Annual General Meeting Presentation

May 2016

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Executive Summary

Focused Vertical Producer in Northern Oklahoma Mississippi Lime

Company Highlights – May 2016

- **Targeting the Mississippi Lime in Northern Oklahoma**
- **Disciplined activity in 2015 and 2016 to match the price environment**
- **USD$25M of cash on the balance sheet**
  - Creates substantial drilling runway when prices warrant activity
  - Maturity of USD$20M debt facility in 4th quarter 2017
- **Active M&A effort underway looking to deploy capital in acquisitions in the current environment**
  - Areas of interest: Oklahoma, Kansas and non-Permian Texas
- **~10,500 net acres in Kay County with solid infrastructure**
  - Refinery located 5 miles away in Ponca City
- **~70% liquids by volume today (~50% oil and ~20% NGLs)**
- **In current environment, USD$400k - USD$500k all-in well cost**
- **$35M of 1P PV10 in 12/15 reserve report, 3.5mm BOE of proved reserves based on NYMEX strip pricing at 31/12/15**

Capitalization, Liquidity and Directors

Ordinary Shares (mm)	**562.6**
Preferred Shares (mm)	220.1
Total Issued Shares	**782.7**
Options Out (mm)	38.0
Wtd. Avg. Option Price.	A$0.18
Cash on hand (31/5)	**USD$25M**

Michael Stone,
Non-Executive Chairman

Richard Adrey,
Co-Managing Director

Nick Stone,
Co-Managing Director

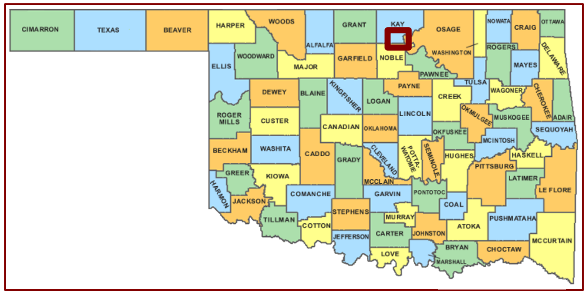
Russell Krause,
Non-Executive Director

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

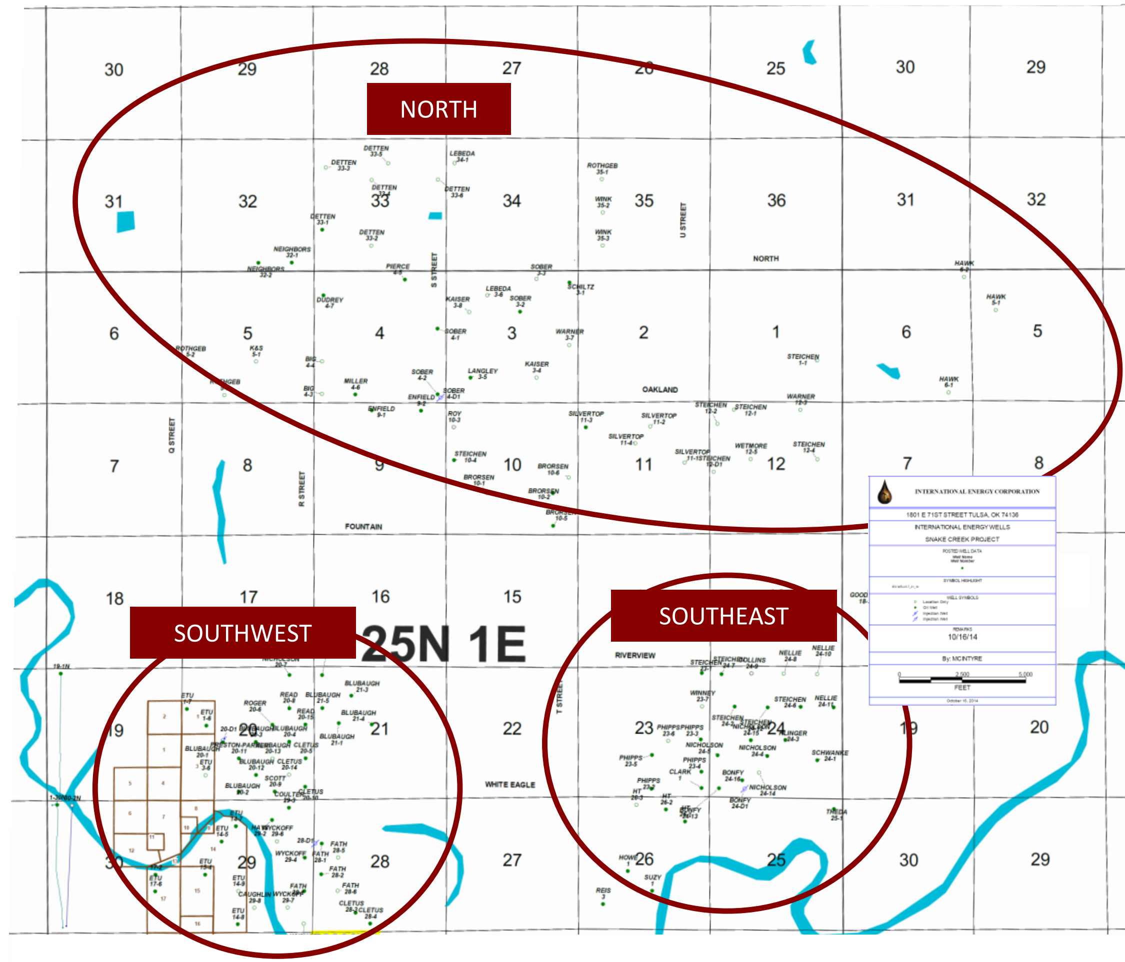
Acreage Overview – ~10,500 acres outside Ponca City

