

For Immediate Release

ASX Announcement

21 August 2024

**First Half 2024 Financial Report**

Australis Oil & Gas Ltd (“Australis” or “Company”) is pleased to provide its consolidated financial results for the half year ended 30 June 2024.

Australis operations provided positive operational cash flow in the first half of 2024 due to Australis’ realised oil price averaging US\$80.70/bbl for the period and reduced Group costs. As expected, oil production reduced as compared to the first half of 2023 with the natural decline of the producing wells.

The LLS based monthly oil price realised by Australis ranged between US\$76/bbl and US\$87/bbl throughout the 1H 2024, representing an average premium to WTI of over US\$2/bbl. The Company’s hedge losses continued to reduce as only a small number of hedge contracts taken out in the low oil price year of 2021 remain. As a result, Australis’ average achieved price (after hedging) in 1H 2024 increased 9% over the same period in 2023, to US\$79/bbl.

For the 1H 2024, financial results included Adjusted EBITDA of US\$1.2 million and earnings before all non-cash items of US\$1.2 million.

Overall operating costs remained consistent during the first half of 2024 compared to 2023. The Company continues to achieve savings in Group G&A expenditure with a reduction of 15% over the corresponding period.

The Company’s net loss after tax for the 1H 2024 of US\$4 million was due largely to the US\$2.6 million non-cash write off for the cost of mineral leases that expired during the period. These leases were originally acquired, mostly on five-year terms, during the 2019 leasing program and over the past 6 months have expired, as reported in previous released quarterly Activities Reports.

In March 2024, Australis amended its Credit Facility enabling access to additional liquidity and improved financial flexibility under a new credit facility (Facility C). This was made possible due to the Company making significant debt reduction payments out of operational cashflow over the past few years and through leveraging the Group’s sizable Proved Developed Producing asset value. A total of US\$6 million was drawn down under the new Facility C in 1H 2024, from which US\$2 million was used to pay down the existing Facility A, resulting in an additional US\$4 million of liquidity. In addition, Australis received favourable Credit Facility amendments, including reduced quarterly debt amortisation payments under Facility A to better match expected field cashflows and a one-year extension to the maturity date to May 2026.

The repayment of the Facility C loan occurs monthly from April 2024 to March 2026, with blended payments of principal and interest equal to the monthly oil price hedge settlements resulting from ‘WTI swap’ hedge contracts executed by the Company covering 100,000 bbls over the same period.

The Company’s net debt position reduced during the half year to US\$3.6 million (31 December 2023: US\$4.2 million), as positive operating cash flow continues to service interest obligations and improve cash reserves during the first half of 2024. The Company remains in full compliance with all covenants under its Credit Facility.

Australis strategic focus remains on its objective of securing a partner willing to deploy development capital in the TMS and progress the value creation strategy. Australis remains confident the underlying oil and gas market conditions will ultimately force potential partners to consider emerging plays for future Tier 1 well

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inventory and the fundamental asset quality, which has been supported through recent 3<sup>rd</sup> party diligence activities, will ensure the TMS, being one of the last undeveloped quality oil plays, is considered. We believe the increase of inbound enquiries from potential partners supports this thesis.

Although there can be no guarantee that Australis will be able to ultimately complete a partnering transaction on satisfactory terms (or at all), we remain confident in our ability to do so in due course, and we remain patient in our approach and expectations.

#### Financial and Operating Summary for 1H 2024

Key Metrics	Unit	1H 2024	1H 2023	Change favourable/ (unfavourable)
TMS Core Land (Net)	acres	53,800	73,300	-27%
TMS Core HBP Land (Net)	acres	39,900	38,800	3%
Net Oil resource (2P + 2C) <sup>1</sup>	MMbbls	89	120	-26%
Sales Volumes (WI)	bbls	132,000	149,000	-11%
Average Realised Price <sup>A</sup>	US\$/bbl	\$81	\$75	8%
Average Achieved Price <sup>B</sup>	US\$/bbl	\$79	\$72	9%
Sales Revenue (WI) <sup>B</sup>	US\$MM	\$10.4	\$10.7	-3%
Sales Revenue (Net) <sup>B</sup>	US\$MM	\$8.3	\$8.6	-3%
Field Netback	US\$MM	\$3.8	\$4.1	-6%
Field Netback / bbl (WI) <sup>B</sup>	US\$/bbl	\$29	\$27	8%
Field Netback / bbl (Net) <sup>B</sup>	US\$/bbl	\$36	\$34	6%
Adjusted EBITDA	US\$MM	\$1.2	\$0.9	33%
Interest Expense	US\$MM	\$0.5	\$0.6	17%
Net Profit (Loss) after tax	US\$MM	-\$4.0	-\$13.8	71%
Cash Balance	US\$MM	\$7.7	\$3.7	108%
Total Debt <sup>C</sup>	US\$MM	\$11.3	\$10.0	-13%
Net Debt	US\$MM	\$3.6	\$6.3	43%

<sup>A</sup> excludes effect of hedge contracts settled

<sup>B</sup> includes the loss from the settlement of hedge contracts of US\$0.2 million (1H 2023: loss of US\$0.5 million)

<sup>C</sup> Macquarie Facility debt

The Financial Statements and Appendix 4D for the six-month period ended 30 June 2024 are attached.

