues resulting in premium economics

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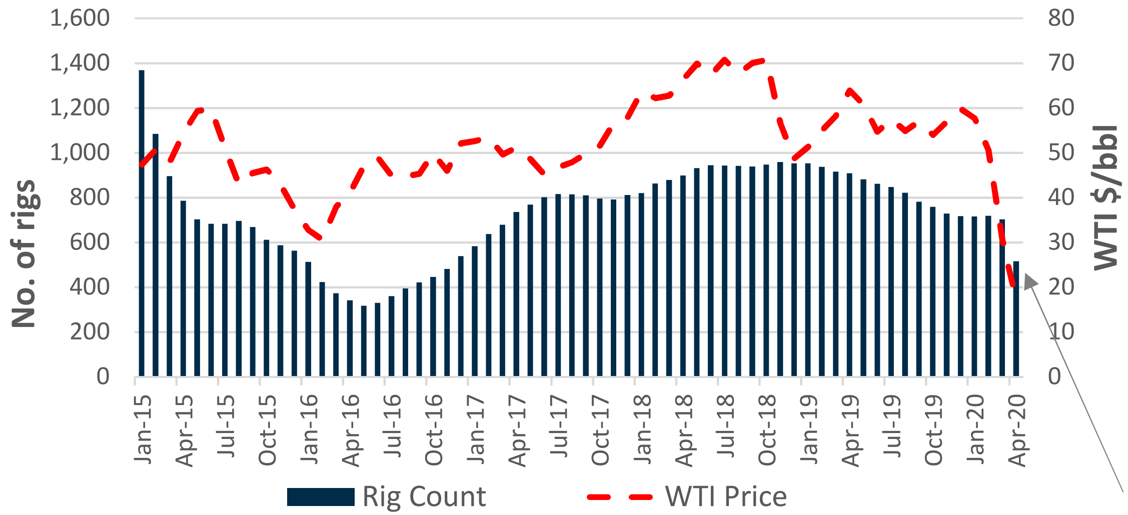
US Shale Industry – Unprecedented Activity Reduction

Historical slowdown in new well and frac activity combines with recent production shut-ins

- Production from US shale industry is under significant pressure:
  - Horizontal drill rig count dropped by ~50% since early 2019 and further drops signalled
  - Frac fleet utilisation has dropped by 88% YoY to only 50 active fleets – lead indicator for production

  The decline in rigs and frac fleets is unprecedented.
- Without new production existing decline rates will dominate
  - EIA estimates monthly decline rate > 600 mbbls/day.
  - 55% of the country's shale production is from wells drilled in the past 14 months (ShaleProfile 24 May 2020)

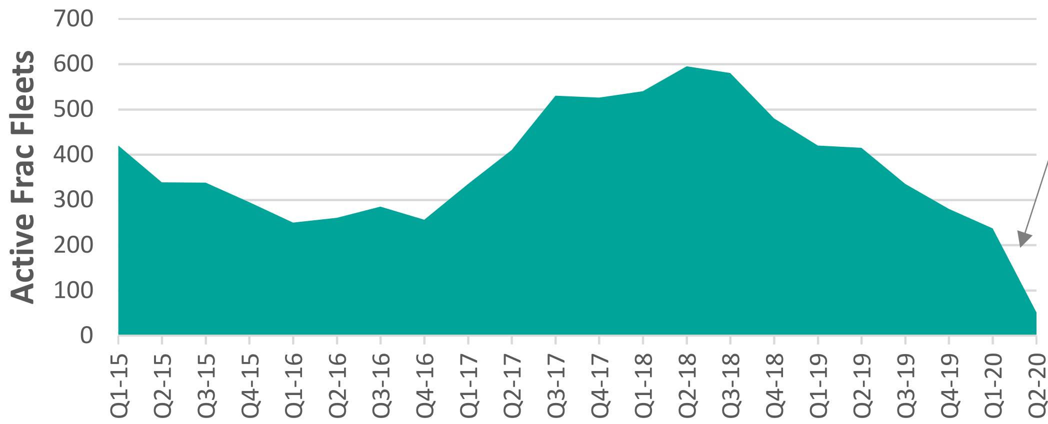
US Onshore Shale Rig Count



Source: EIA Drilling Productivity Report May 2020

Dramatic fall

Active Frac Fleets in the US



Source: Shale Experts May 2020

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Australis strategy remains valid

The prevailing oil and gas business environment changes time frame but not value proposition of ATS strategy

- Prior to COVD-19, the US unconventional industry was going through a structural shift with diminishing Tier 1 inventory locations, interference issues due to proximity of wells and limited access to capital
- As a result, shale oil production growth was significantly slowing in recent quarters and has dropped dramatically in the last two months
- Prevailing oil prices will accelerate delineation of the Permian basin further reducing Tier 1 oil inventory
- The TMS Core is one of the only remaining delineated but undeveloped shale play with Tier 1 oil productivity
- The TMS has all the attributes needed in an oil development:
  - Tier 1 oil productivity
  - Large contiguous resource of oil ready for development
  - Known well spacing with >4 year production history
  - Superior pricing premium
- In an improving environment, options for development will be severely limited and this will drive the value proposition for the TMS.

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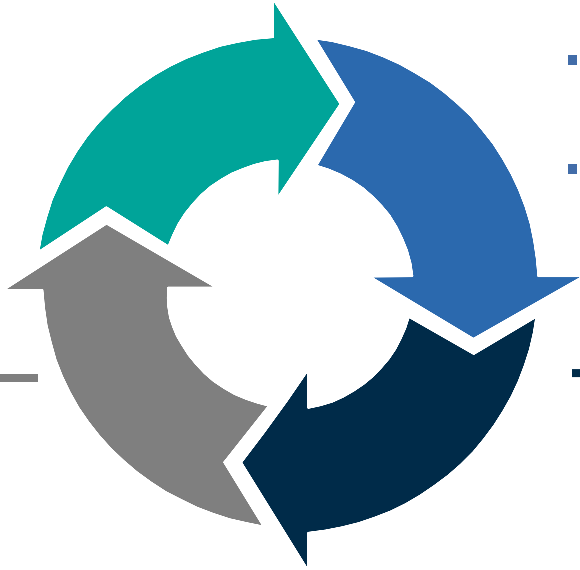
Summary

Experienced team and strategy will ultimately drive shareholder returns.

