Noosa Mining Conference Presentation

July 2015

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The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Executive Summary

Focused Vertical Producer in Northern Oklahoma Mississippi Lime

Company Highlights – July 2015

- **Continue to lease acreage, develop and drill vertical wells targeting the Mississippi Lime in Northern Oklahoma**
- **~12,000 net acres in Kay County with solid infrastructure**
  - Refinery located 5 miles away in Ponca City
  - Completed gas pipeline infrastructure with dual buyers for both gas and oil
  - Good availability of grid power
- **USD$24M of cash on the balance sheet**
  - Creates substantial drilling runway
  - Maturity of USD$20M debt facility in 4th quarter 2017
- **70% liquids by volume today (51% oil and 19% NGLs)**
- **In current environment, USD$525k - USD$600k all-in well cost**
- **Restarting drilling in July**
- **$86M of 1P PV10 in 12/14 reserve report, 8.7mm BOE of proved reserves based on NYMEX strip pricing at 31/12/14**

Capitalization, Liquidity and Directors

Ordinary Shares (mm)	**562.6**
Preferred Shares (mm)	220.1
Total Issued Shares	**782.7**
Outstanding Options	58.0
Wtd. Avg. Option Price.	A$0.19
Cash on hand (30/6)	**USD$24M**

Michael Stone,
Non-Executive Chairman

Richard Adrey,
Co-Managing Director

Nick Stone,
Co-Managing Director

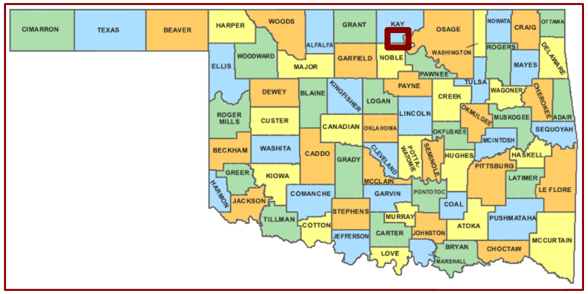
Russell Krause,
Non-Executive Director

Justin Clyne,
Non-Executive Director & Corp. Secretary

Vertical producer in the Mississippian Lime play in Kay County. Strong balance sheet, disciplined focus on capital allocation and operational focus on risk adjusted returns

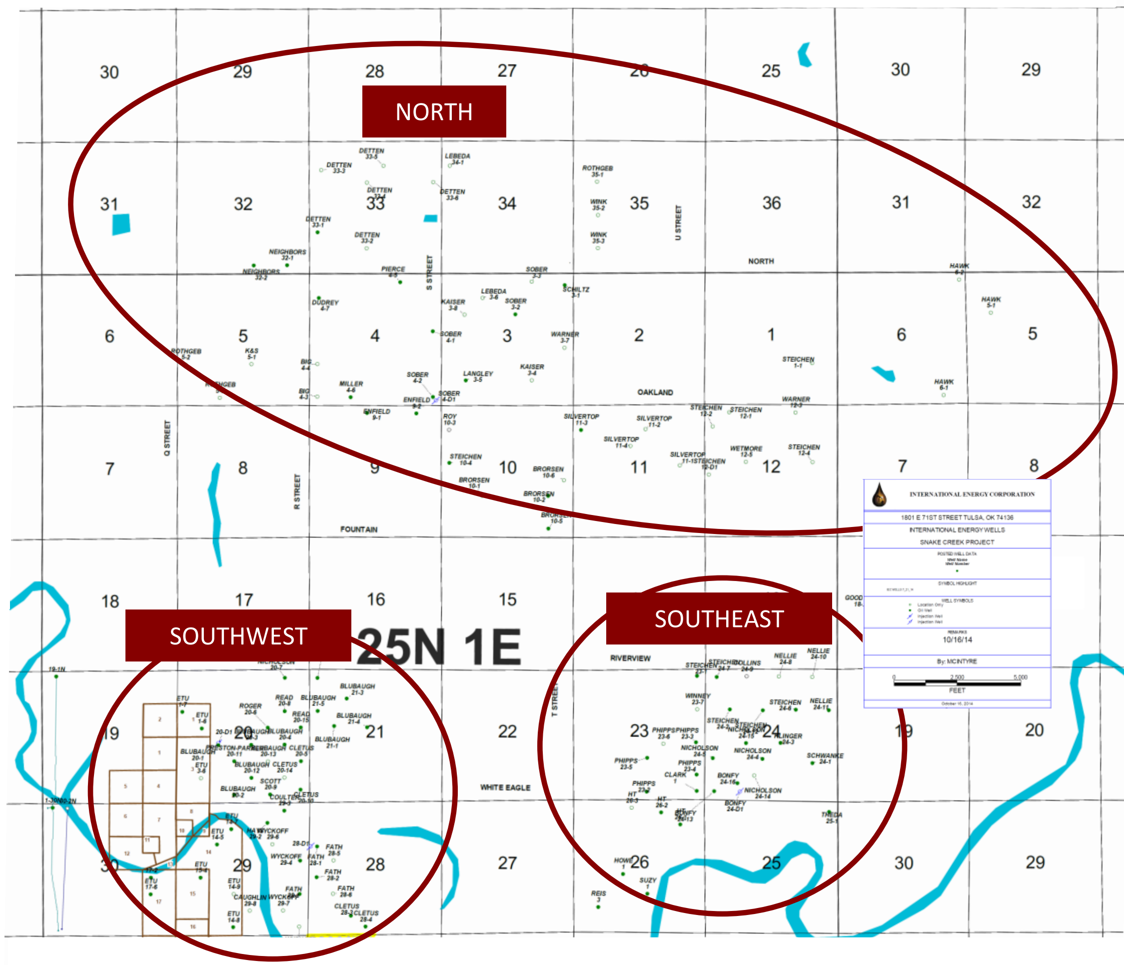
Acreage Overview – ~12,000 acres outside Ponca City

Infrastructure in place for full field development



Highlights

- Significant acreage yet to be drilled but in a concentrated area with more finite geological risk
- Density likely in the ~30 acre per well range. 20 acre spacing proving too dense
- Acreage density and attendant market share yielding commercial benefits
- Departure of NYSE listed Range Resources from the area leaves substantial infrastructure support which is only minimally utilized