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
- 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



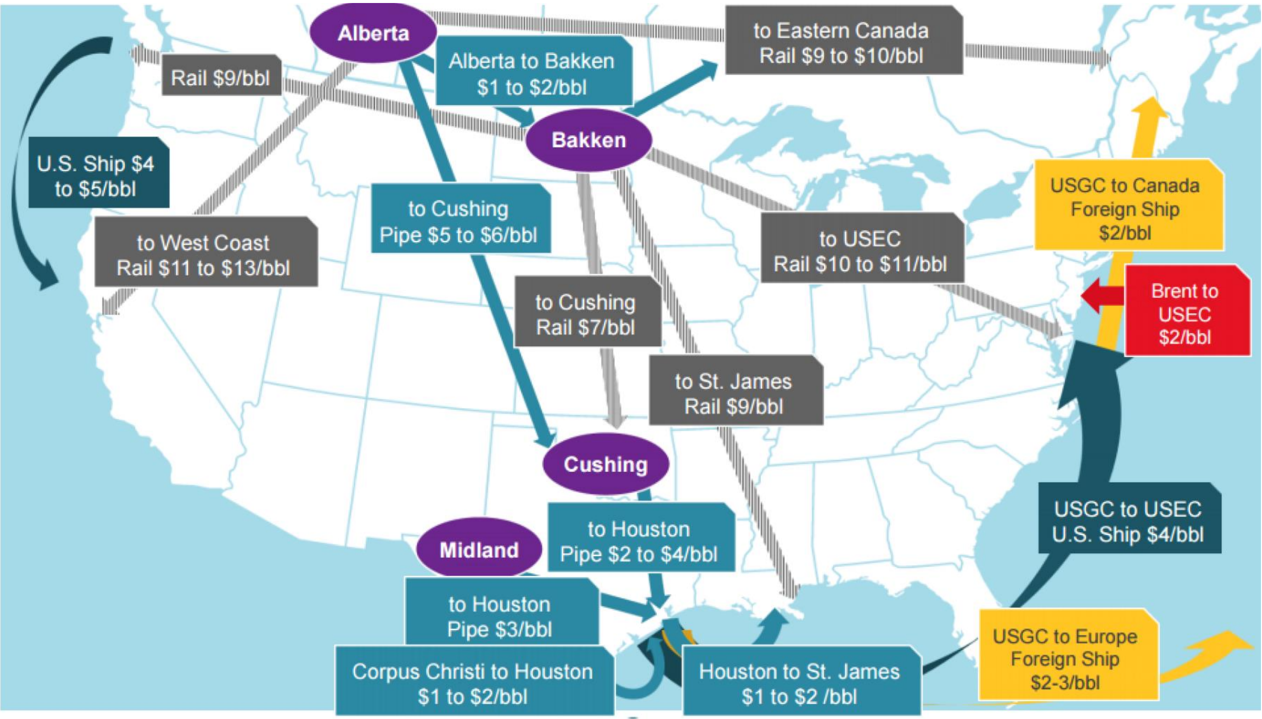
Note: *Exact acreage no longer shown due to competitive activity utilizing our maps to lease*

Substantial inventory of undrilled PUD locations.