Proven Execution Capability

- Board and management were the founders and key executives of Aurora Oil & Gas
- Experienced in identifying, developing, operating, funding and monetising oil & gas assets
- Proven track record in building shareholder value (Aurora A$0.20/share to A$4.20/share)



Shareholder Return Driven

- Board and management own 11% of the Company
- Clearly stated strategy of generating shareholder value
- Board and management 100% aligned with shareholders

Strategic Advantages of TMS

The shale industry issues validate Australis' strategy and its TMS asset:

- Tier 1 oil productivity
- Large resource of oil
- Known well spacing with >4 year production history
- Superior pricing premium
- No immediate pressure to drill

Shale Industry Transformation

The broader shale industry is facing a structural transformation due to the following:

- Low investor confidence
- Diminishing Tier 1 inventory locations
- Deteriorating economics being achieved
- Interference issues due to proximity of wells
- Over leverage and limited access to capital

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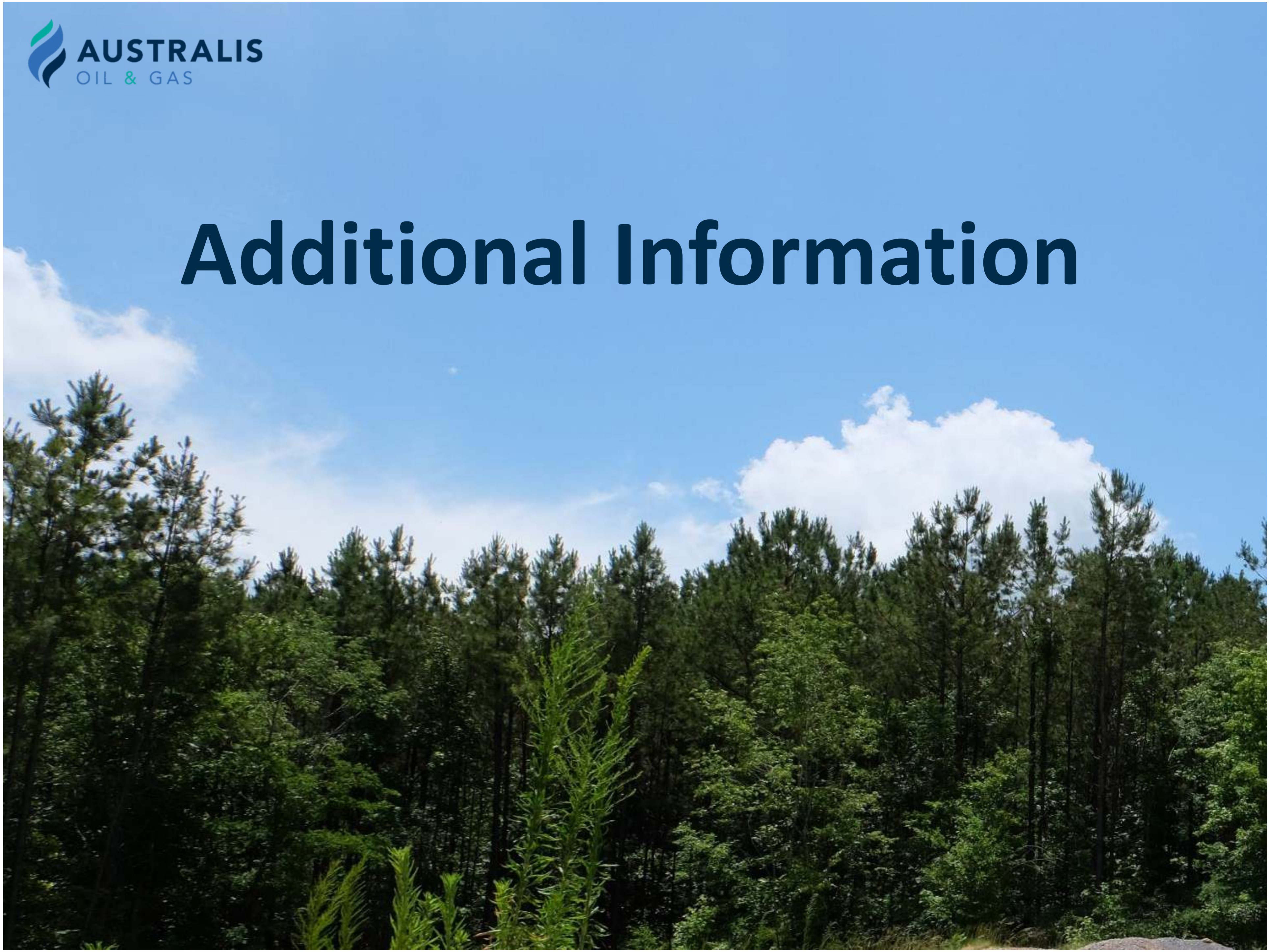
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Additional Information

Directors & Management

Jon Stewart

Non-Executive Chairman

- >25 years in the upstream oil and gas industry
- Founder and former Chairman and CEO of Aurora Oil & Gas
- Founder & Director of Dana Petroleum and EuroSov Petroleum PLC (CEO) (1999 merger with Sibir Energy PLC - MD)
- EY 2014 Australian Entrepreneur of the Year – Listed Company Category
- Qualified Chartered Accountant