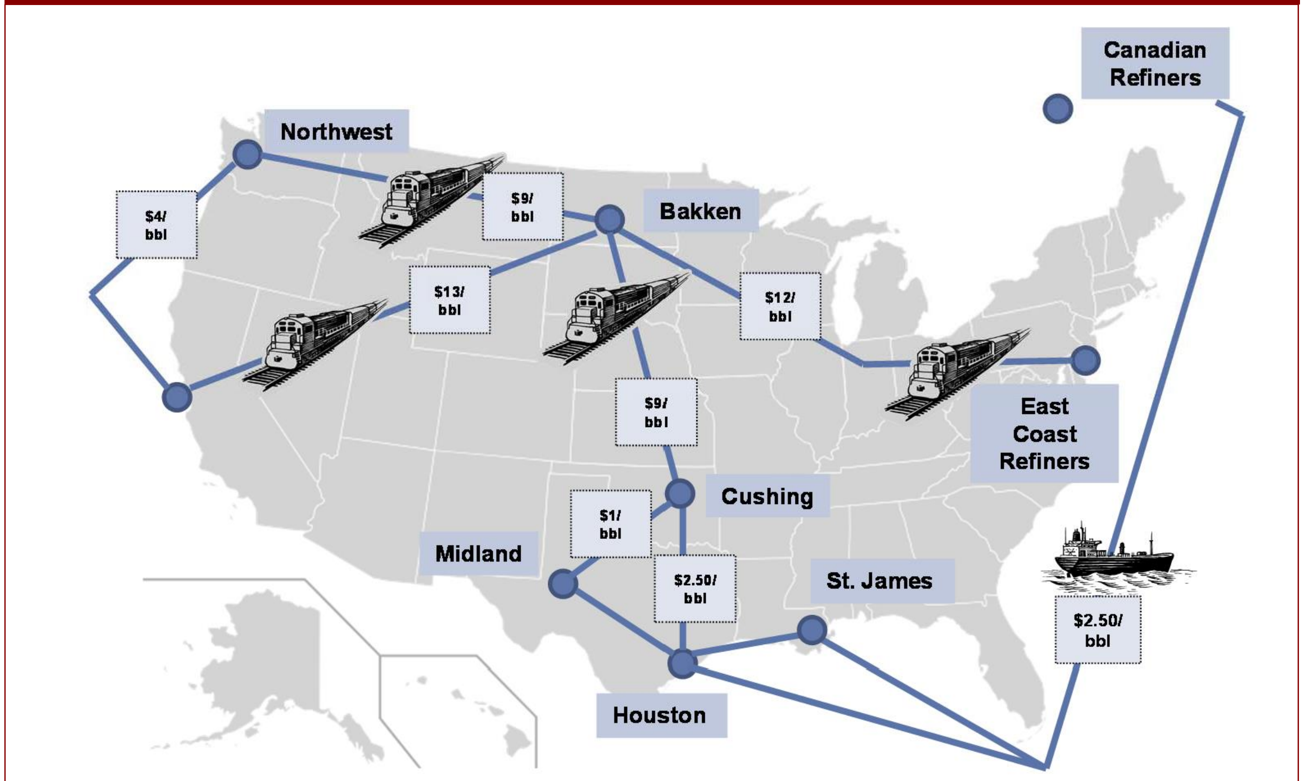
Note: *Exact acreage no longer shown due to competitive activity utilizing our maps to lease*

Substantial inventory of undrilled PUDs locations.

Located Near Key Infrastructure

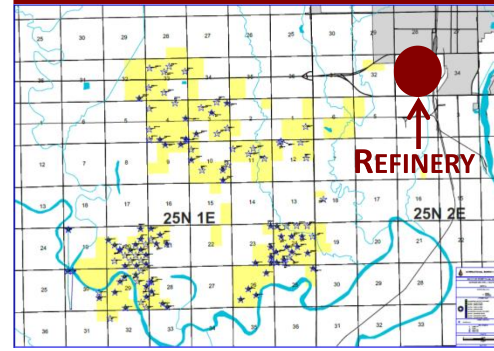
Co-located with refinery and good gas infrastructure in place now

Unlike many of the major oil plays in the US where transport is expensive…



Source: Goldman Sachs Long Term Estimates (5/19/15)

…AOK is well located…



…and transport costs are low

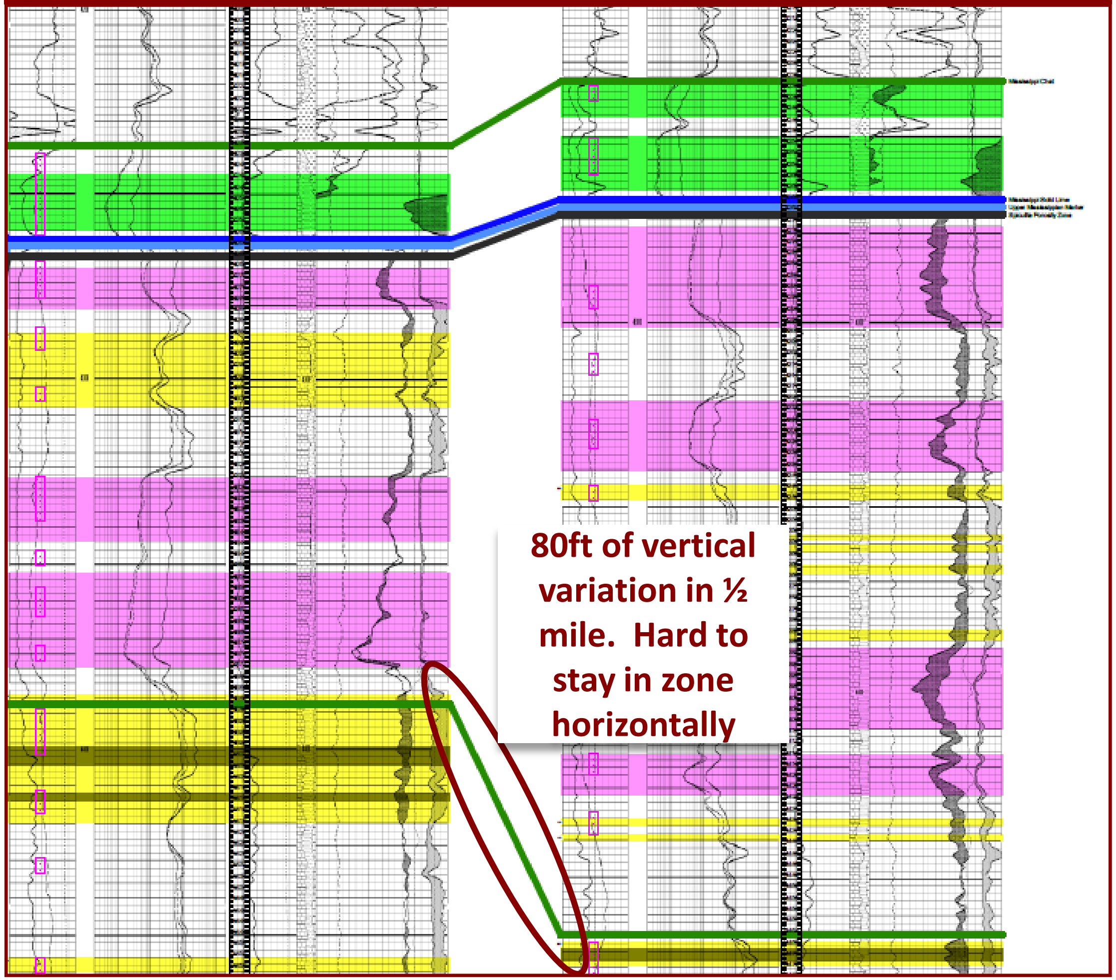
- Have retained roughly $2.00 price premium to Posted
- Competition for pick up supporting that price despite P-Plus spread tightening
- 6 month rolling visibility into that spread

Proximate refining capacity and short distance to Cushing create structural competitive advantage

Best Targeted Vertically – Large HZ Operators Leaving

Formation is poorly suited to horizontal completion

Cross Section Showing Substantial Vertical Movement



Difficult to complete horizontally, providing competitive advantage for vertical operators