Located Near Key Infrastructure

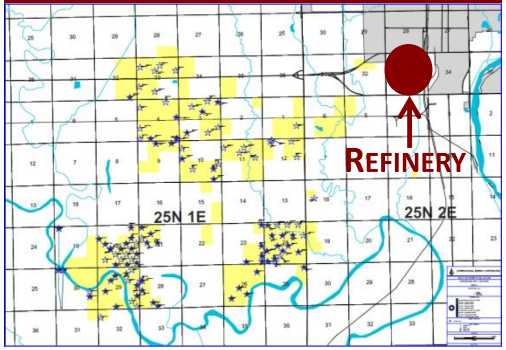
Co-located with refinery and good gas infrastructure in place now

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



Source: Credit Suisse Flowing Oil Chart Book (5/25/16)

…AOK is well located…



…and transport costs are low

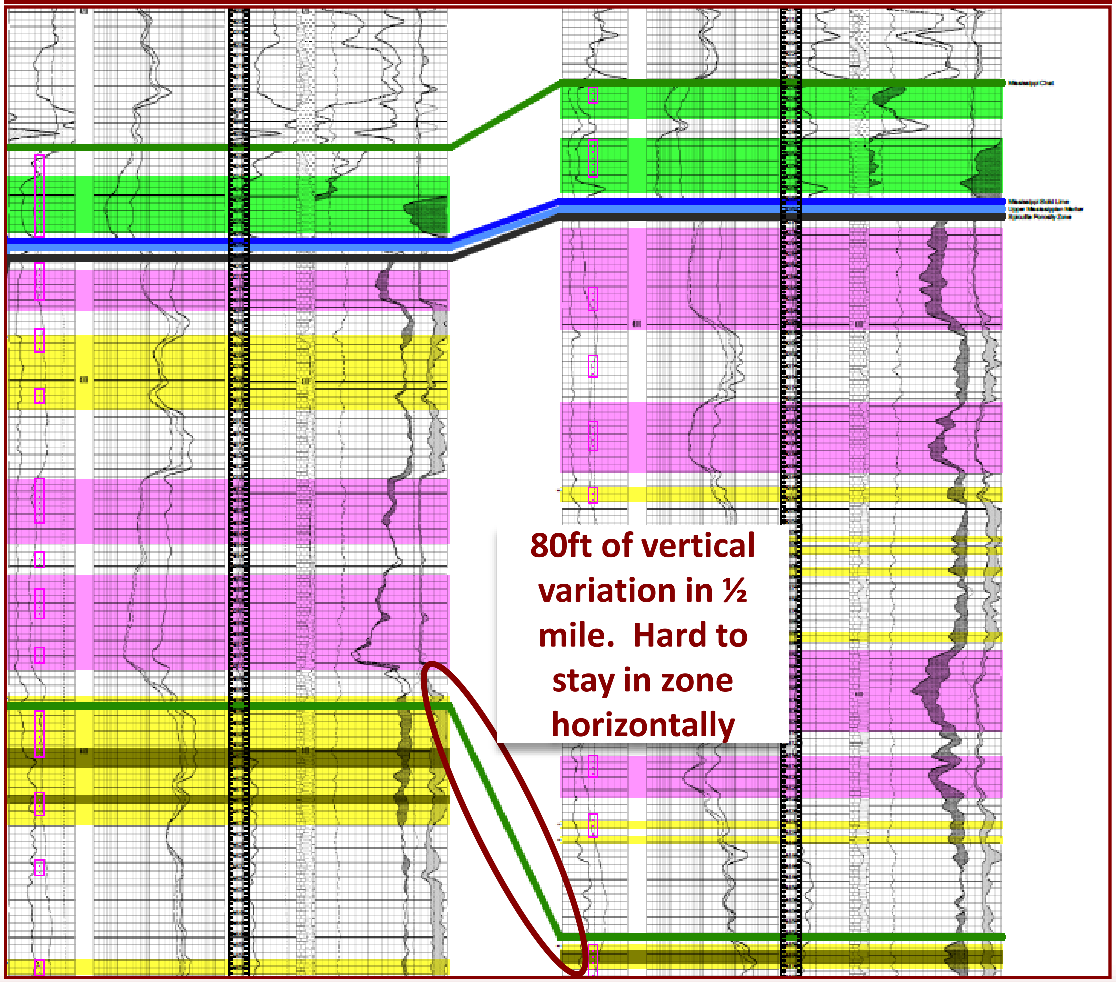
- Have retained roughly $2.00 price premium to Posted
- 6 month rolling visibility into that spread