Alan Watson

Non-Executive Director

- 30 years previous experience in international investment banking
- Former Non Exec Director of Aurora Oil & Gas
- Chairman of Pinnacle Investment Management Group Limited (ASX:PNI)

Steve Scudamore

Non-Executive Director

- Over 3 decades experience in Corporate Finance with KPMG Australia, London and PNG
- Senior roles with KPMG include Chairman (WA) and National head of valuations
- Non-Executive Director at Pilbara Minerals and Regis Resources.
- Former Non Exec Director of Aquila Resources and Altona Mining

Ian Lusted

Managing Director & CEO

- >25 years in the upstream oil and gas industry
- Former Technical Director of Aurora Oil & Gas
- Founder of Leading Edge Advantage, an advanced drilling project management consultancy
- Founder and Technical Director Cape Energy, a private equity backed oil and gas company
- Drilling engineer / supervisor at Shell International

Graham Dowland

Finance Director & CFO

- >25 years experience in the oil and gas industry
- Founding and former Finance Director of Aurora Oil & Gas
- Former Executive Director of Hardman Resources NL
- Former Finance Director of EuroSov Petroleum PLC and Sibir Energy PLC
- Qualified Chartered Accountant

Darren Wasylucha

Chief Corporate Officer

- Former Executive VP Corporate Affairs for Aurora 2011 to 2014
- Corporate finance lawyer with over 20 years experience advising public and private companies

Mal Bult

VP Corporate & Business Development

- Former VP commercial at Aurora 2008 – 2012
- Over 20 years' experience in oil and gas industry

Julie Foster

VP Finance & Company Secretary

- Former Group Controller and Company secretary of Aurora 2009 to 2014
- Chartered accountant UK and Wales with over 20 years' experience

David Greene

VP Operations

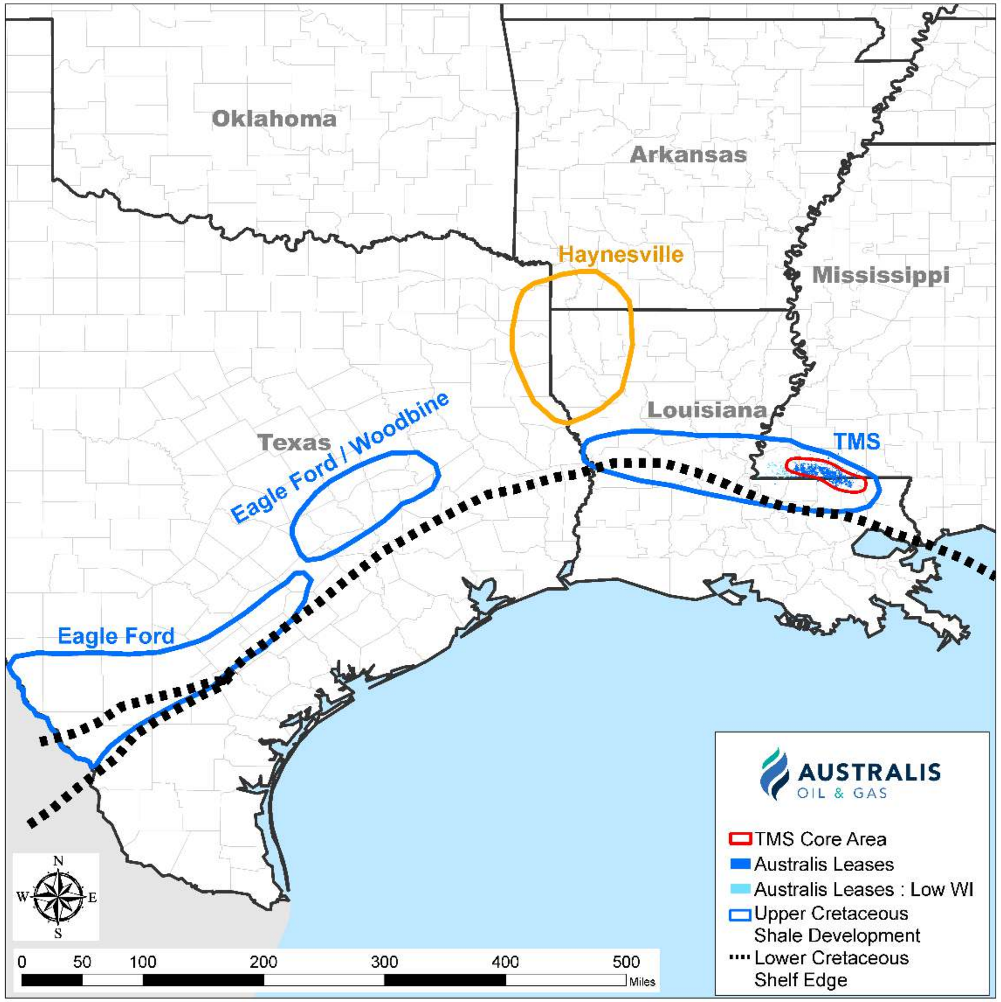
- Petroleum and Drilling Engineer with over 20 years experience in the oil and gas industry
- Operations Manager for SM Energy
- Drilling engineer with Chevron

TMS is an undeveloped Tier 1 oil shale play

On trend with Eagle Ford Basin in Texas, similar depositional history and age

- Onshore basin - Louisiana and Mississippi.
- On trend with Eagle Ford Basin in Texas, similar depositional history and age.
- 80 horizontal wells were drilled from 2010 to 2014 and have delineated the Core Area.
- Performance from the early drilled wells was variable and unusually binary - either in or outside of the core area.
- The wells drilled in 2014 in the core of the TMS demonstrated consistently high oil productivity and downward trending well costs
- Initial Australis well results continue this trend