Key Achievements since last Year

Reacted prudently to oil price correction

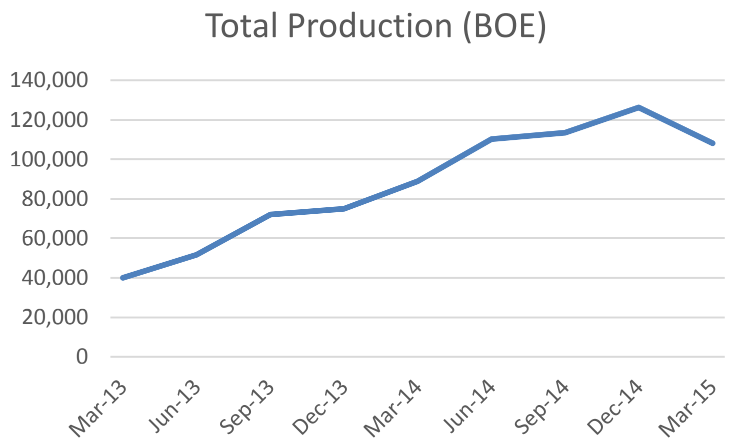
- ✓ Delivered 75% Y/Y growth in production in 2014
- ✓ Raised USD$20M term loan with more stable terms than traditional reserve based lending facility; may be increased up to USD$60M
- ✓ Completed gas delivery infrastructure enabling production across our current field
- ✓ Aggressively hedged our oil and gas production through the end of 2016 in October 2014 at USD$80 as oil prices started to decline
    - Purchased put options to enhance value in oil price recovery
- ✓ Used our “free” in-ground storage to benefit from steeply upward sloping curve by slowing pumps and increasing well bore pressures
- ✓ Strategically paused drilling to take advantage of attractive lease expiration schedule and to capture 5 point cut in tax rate starting July 1, 2015 for new wells drilled thereafter
- ✓ Utilized relative strength of balance sheet to significantly upgrade talent in organization during large company layoffs

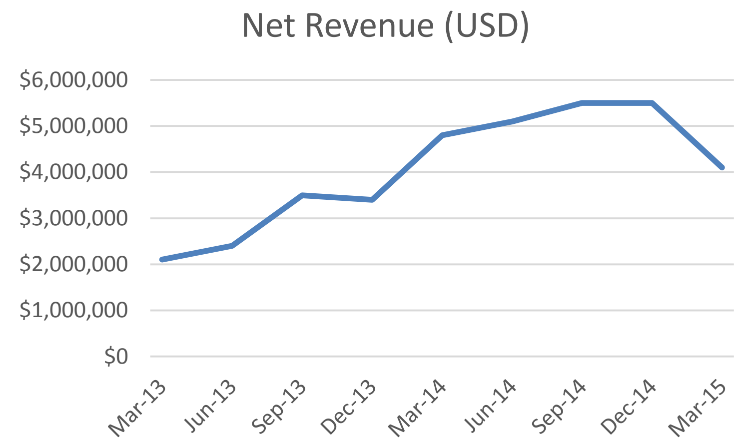
Responded proactively to oil price correction and will begin to restart production as prices recover and taxes roll back

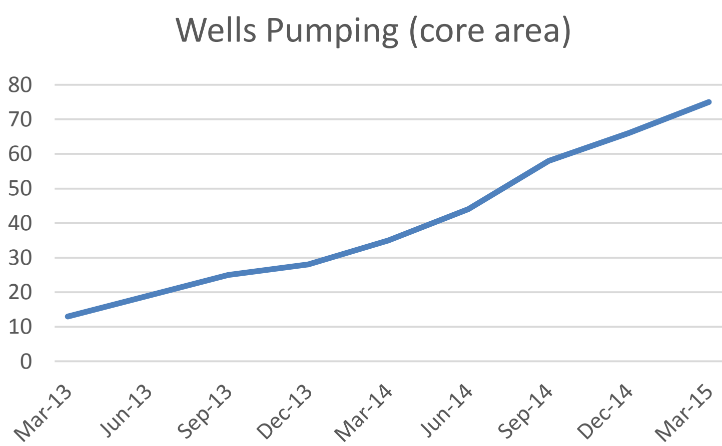
Key Operating Metrics

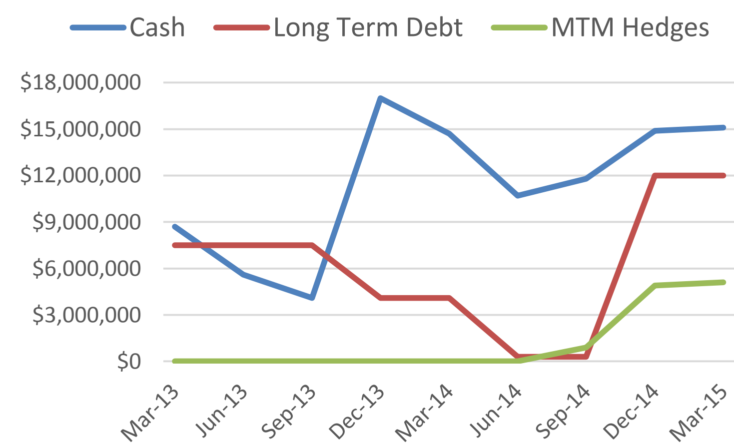
Steady growth of key operating metrics until oil pricing environment warranted a strategic pullback