This ASX announcement was authorised for release by the Australis Disclosure Committee.  
 For further information, please contact:

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 Managing Director  
 Australis Oil & Gas  
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Graham Dowland  
 Finance Director  
 Australis Oil & Gas  
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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.

With approximately 53,800 net acres (74% HBP) within the production delineated core of the proven oil producing TMS, Australis retains significant upside potential with approximately 185 net future drilling locations.

At year end 2023 Ryder Scott independently assessed the Australis acreage held at that time with 89 MMbbls of 2P + 2C recoverable volume including 2.1 MMbbls proved producing reserves providing net field cash flow<sup>1</sup>. The contingent oil resource is only contingent on a qualifying development program and Australis will carry out a reassessment of its undeveloped reserve position when a partner and funding is secured.

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.

## GLOSSARY

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

Term	Definition
<b>TMS Core</b>	The Australis designated productive core area of the TMS delineated by production history
<b>WI</b>	Company beneficial interest before royalties
<b>Royalty</b>	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
<b>Net or NRI</b>	Company beneficial interest after royalties or burdens
<b>C</b>	Contingent Resources (1C/2C/3C equivalent to low/most likely/high)
<b>NPV(10)</b>	Net Present Value (@ discount rate)
<b>EUR</b>	Estimated Ultimate Recovery of a well
<b>WTI</b>	West Texas Intermediate oil benchmark price
<b>LLS</b>	Louisiana Light Sweet oil benchmark price
<b>D, C&amp;T</b>	Drill, Complete and Tie - in
<b>SOFR</b>	Secured Overnight Financing Rate
<b>Opex</b>	Operating Expenditure
<b>G&amp;A</b>	General & Administrative Expenditure
<b>HBP</b>	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.
<b>PRB</b>	Probable Reserves
<b>PDP</b>	Proved Developed Producing Reserves
<b>PDNP</b>	Proved Developed Not Producing Reserves
<b>PUD</b>	Proved Undeveloped Reserves
<b>Net Acres</b>	Working Interest before deduction of royalties or burdens
<b>Field Netback</b>	Oil and gas sales net of royalties, production and state taxes, inventory movements, hedging gains or losses and field-based production expenses but excludes depletion and depreciation
<b>Adjusted EBITDA</b>	represents net income /(loss) for the period before any income tax expense or benefit, finance costs, depletion, depreciation, expired lease written off, and impairment
<b>IP30</b>	The average oil production rate over 30 days of production following clean up
<b>YOY</b>	Year on year
<b>TMS Type Curve</b>	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
<b>IDP</b>	Initial drilling program of 6 wells in the TMS by Australis commencing late 2018
<b>DUC</b>	Drilled uncompleted well
<b>OD</b>	Outer Diameter of a tubular

#### Notes

1. Estimates from the independent Ryder Scott report, effective 31 December 2023 and dated 31 January 2024. 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 deterministic methods. The achieved price and NPV(10) values quoted are for the project only, they do not include any impact from the existing oil price hedges that Australis has entered into.

Estimates from the independent Ryder Scott report, effective 31 December 2022 and dated 7 February 2023 and announced on 09 February 2023 and titled 'Reserve and Resource Update Year End 2022'. 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.

2. 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.

#### 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 and Adjusted EBITDA are Non-IFRS financial measures commonly used in the oil and gas industry. Non-IFRS financial measures used by the Company, including Field Netback and Adjusted EBITDA, may not be comparable with the calculation of similar measures by other companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

## Adjusted EBITDA

Adjusted EBITDA represents net income /(loss) for the period before any income tax expense or benefit, finance costs, depletion, depreciation, expired term leases write off and amortisation charges and impairment provision.

The following table reconciles net loss after tax to Adjusted EBITDA for the 6 months ended 30 June 2023:

	<b>1H 2024</b>	<b>1H 2023</b>
	US\$'000	US\$'000
Net profit / (loss) after tax	(4,037)	(13,757)
Adjustments:		
Depletion	1,427	2,425
Depreciation	751	2,293
Net finance expenses	404	538
Expired lease written off <sup>1</sup>	2,611	9,362
<b>Adjusted EBITDA</b>	<b>1,156</b>	<b>861</b>

1. Relates to the costs of term leases previously capitalised as exploration expenditure but following expiry, without renewal, the capitalised costs have been written off.

## FIELD NETBACK

Field Netback represents 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.

## 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.

21 August 2024

**APPENDIX 4D**  
**HALF YEAR REPORT FOR THE PERIOD ENDED 30 JUNE 2024**

Name of Entity:

**AUSTRALIS OIL & GAS LIMITED**  
**(ASX: ATS)**

ABN or equivalent company reference

34 609 262 937

This information and the Australis Oil & Gas Limited Interim Financial Report for the Half Year Ended 30 June 2024 should be read in conjunction with the Australis Oil & Gas Limited 2023 Annual Report (which contains the 2023 audited Financial Report).