TMS Location



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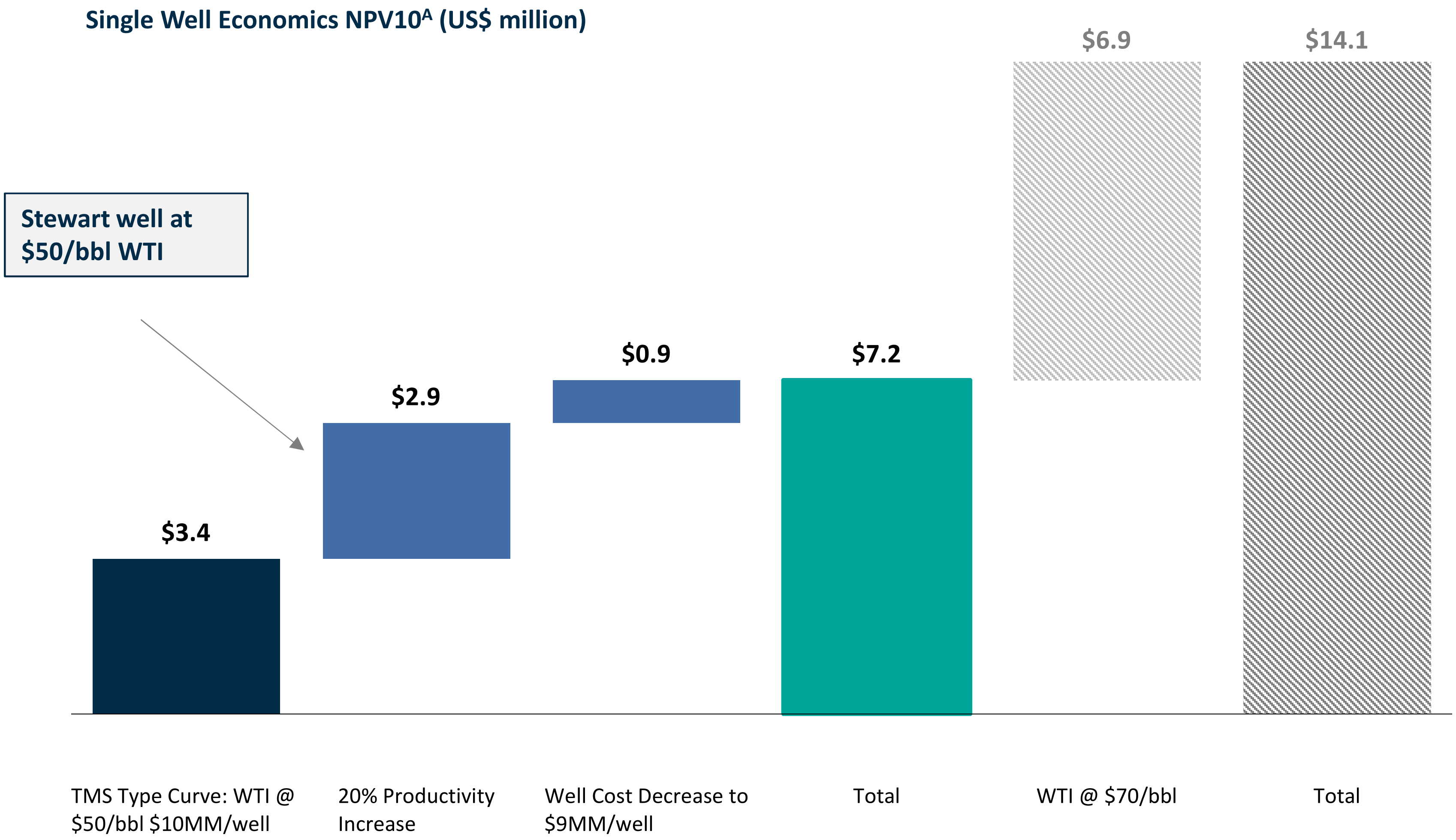
Large well inventory each with attractive economics

Australis has 425 net well locations - each with a base value of US$3.4 million @ $50/bbl (excluding upside)



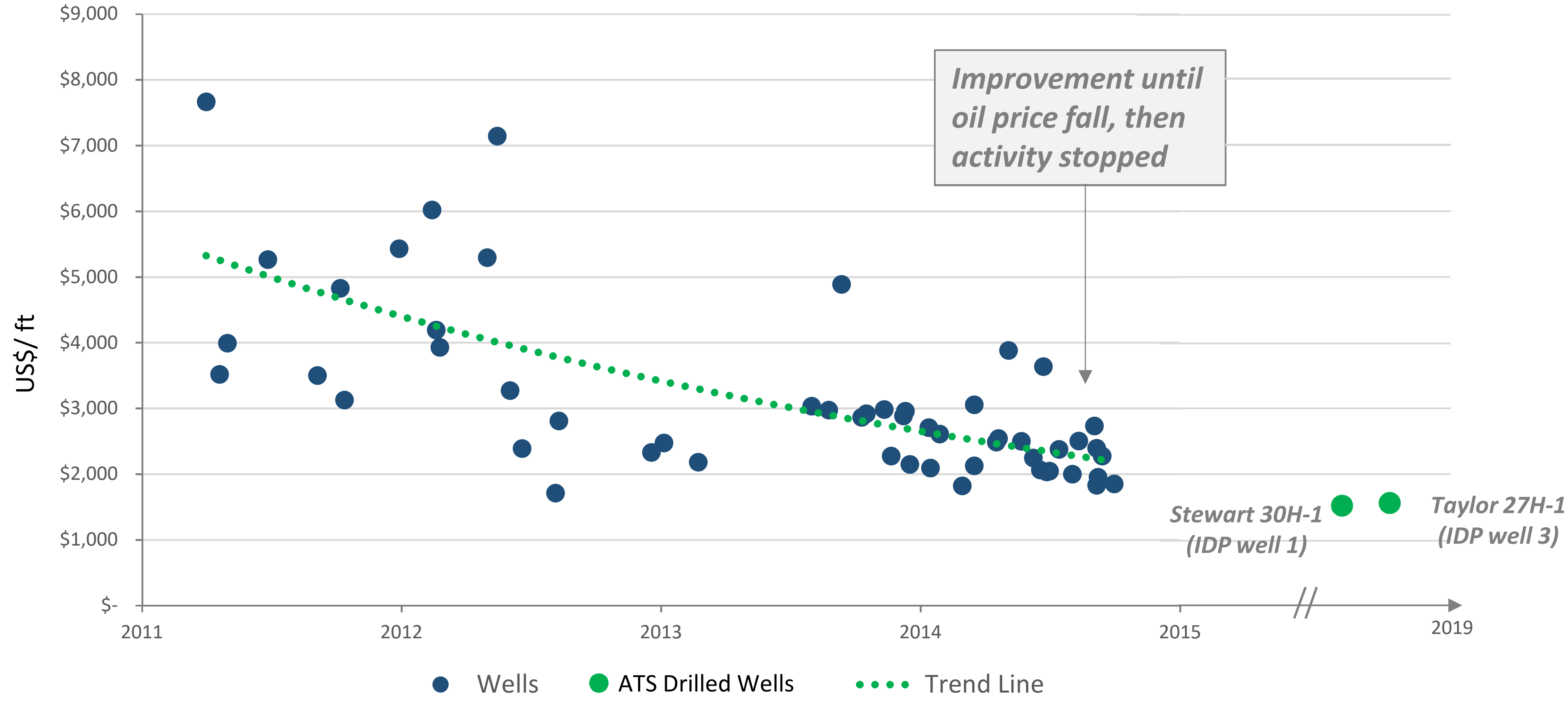
A. Assumes LLS premium of $4 over WTI and is pre-tax