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

Best Targeted Vertically – Large HZ Operators Departed

Formation is poorly suited to horizontal completion

Cross Section Showing Substantial Vertical Movement



10 Foot Intervals in Key Formation

Difficult to complete horizontally, providing competitive advantage for vertical operators

Zone is narrow and staying in it is critical

Effective Capital Allocation Strategy

Reacted prudently to oil price correction

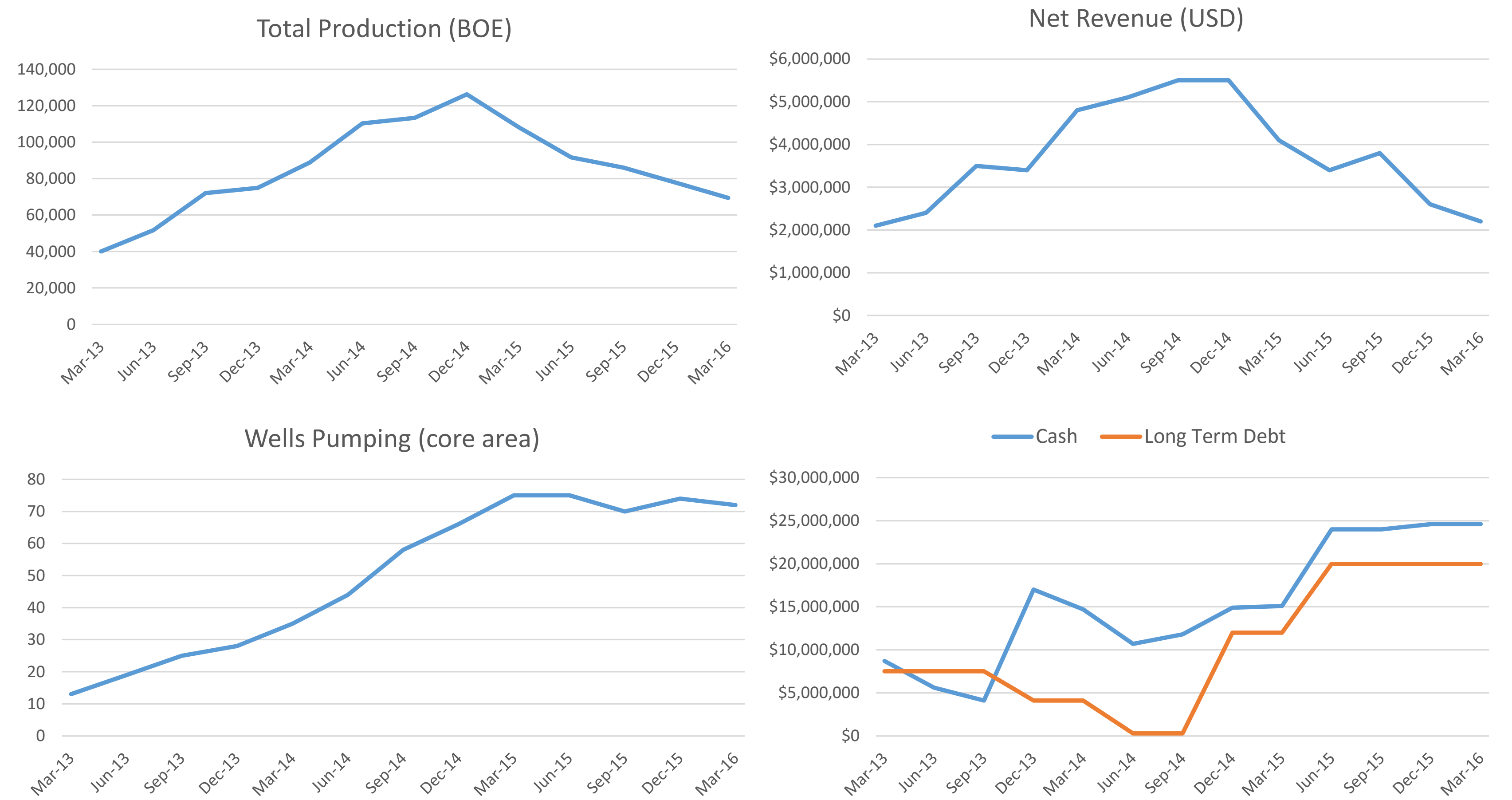
- ✓ Aggressively hedged our oil and gas production through the end of 2016 in October 2014 at USD$80 as oil prices started to decline
- ✓ Largely paused drilling as prices declined apart from two wells that offered interesting learning opportunities to help target new acreage
- ✓ Pause captured 5 point cut in tax rate which commenced July 1, 2015 for new wells drilled thereafter
- ✓ Utilized relative strength of balance sheet to significantly upgrade talent in organization during larger company layoffs
- ✓ Aggressively reduced non-essential field personnel to match our cost profile to both activity and revenue levels
- ✓ Have bid on several different acreage and production packages, but remain disciplined around acquisition at approximate PV10 levels