Key Operating Metrics









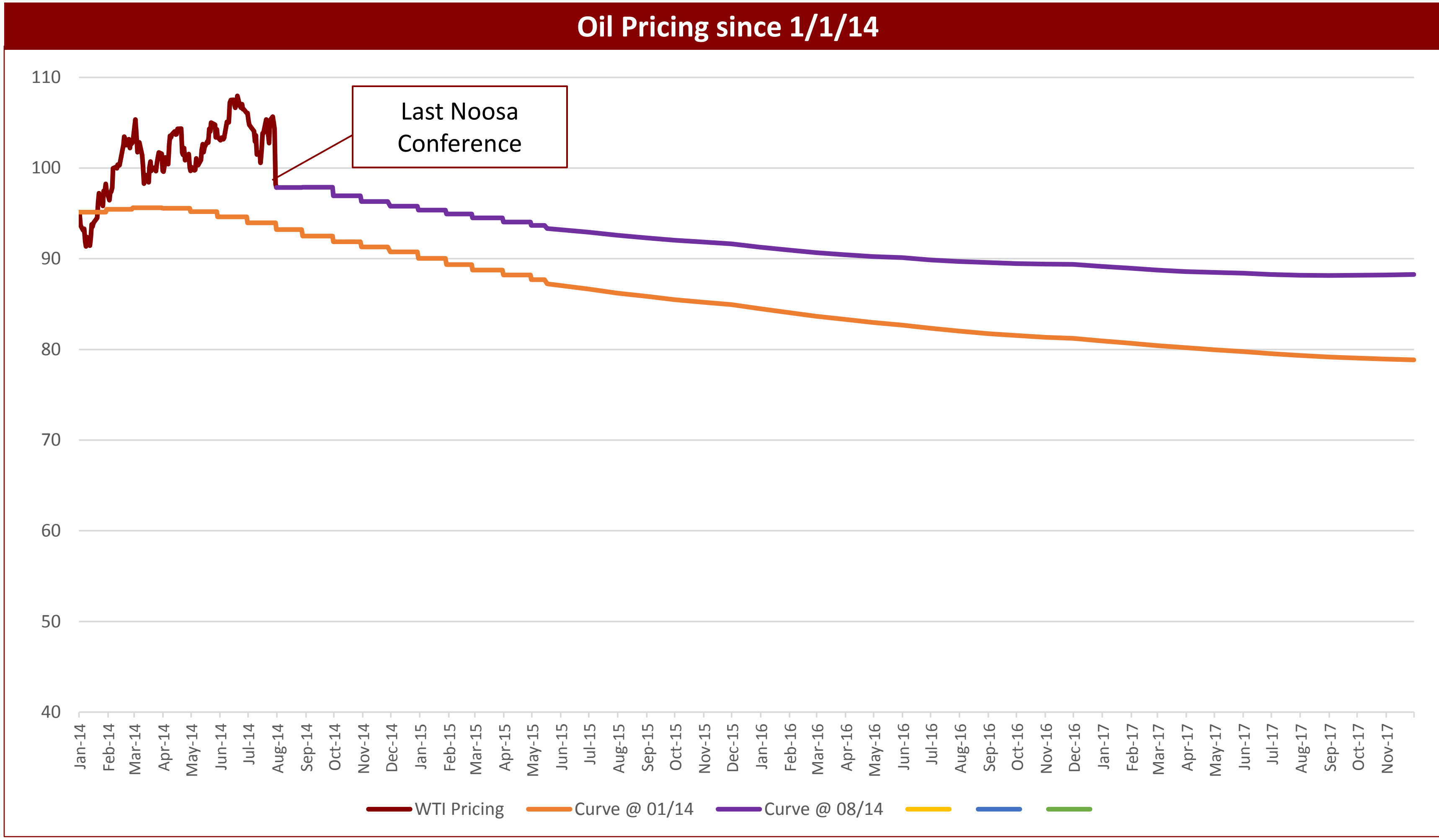
Source: AusTex

Note: Term loan facility drawn for additional USD$8m in early Q2'15 increasing cash and debt

As oil price declined we locked in future cash flows and access to debt for operating flexibility and opportunistic activity. Drew additional USD$8M in Q2'15

Responding Well To Volatility

Response has positioned AusTex to emerge into a better price environment as a stronger company



Source: Bloomberg LP

Since last Noosa Conference substantial volatility in both spot and expected prices. Response created breathing room and positioned for future strength

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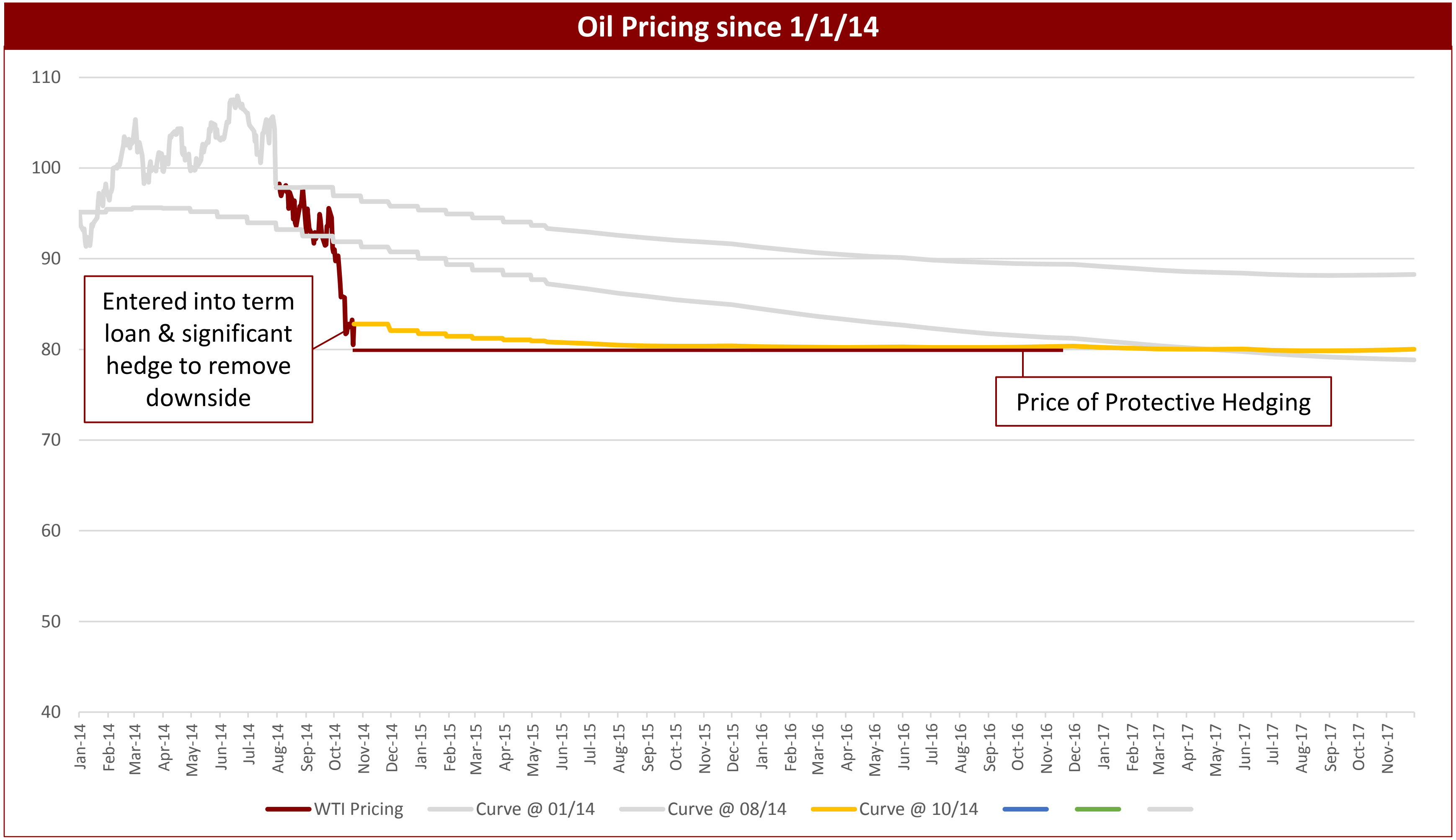