AUSTRALIS OIL & GAS

Well Costs – Continued Improvement Achievable

When planned drilling procedures consistently applied, Australis wells demonstrated improved cost and performance

TMS total well costs 2011 – 2014 compared to the Stewart and Taylor wells drilled by Australis



The Stewart and Taylor represent wells drilled to targeted lateral length (>6,000ft) due to consistent implementation of drilling practices

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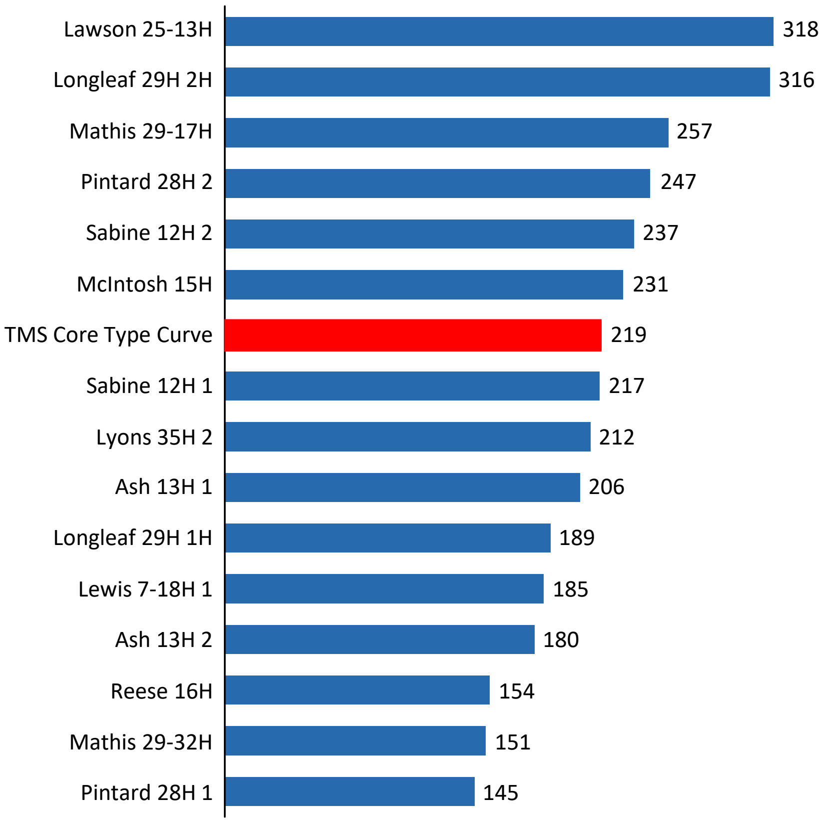
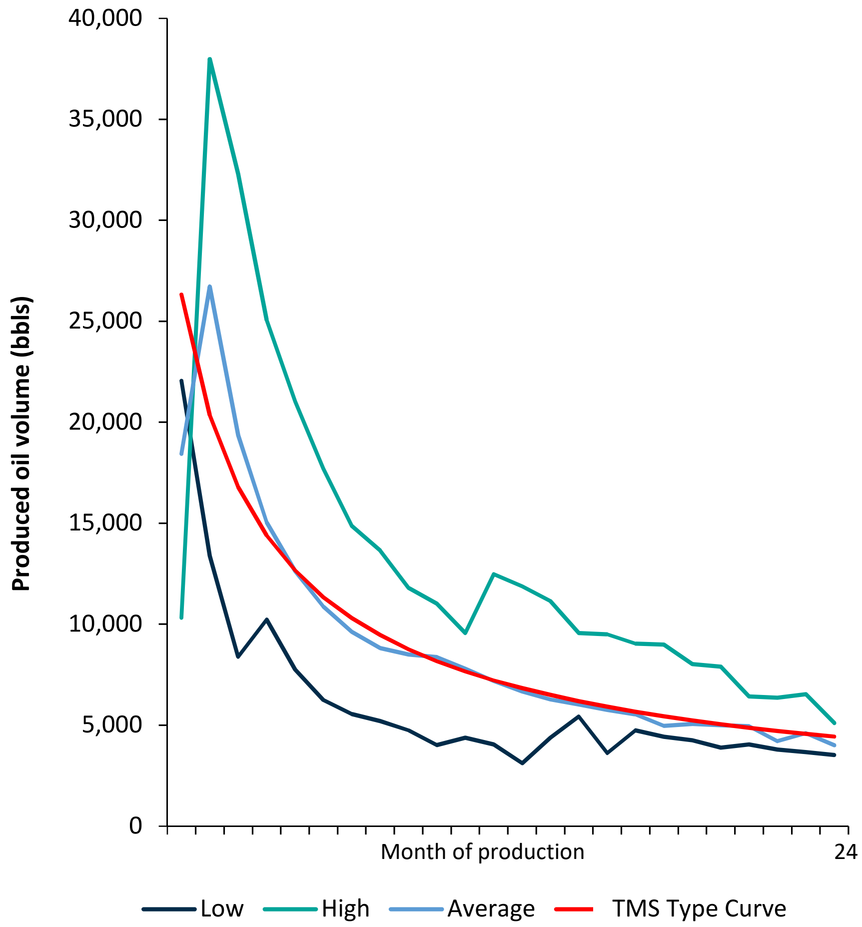
The TMS Type Curve