Responded proactively to oil price correction

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

Lessons Learned Since Last AGM and Path Forward

Existing northern acreage lower quality resource than parcels in the South

Existing Northern Acreage Less Attractive

- **Lack of "Chat" in the existing wells in the north appears to be determinative of lower quality resource compared to the south**
  - Having tested different completion methodologies, the existing northern acreage appears to be lower quality resource compared to our more attractive southern locations
  - The existing northern area will require an oil price over $80 to meet our performance criteria
  - With limited near term lease expirations and a reasonable amount held by production, there is no need to pursue this today

Path Forward

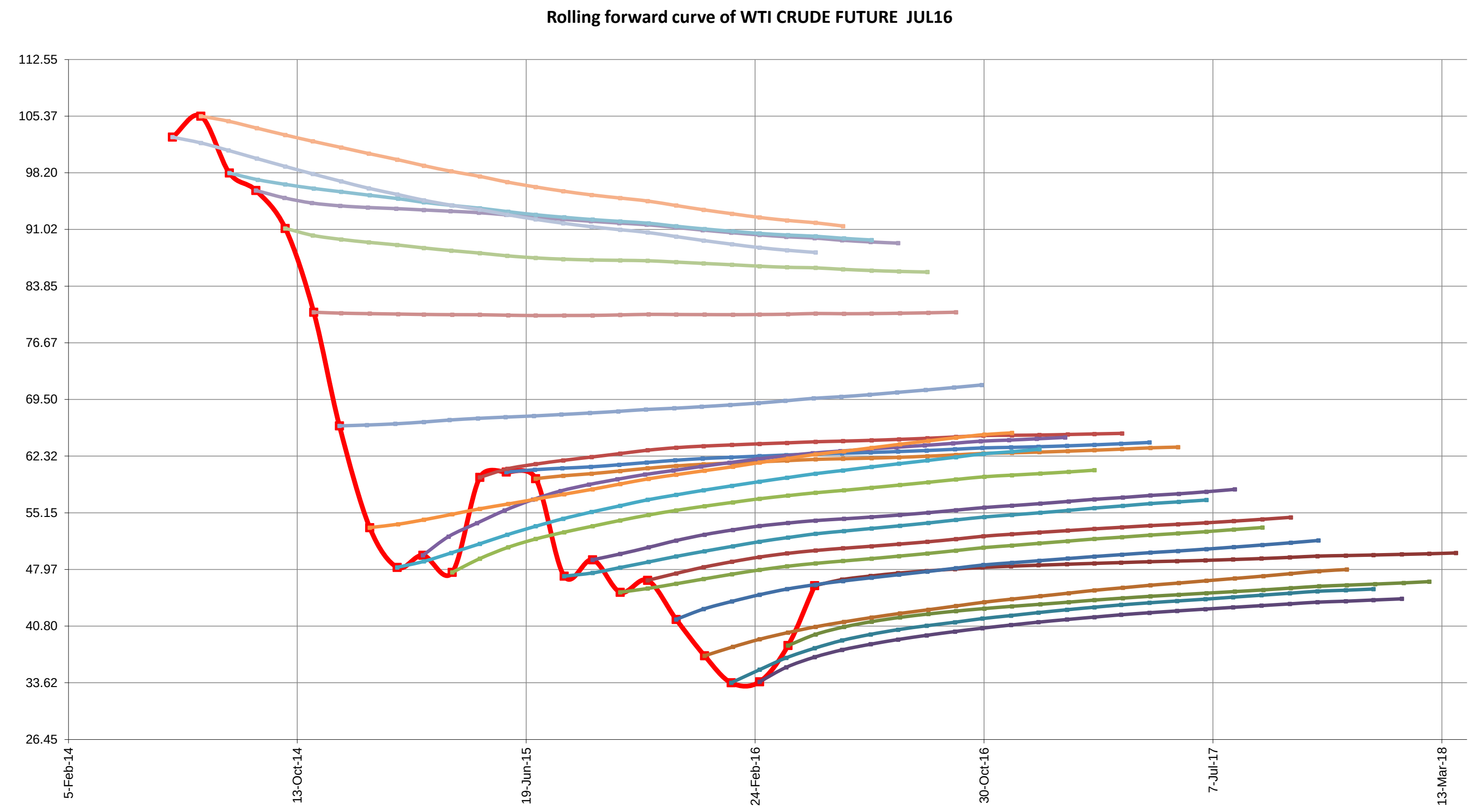
- **Continue to pursue acquisitions**
  - Have bid on 3 significant assets to date. Mis-match on price expectations
  - Still optimistic about the opportunity but cannot guarantee success
- **Grow our leasing footprint**
  - New geological team has conducted a thorough review of the area and our well performance
  - We have targeted key areas of interest to renew our leasing activity
  - Leasing costs have declined to ~$100-150 per acre from $300 and we will test the duration of the lease
- **Resume drilling as price allows**
  - Drill locations in the southern acreage in the Mississippian starting in the low 60s oil price

New team performing well. Will target both acquisitions and new lease acreage. Drilling to resume in low 60s oil price environment

Markets have predicted oil prices badly

Austex has therefore reacted predominately to the spot oil price

Forward Oil Pricing since 30/5/14



Source: Bloomberg LP

Since 2014, substantial volatility in both spot and expected prices.
Austex has based its decision making largely on spot pricing

Current Reserve Base

Based on Nymex Strip at 31/12/15

31-Dec-15 Reserve Report Discounted Cash Flow					
	Discount Rate				
($000 USD)	**0%**	**5%**	**10%**	**15%**	**20%**
PDP	$63,156	$36,091	$26,051	$20,995	$17,935
PDNP	$3,780	$2,248	$1,653	$1,338	$1,138
PUD	$24,422	$12,698	$7,108	$4,075	$2,272
Total Proved	**$91,357**	**$51,036**	**$34,812**	**$26,407**	**$21,345**