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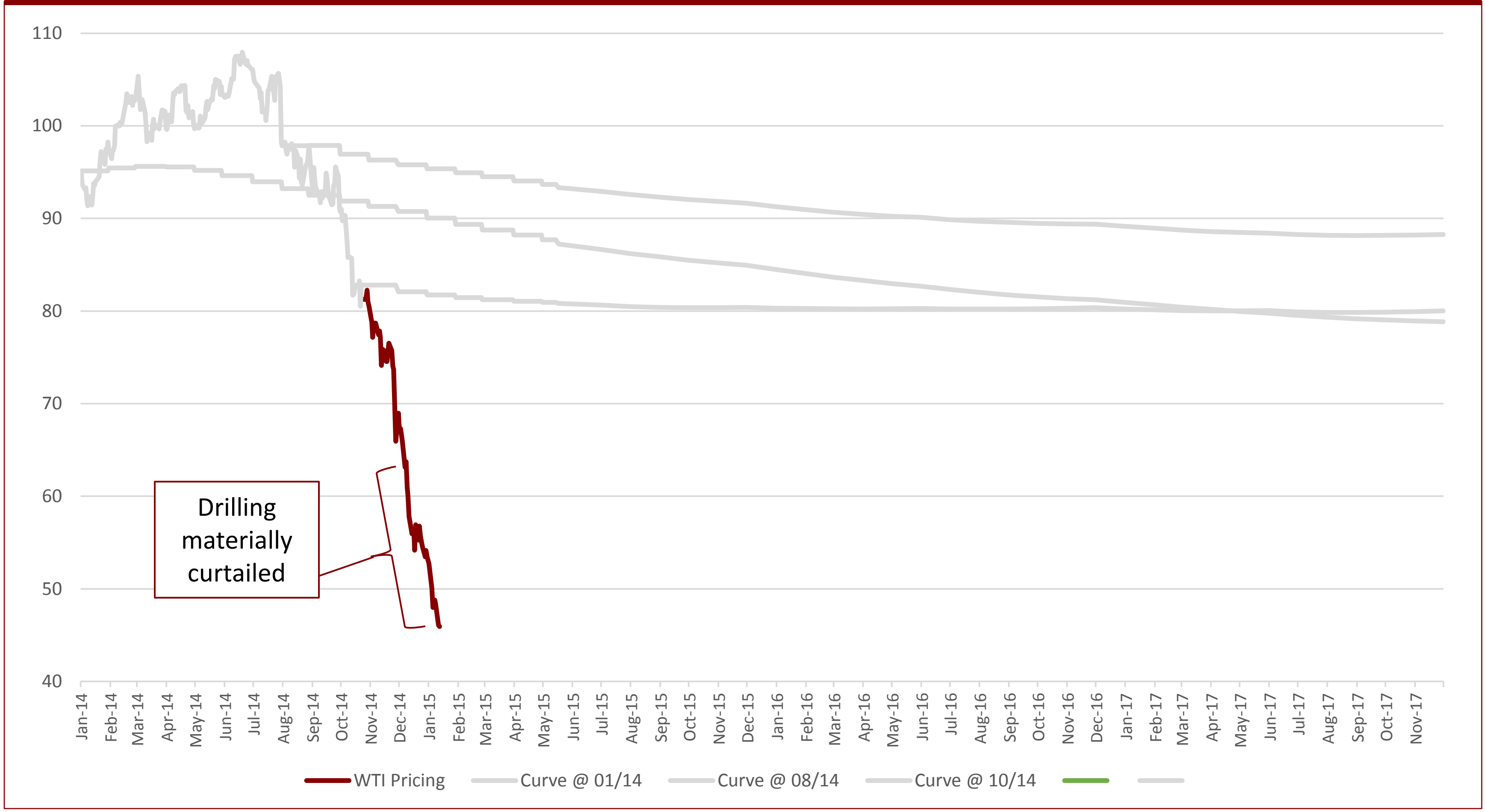

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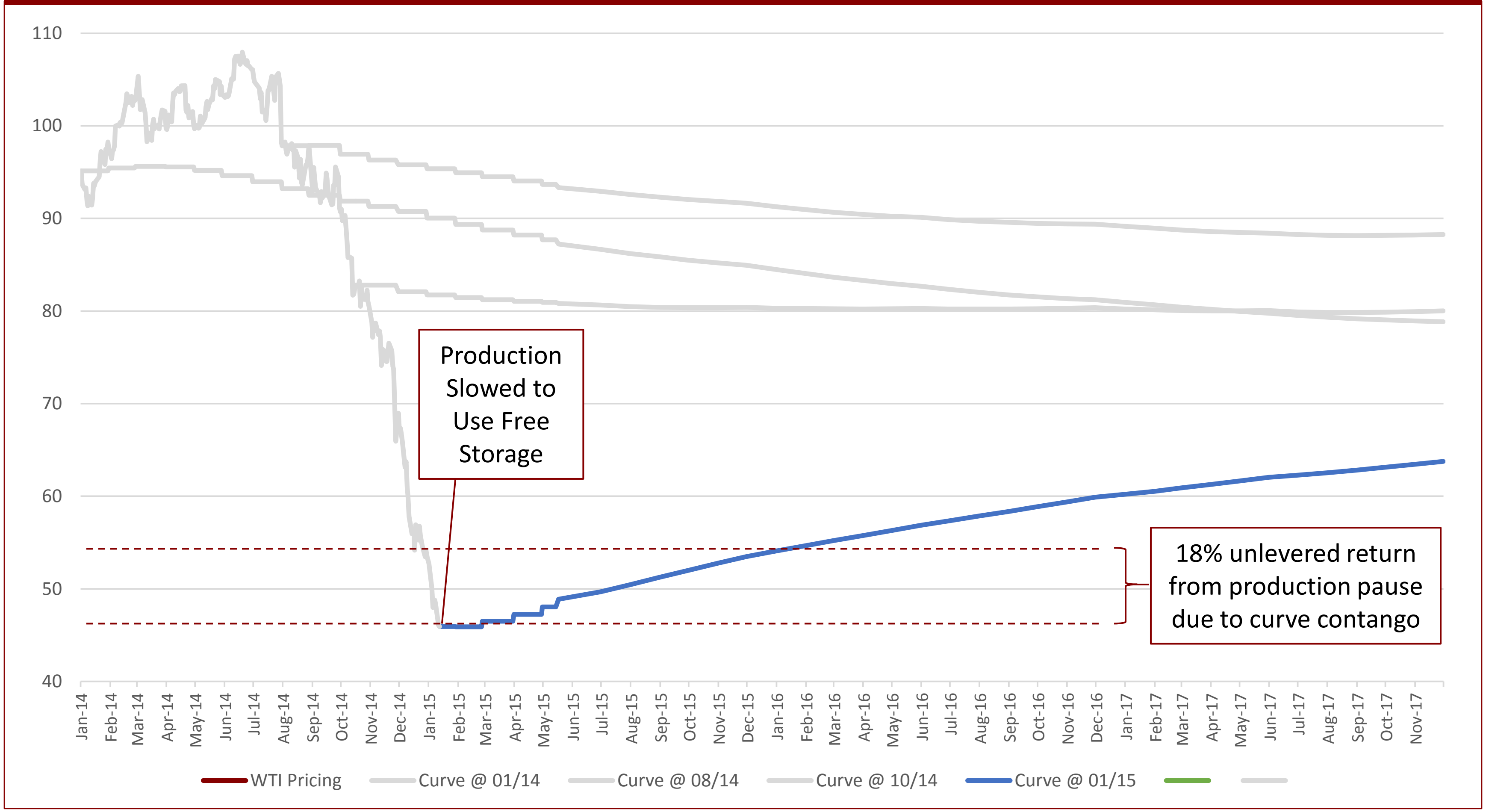