The TMS Type Curve is the average production profile of all 15 wells drilled by Encana (the previous operator) in 2014

Total oil production per well - initial 24 months (mbbls)



2014 Australis wells - Production profiles



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Average lateral length completed for all 15 wells is ~7,200ft

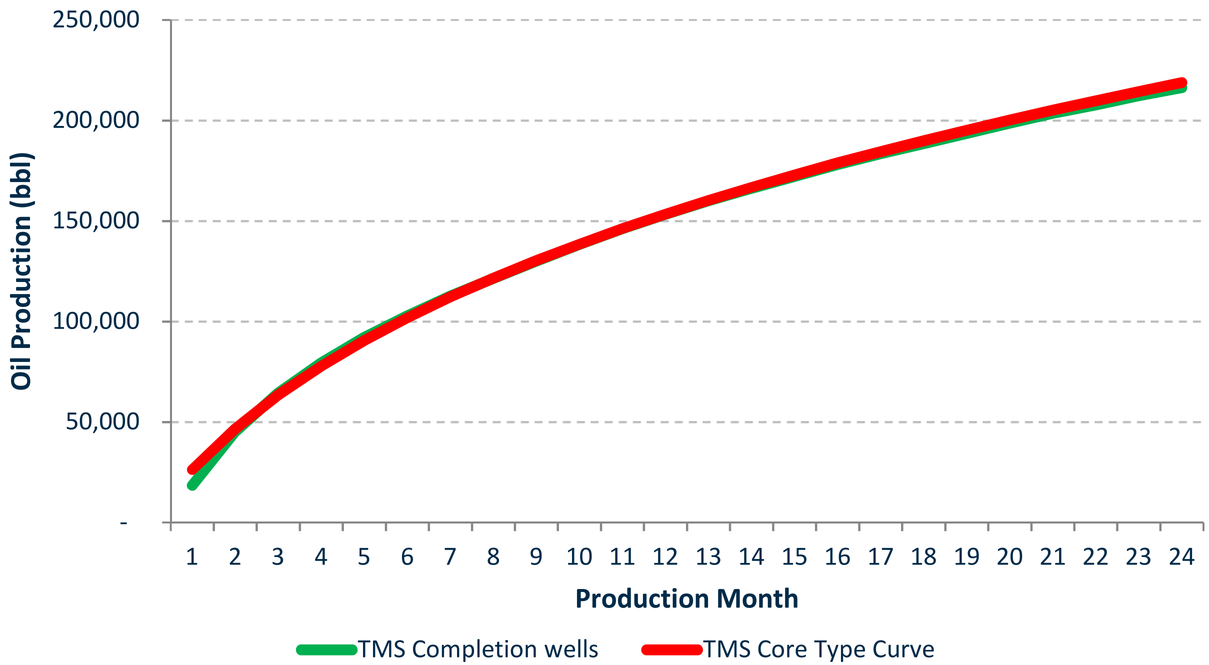
Single Well TMS Type Curve

TMS Type Curve is an absolute history match to averaged empirical data

TMS Type Curve – Assumptions

- Oil EUR – 610 Mbbls
- Gas EUR – 159 MMscf
- NGL EUR – 20 Mbbls
- EUR (30 yr) – 656 Mboe (97% liquids)

TMS Core Type Curve v TMS Production



Type Curve	Well EUR	Basis
TMS Core	656 Mboe	History match average of the most recent 15 wells spudded by Encana in 2014 (~7,200 ft stimulated lateral)
TMS Productivity Upside	787 Mboe	20% uplift of the TMS Core Type Curve reflecting less than the industry average improvement in well performance (normalised) since 2014