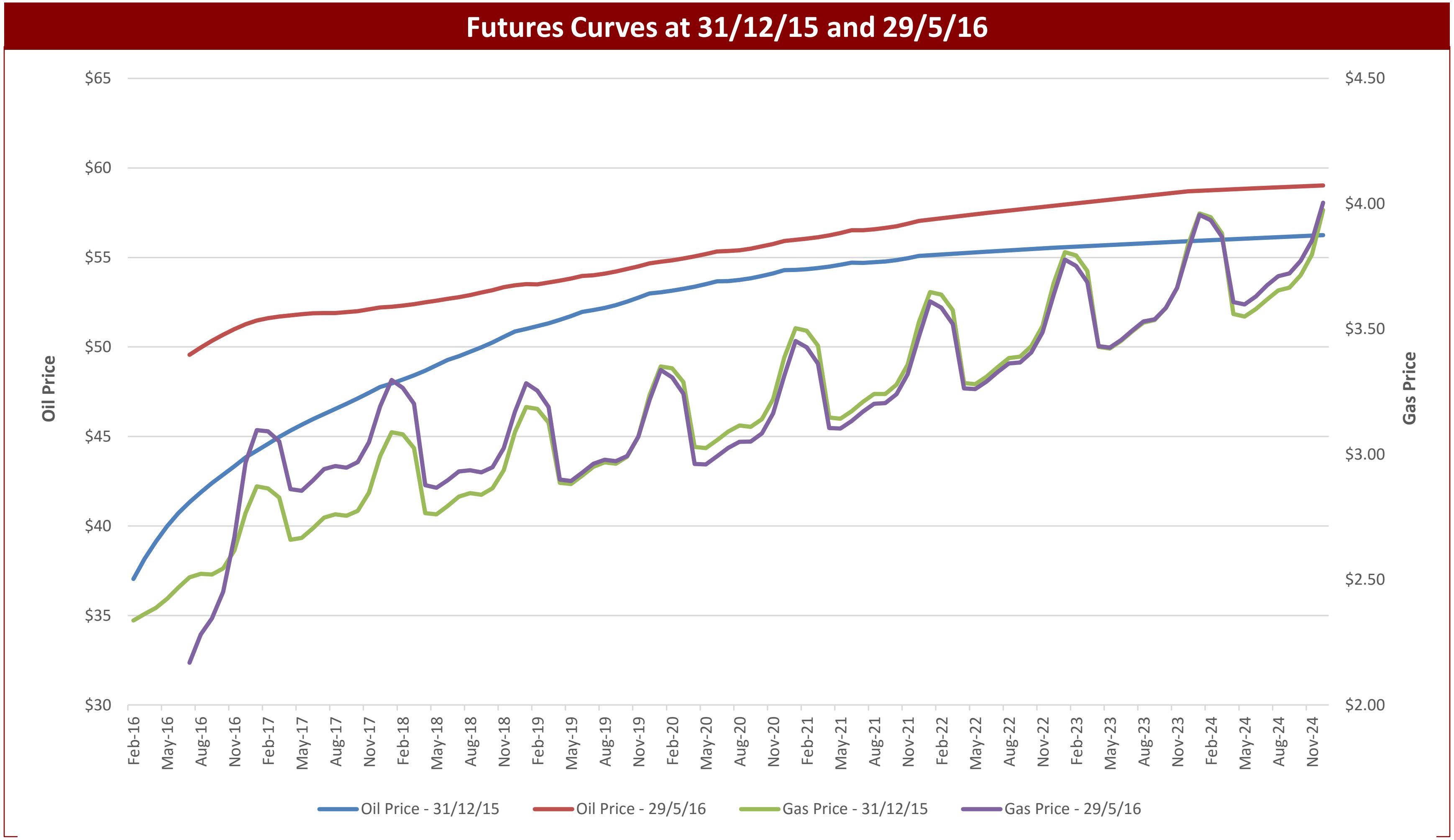
31-Dec-15 Reserve Report Assumed Hydrocarbon Pricing (incl. Hedges)					
	12/16	**12/17**	**2018**	**2019**	**2020**
Oil	$77.74	$46.06	$49.36	$51.96	$53.64
Gas	$3.38	$2.79	$2.91	$3.03	$3.18