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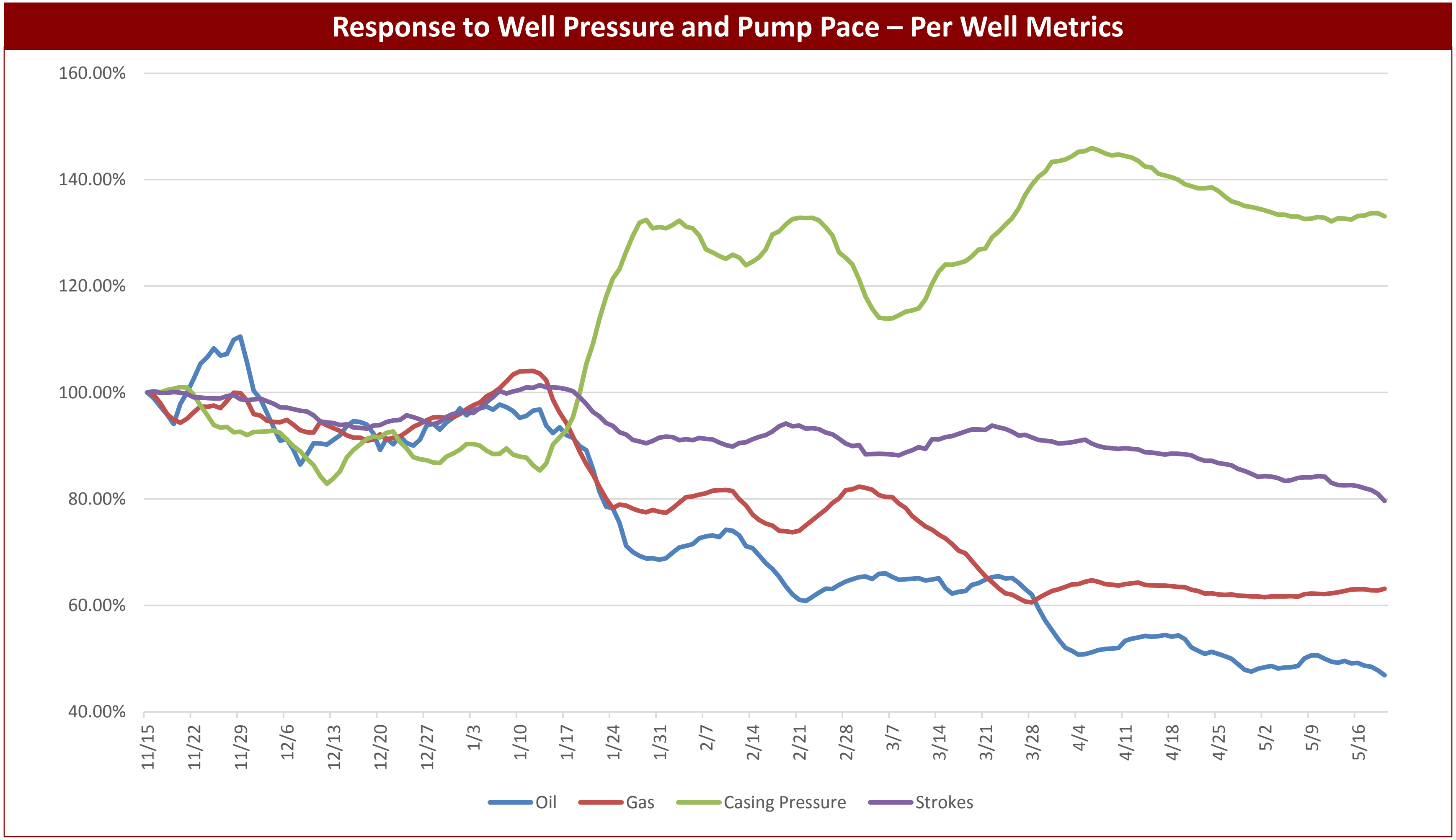
Formation "Storing" Oil

Production curtailed with increased well bore pressure and decline in pump pace



Source: AusTex

Rapid increase in field pressures has successfully retained oil in formation. However, means recent production does not create an analogous decline curve

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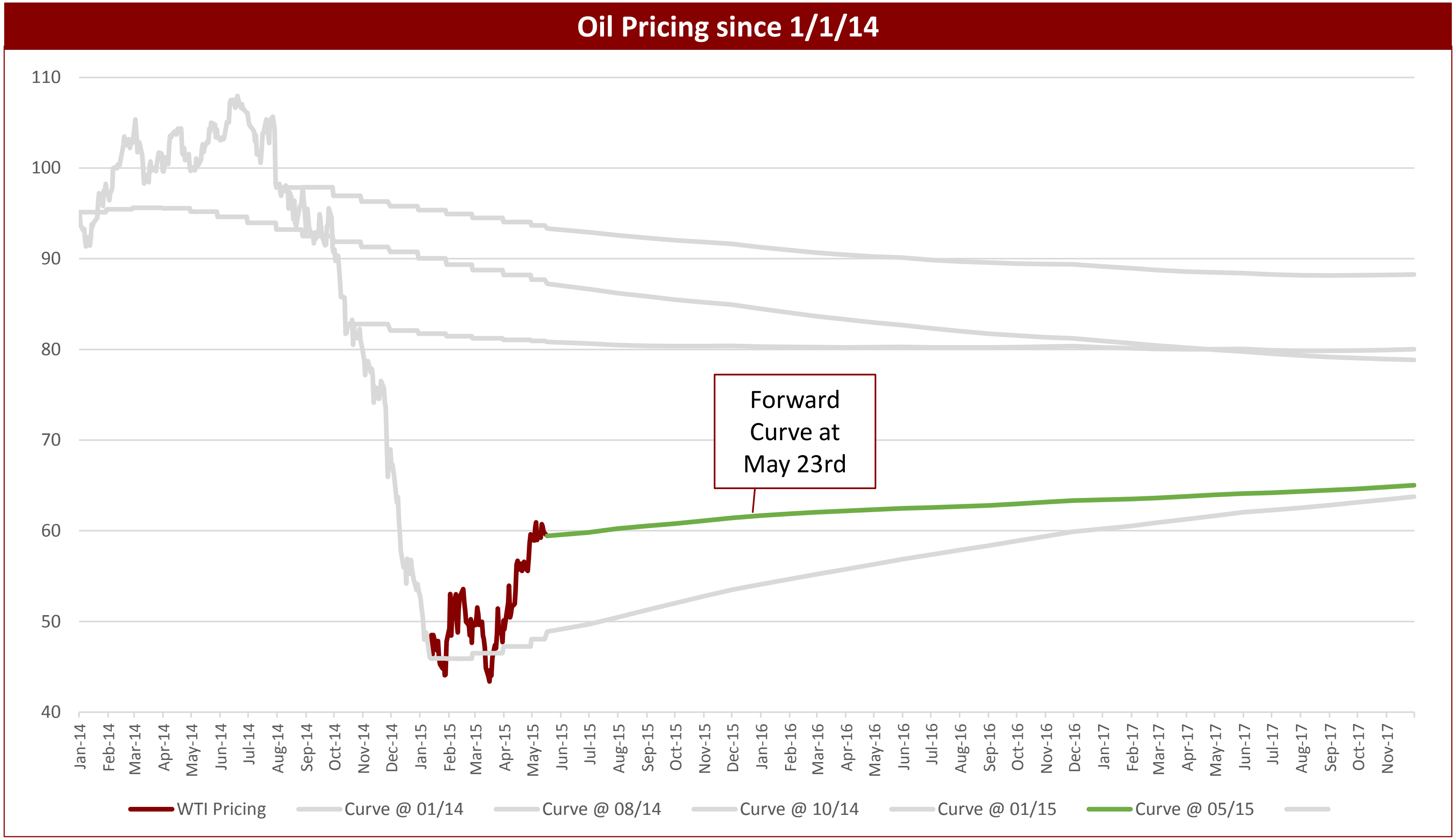