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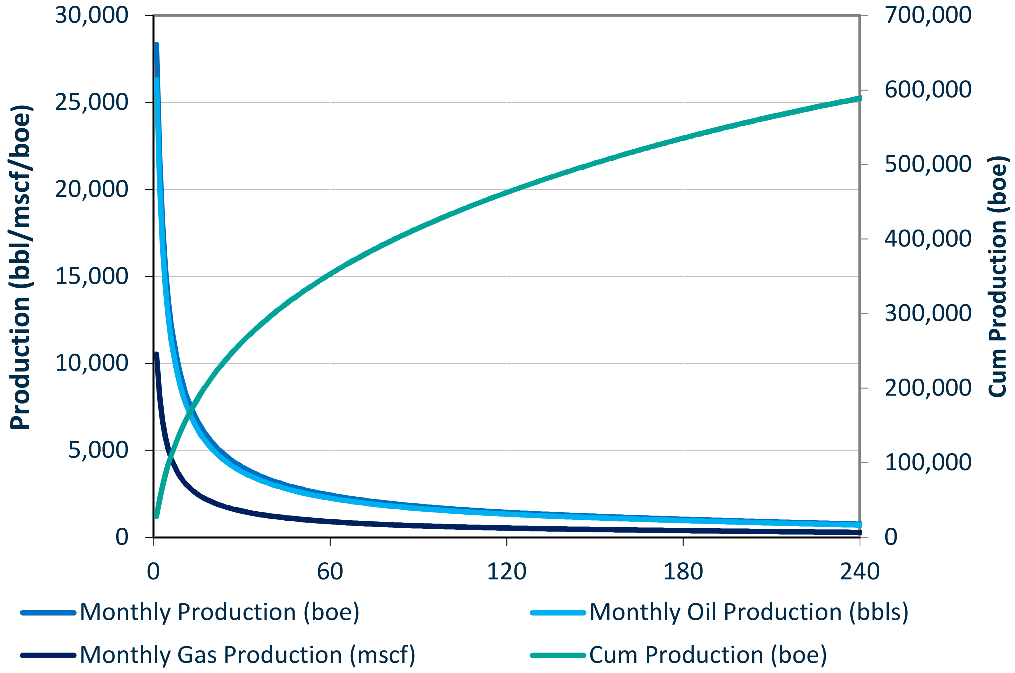
TMS Base Case Economics – Key Assumptions

The production and opex assumptions are based on history and the capex costs are current development projections

Base Case Assumptions*

EUR (30 Years)		
Gas	0.16	Bcf
Oil/Condensate	610	Mbbl
NGLs	20	Mbbl
EUR/well	656	Mboe
Well Cost	**US$**	
Drilling	$4.0	million
Completion	$5.0	million
Tie in	$1.0	million
Total Well Cost	$10.0	million
Operating Expenditure	**US$**	
Fixed Opex	$13,700	/well/month
Variable Opex[A]	$2.8	per boe
Other Assumptions		
NRI	80%	
Realised Differential[B]	$4.00	$ per bbl
Abandonment cost	1.0%	of well cost
Escalation	2.0%	

Production Forecast



Oil Price - WTI US$/bbl	Cashflow US$ million	Pre-tax NPV10 US$ million	IRR %	Payback Months
$50	$9.4	$3.4	24%	34
$60	$14.0	$6.3	39%	22
$70	$18.6	$9.1	57%	16

A. Includes water disposal

B. Australis sells its oil at LLS benchmark, which trades at a premium to WTI. Realised differential represents LLS premium less lifting deduct.

** Economics based on 20 year cash flows from first production*

TMS Reserves & Resources[1]

- As an ASX participant Australis reports to the SPE PRMS which requires any undeveloped reserves, that are to be assessed for reserves classification, are to be developed within a maximum 5 year timeframe.
- For the purposes of the YE19 reserve assessment, the TMS development assumed 1 rig until Oct 2020, 2 rigs from Oct 2020, 3 rigs from May 2021 and 4 rigs from May 2022, focusing on HBP acreage and 9 undeveloped units, which is equivalent to ~31% of the Australis net acreage within the TMS core area and a total of 180 gross wells.
- Remaining acreage that has not been assessed for reserves was allocated contingent resource.
- The assumptions used for the reserves remains 250 acre spacing and the recovery factor for the mid case resource estimate is 9%

2019 Ryder Scott Reserves Estimate	Net Oil[1] (MMbbls)
Proved Developed Producing	3.5
Proved Undeveloped	45.1
Total Proved (1P)	**48.6**
Probable	13.5
Total Proved + Probable (2P)	**62.1**
Possible	31.6
Total Proved + Probable + Possible (3P)	**93.8**
Low contingent resource (1C)	6.3
Most likely contingent resource (2C)	**129.5**
High contingent resource (3C)	234.8
Mid Case Recoverable Resource estimate[A]	**192**

A: This does not include any allocation of recoverable resource to the acreage allocated possible reserves by Ryder Scott and the 38.7 net locations therein

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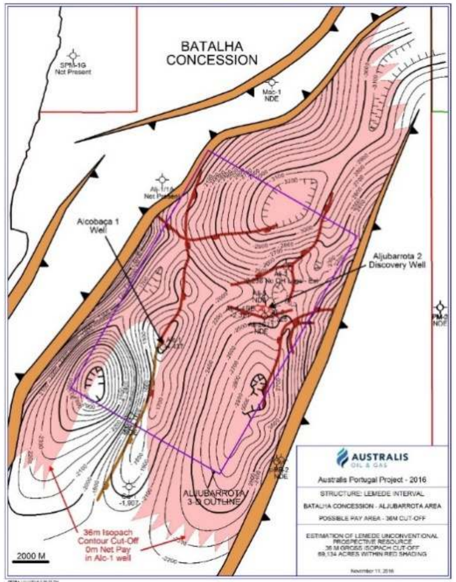
Portugal Prospectivity & Volumetrics