Source: Pinnacle Engineering

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

Forward Curves Up Since 31/12/15

Recovery in oil price will help PDP value



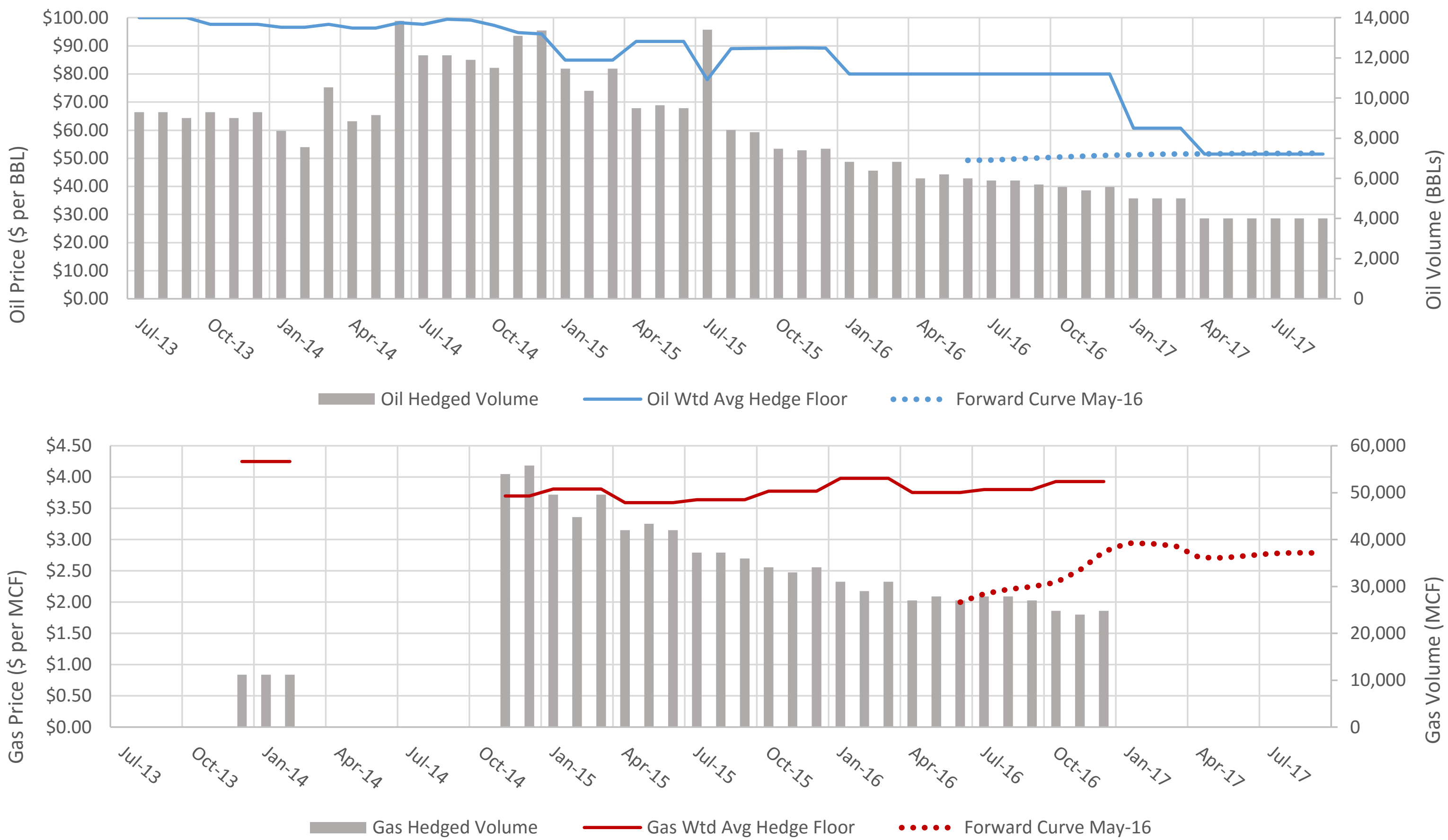
Source: Bloomberg LP

Oil prices have recovered since 31/12/15 and gas is up marginally. Assuming prices are unchanged, should help 6/16 PDP values

Current Hedging Position

Meaningful embedded value in the current hedging position

Oil and Gas Hedged Volumes and Weighted Average Floor Prices



Source: AusTex

Our hedges reflect more attractive pricing than the 31/12/15 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$25M in May
- ✓ Significantly reduced field staff to bring operating costs in line with activity levels and commodity pricing
- ✓ Compelling Hedging Assets
- ✓ Upgraded Team – improvements in geology, engineering and field operations
- ✓ Exit of both horizontal and vertical competition from the surrounding area
- ✓ Have evaluated numerous acquisition opportunities and bid on 3 to date. Remain optimistic about our ability to grow through acquisition, although seller price expectations have been an issue of late
- ✓ Identified new target areas for lease acquisition, reasonably co-located with existing footprint

Response to the price correction has positioned the business well in the current environment. M&A and lease acquisition will drive forward momentum