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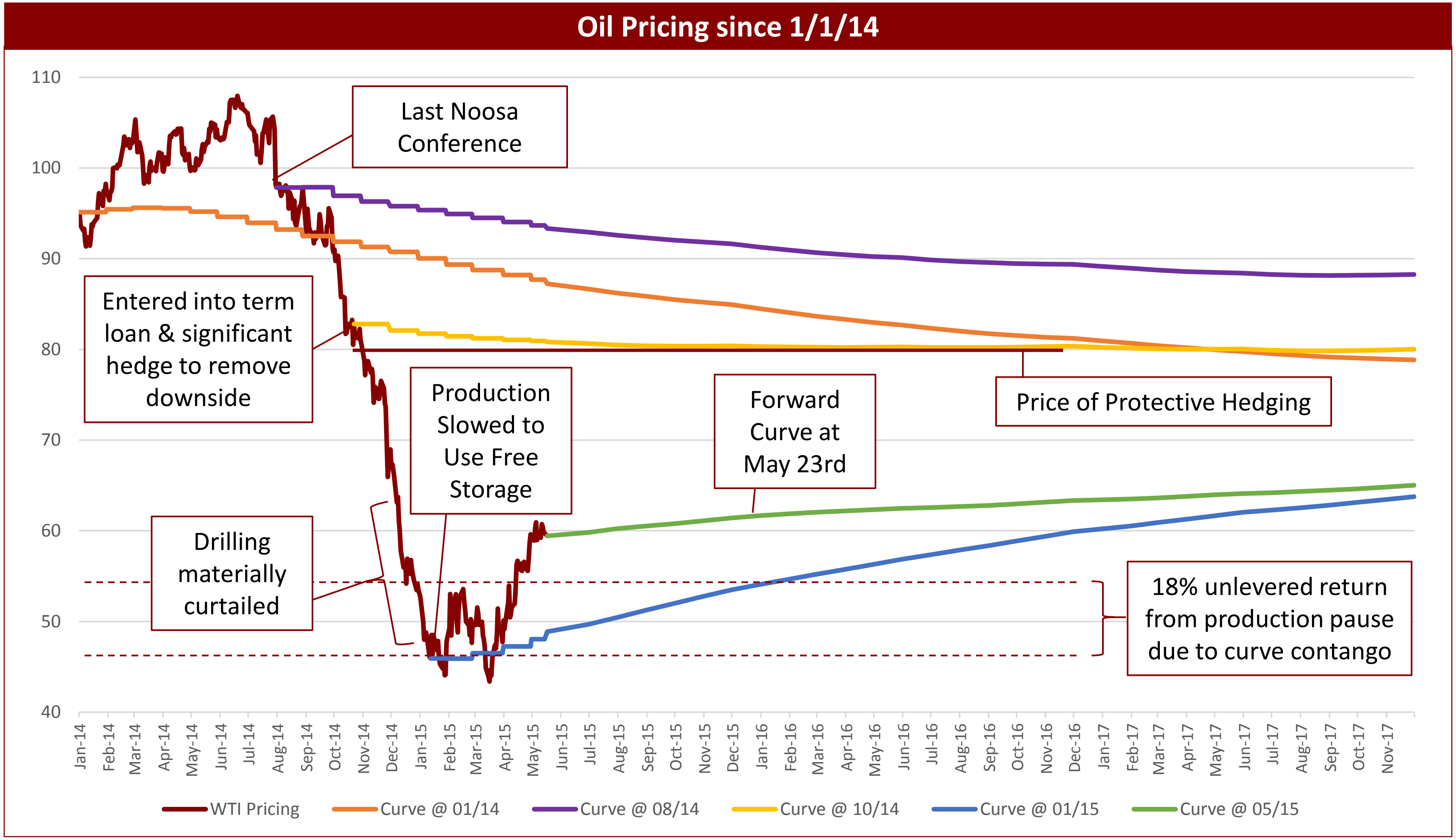


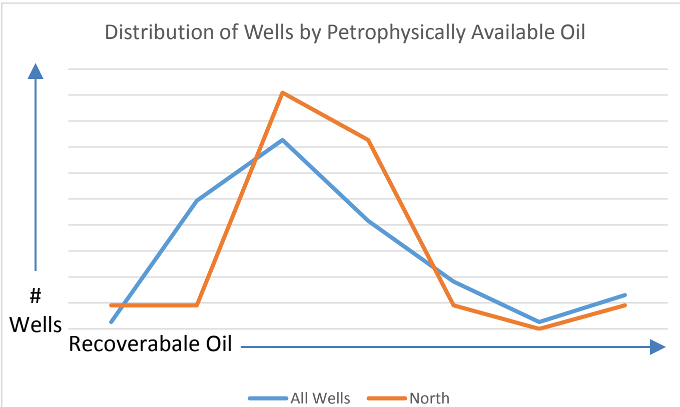
Source: Bloomberg LP

Since last Noosa Conference substantial volatility in both spot and expected prices. Response created breathing room and positioned for future strength

Lessons Learned Since Last Noosa Conference

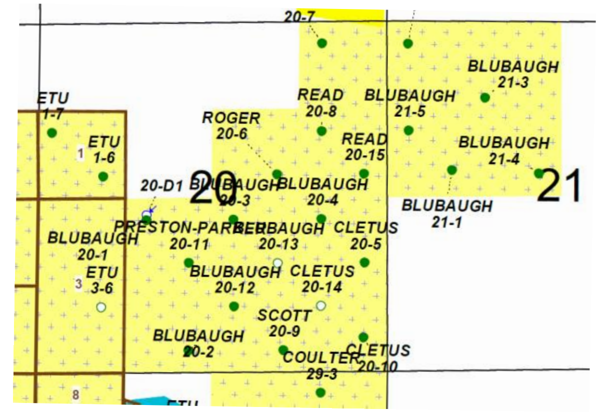
Using the drilling pause to diagnose recent well underperformance

Poor Results in North Likely Completion Driven



- **Based on petrophysical analysis, rock appears reasonably consistent across the field**
- **Completion variance the likely cause of trouble**
  - Perforation selection varied significantly
  - Size of frac and sand type changed
  - Frac methodology adjusted
  - Cement quality lower than typical
  - Deepest perf much lower than prior completions

20 Acre Density in Section 20 Too Tight



- **Test of 20 acre density in section 20 created communication between wells**
  - Based on initial results, these wells will not replicate initial decline curve estimates
  - Still economic but at lower IRRs
  - Likely a function of pre-existing natural fracturing
  - Lower frac rates expected to better contain range of communication

Source: AusTex

Geology/petrophysics suggests reasonably consistent rock across the field, but completion changes were ineffective and have been returned to prior baselines

Response and Plan Forward

Capitalized on the industry turmoil to increase human capital. Plan to start drilling again within the next week

Improved Human Capital

- **New geologist**
  - Formerly with Range Resources
  - Extensive local knowledge
  - Significant understanding of their old vertical Three Sands field
  - Very strong technical talent with highly applicable experience set
- **New head engineer**
  - 30 years experience in the Mississippian
  - Historical experience completing and operating wells
  - Previously worked with Pioneer and Halcon
  - Cost disciplined and ROI focused
- **Field re-organized into production, construction and completion/workover**
- **New finance staff**