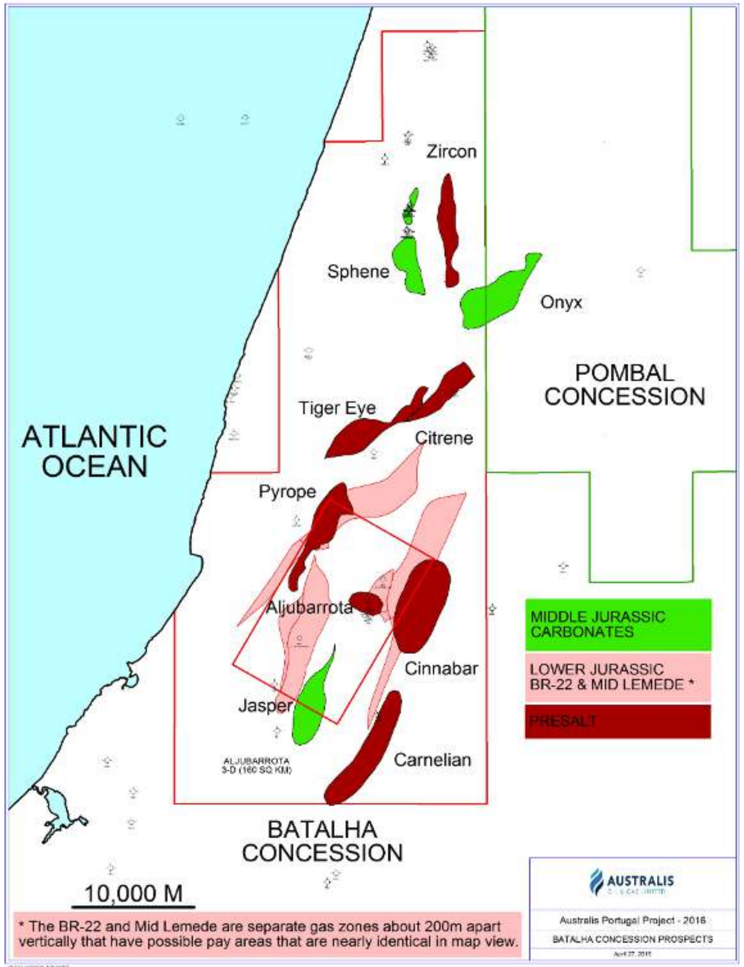
Proposed Work Program

- Drill and test the gas discovery with a vertical well
- Drill and core a deep Lamede well in a Lower Jurassic depocenter in the Pombal concession

Batalha Gas Discovery



Batalha Concession Prospects



Volumetrics [2,4]

	Net Contingent Resources			Net Risked Prospective Resources(A)		
	1C	2C	3C	Low	Best	High
Oil (MMbbl)	-	-	-	19.2	126.4	448.4
Gas (Bcf)	217.4	458.5	817.7	104.3	466.0	1,632.4
Oil Equivalent (MMboe)	36.2	76.4	136.3	36.6	204.1	720.4

(A): It should be noted that the estimated quantities of petroleum that may be potentially recovered by the future application of a development project may relate to undiscovered accumulations. These estimates should have the associated risk of discovery and development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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Footnotes

1. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2019 and generated for the Australis concessions to SPE standards. See ASX announcement released on 10 February 2020 titled "Reserves and Resources Update Year End 2019". The analysis was based on a land holding of 115,000 net acres. Australis is not aware of any new information or data that materially affects the information included in the referenced announcement and all the material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. Ryder Scott generated their independent reserve and contingent resource estimates using a deterministic method which is based on a qualitative assessment of relative uncertainty using consistent interpretation guidelines. The independent engineers using a deterministic incremental (risk based) approach estimate the quantities at each level of uncertainty discretely and separately.
2. All estimates and risk factors taken from Netherland, Sewell & Associates, report prepared as at 31 December 2016 and generated for the Australis concessions to SPE standards. See announcement titled "2016 Year End Resource Update' dated 25 January 2017. Australis is not aware of any new information or data that materially affects the information included in the referenced announcement and all the material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The contingent resource estimates are located in the Batalha Concession. NSAI generated their independent contingent resource estimates using a combination of deterministic and probabilistic methods
3. The TMS Type Curve means the history matched production performance of 15 wells drilled in the TMS by Encana in 2014. Corresponds to an average completed horizontal length of approximately 7,200ft.
4. Oil equivalent volumes are expressed in thousands of barrels of oil equivalent (Mboe), determined using the ratio of 6 Mscf of gas to 1 bbl of oil
5. Analysis of data sourced from WPX Energy Investor Presentation "Acquisition of Felix Energy" 16 December 2019 & Texas Railroad Commission completion reports
6. Analysis of data sourced from Parsley Energy Investor Presentation "Acquisition of Jagged Peak Energy" 14 October 2019, Texas Railroad Commission completion reports, ShaleProfile.com & Jagged Peak Energy Q3 report.

Units & Abbreviations

Unit	Measure	Unit	Measure
B	Prefix - Billions	bbl	Barrel of oil
MM or mm	Prefix - Millions	boe	Barrel of oil equivalent (1bbl = 6 mscf)
M or m	Prefix - Thousands	scf	Standard cubic foot of gas
/d	Suffix - per day	Bcf	Billion standard cubic foot of gas

Abbreviation	Description
TMS Core	The Australis designated productive core area of the TMS delineated by production history
WI	Working Interest
C	Contingent Resources – 1C/2C/3C – low/most likely/high
NRI	Net Revenue Interest (after royalty)
Net	Working Interest after deduction of Royalty Interests
NPV (10)	Net Present Value (discount rate), before income tax
HBP	Held by Production (lease obligations met)
EUR	Estimated Ultimate Recovery per well
WTI	West Texas Intermediate Oil Benchmark Price
LLS	Louisiana Light Sweet Oil Benchmark Price
2D / 3D	2 dimensional and 3 dimensional seismic surveys
PDP	Proved Developed Producing
PUD	Proved Undeveloped Producing
2P	Proved plus Probable Reserves
3P	Proved plus Probable plus Possible Reserves
D, C & T	Drilling, Completion, Tie In and Artificial Lift
G&A	General & Administrative
KMP	Key Management Personnel
Royalty Interest or Royalty	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
Field Netback	Oil and gas sales net of royalties, production and state taxes and operating expenses, hedging gains or losses
EBITDA	Earning before interest, tax, depreciation, depletion and amortisation
Net Acres	Working Interest before deduction of Royalty Interests
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
IDP	Initial drilling program of 6 wells in the TMS by Australis commencing late 2018
IP30	The average oil production rate over the first 30 days of production