Source: AusTex

2nd Half 2015 Plan

- **All current activity estimates assume oil price stability or better and attractive productivity of new wells[1]**
- **Complete existing drilled wells**
  - With recovery in oil prices, existing wells will be completed by July
- **Restart drilling in July**
  - Initial pace to be slow – 1 to 2 wells per month
  - Will focus on speed to production testing to ensure rapid learning and feedback
- **Pace to increase in 4th quarter**
  - Will gauge acceleration on basis of production results re-establishing success of traditional AusTex frac design
- **Will continue to lease and/or acquire acreage and production as possible**

Note 1: Please see the disclaimers for key disclosures about estimates

If oil prices stabilize and/or continue to improve,
newly reinforced team will begin drilling again in July

Recent Updates

Performing against objectives stated at the Company's 2014 AGM

- ✓ Increased cash position in the last quarter
- ✓ Will restart drilling this week
- ✓ AFE coming in at roughly $525k (includes tank battery but no overhead for disposal)
- ✓ Have started to release casing pressure constraints and production beginning to rebound
- ✓ Frac'ed a new well in each of the North and in the South West
- ✓ Frac prices down 25%+
- ✓ Time frame from frac to sales shortened meaningfully, production testing to commence in the next 10 days
- ✓ New team working well together – more collaborative working dynamic and more data driven conclusions
- ✓ Testing new technology in the field to enhance lease operating efficiency

Have executed against the near term priorities articulated at the 2014 AGM

Current Reserve Base

Based on Nymex Strip at 31/12/14

31-Dec-14 Reserve Report Discounted Cash Flow

	Discount Rate				
($000 USD)	**0%**	**5%**	**10%**	**15%**	**20%**
PDP	$58,373	$40,645	$31,831	$26,599	$23,127
PDNP	$8,022	$5,642	$4,337	$3,524	$2,968
PUD	$141,964	$81,211	$50,311	$32,596	$21,545
Total Proved	**$208,359**	**$127,498**	**$86,479**	**$62,719**	**$47,640**
Probable	$106,186	$57,645	$32,229	$17,657	$8,724
2P	**$314,546**	**$185,143**	**$118,707**	**$80,376**	**$56,364**

31-Dec-14 Reserve Report Assumed Hydrocarbon Pricing

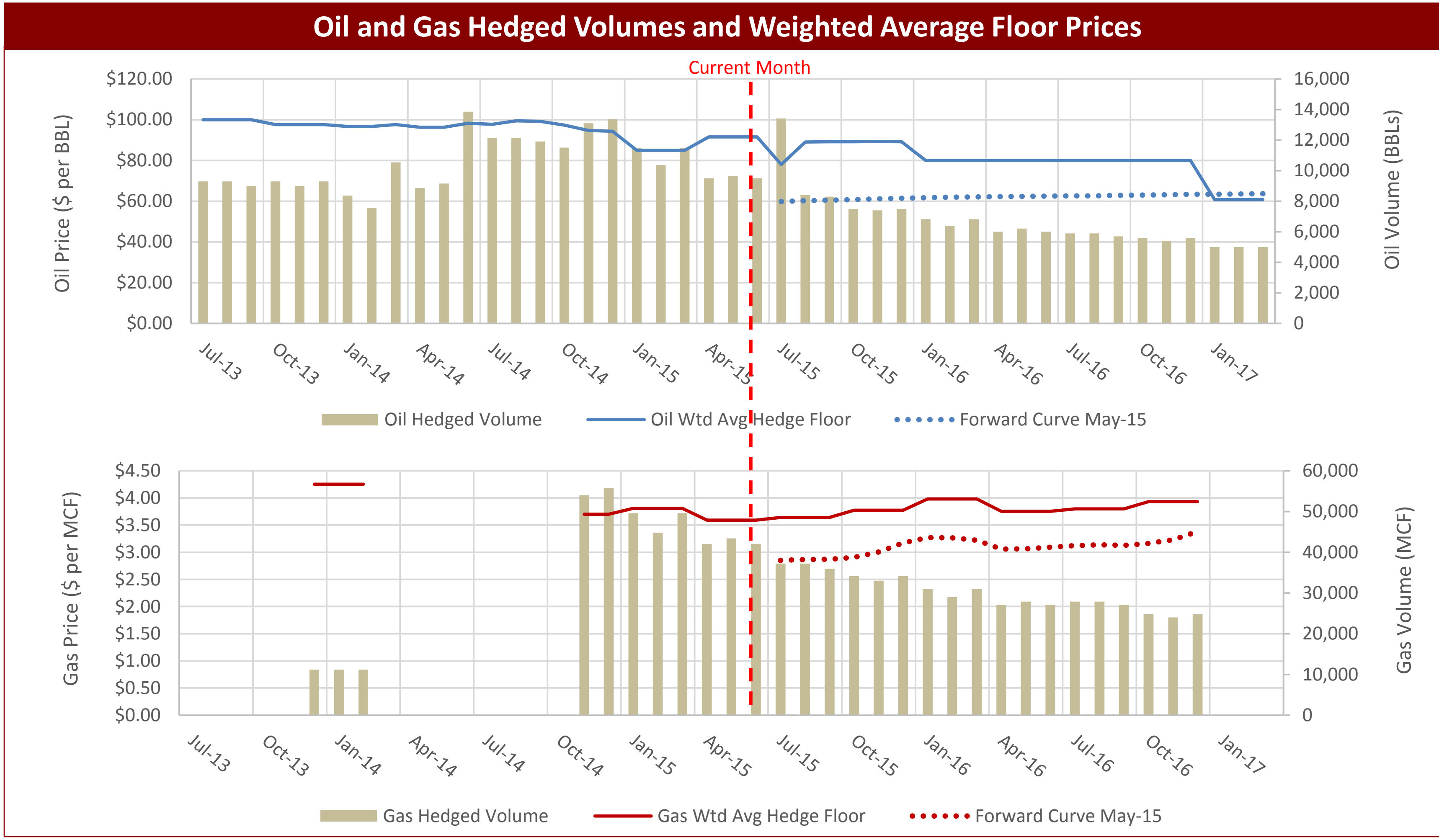
	2015	**2016**	**2017**	**2018**	**2019**
Oil	$56.26	$62.63	$66.55	$68.50	$69.75
Gas	$3.03	$3.46	$3.76	$3.96	$4.12

Source: Pinnacle Engineering

Reported on a NYMEX strip basis to provide transparency to shareholders.

Current Hedging Position

Meaningful embedded value in the current hedging position



Source: AusTex

Our hedges reflect more attractive pricing than the 31/12/14 NYMEX strip and represent some attractive protection in the current price environment

Concluding Thoughts

Well positioned to capitalize on this oil price correction

Key Company Highlights

- ✓ Well Capitalized – stable debt facility and net cash credit today
- ✓ Strong Cash Position – USD$24M as at June 30
- ✓ Compelling Hedging Assets
- ✓ Upgraded Team – improvements in geology, engineering and field operations
- ✓ Exit of both horizontal and vertical competition from the geography
- ✓ Opportunity for organic growth and strategic transactions
- ✓ Completed infrastructure to handle both gas and water with full OCC approval
- ✓ Limited near term lease expirations
- ✓ Improving well economics due to price reductions and tax breaks
- ✓ Significant drilling runway given cash on hand and cash flow

Response to the price correction has enabled the Company to now capitalize on the declines. Much still to prove, but the opportunity is compelling