**Results for Announcement to the Market**

Revenue from ordinary activities	Decreased by 4% <sup>(1)</sup> from US\$10.75 million for the half year ended 30 June 2023 to US\$10.37 million for the half year ended 30 June 2024.	
Loss from ordinary activities after tax attributable to members	Decreased by 71% <sup>(1)</sup> from a loss of US\$13.76 million for the half year ended 30 June 2023 to a loss of US\$4.04 million for the half year ended 30 June 2024.	
Loss for the period attributable to members	Decreased by 71% <sup>(1)</sup> from a loss of US\$13.76 million for the half year ended 30 June 2023 to a loss of US\$4.04 million for the half year ended 30 June 2024.	
An explanation of the results is included in the Interim Financial Report ended 30 June 2024 which can be found on the ASX website or the Australis website at <a href="http://www.australisoil.com">www.australisoil.com</a>		
<sup>(1)</sup> Comparisons are made to the financial results for the half year ended 30 June 2023.		
<b>Dividends</b>		
No dividends are proposed (2023: nil).		
<b>Net Tangible Asset per Security</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
	US\$0.04	US\$0.04
<b>Changes in controlled entities</b>		
There have been no changes in controlled entities during the half year ended 30 June 2024.		
This report is based on the consolidated half year financial statements for the half year ended 30 June 2024 which have been reviewed by BDO Audit Pty Ltd.		

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**AUSTRALIS**  
OIL & GAS

**AUSTRALIS OIL & GAS LIMITED**

ABN 34 609 262 937

**CONSOLIDATED INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED 30 JUNE 2024**

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## Corporate directory

### Directors

Mr Jonathan Stewart - Chairman  
Mr Ian Lusted – Chief Executive Officer  
Mr Graham Dowland – Chief Financial Officer  
Mr Stephen Scudamore – Non-Executive Director  
Mr Alan Watson – Non-Executive Director

### Company Secretary

Ms Julie Foster

### Registered and Principal Office

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### Office in North America

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333 Clay Street, Suite 3680  
Houston, Texas 77002  
Telephone: +1 (346) 229 2525

### Share Registry

Computershare Investor Services Pty Ltd  
Level 17, 221 St Georges Terrace  
Perth, Western Australia 6000  
Telephone: +61 8 9323 2000  
Facsimile: +61 8 9323 2033

### Solicitor

Gilbert & Tobin  
Level 16, Brookfield Place Tower 2  
123 St Georges Terrace  
Perth, Western Australia 6000

### Stock Exchange Listing

The ordinary shares of Australis Oil & Gas Limited are listed on the Australian Securities Exchange (Ticker code: ATS)

### Auditor

BDO Audit Pty Ltd  
Level 9, Mia Yellagonga Tower 2,  
5 Spring Street  
Perth, Western Australia 6000

### Website and Email

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## Directors' report

The Directors of Australis Oil & Gas Limited present their report on the consolidated entity consisting of Australis Oil & Gas Limited ("Company" or "Australis") and the entities it controlled ("Consolidated Entity" or "Group") for the half-year ended 30 June 2024.

### Directors

The names of directors of the Company in office at any time during or since the end of the financial half-year ended 30 June 2024 are:

Mr Jonathan Stewart	Chairman
Mr Ian Lusted	Managing Director and Chief Executive Officer
Mr Graham Dowland	Finance Director and Chief Financial Officer
Mr Stephen Scudamore	Independent Non-Executive Director
Mr Alan Watson	Independent Non-Executive Director

Each director held their office from 1 January 2024 until the date of this report.

### Results and review of operations

The principal activity of the Group is oil and gas exploration, development and production. The Company operates one area of interest onshore being leases, wells and facilities in the Tuscaloosa Marine Shale (TMS) in the states of Louisiana and Mississippi in the USA. A summary of the activity of the project during the period is set out in the Operating Review below.

All references to dollars in this report will be US\$ unless stated otherwise.

## Directors' report

### OPERATING REVIEW

During the reporting period Australis produced from 30 operated wells (30 June 2023: 31) and a further 18 non-operated wells all within the Tuscaloosa Marine Shale ("TMS").

A summary of the results and activities for the six months to 30 June 2024 are as follows:

- Total sales volumes (WI) during the period were approximately 132,000 bbls (1H 2023: 149,000 bbls).
- Production from the wells was in line with expectation allowing for natural decline and outages due to weather-related events.
- The Company received revenue of US\$10.6 million offset by oil price hedge contract settlement losses of US\$262,000.
- Achieved oil sales pricing (LLS) averaged US\$81/bbl (not including realised hedge losses) and ranged between \$75/bbl at the commencement of 2024 and by June had increased to US\$81/bbl. At the date of this report, LLS pricing was at a premium to WTI at greater than US\$2.60/bbl. Losses from WTI oil price hedges reduced during the 1H 2024 to US\$2/bbl (1H 2023: US\$3/bbl).
- During the 6 month reporting period Australis achieved:
  - Field Netback of US\$3.8 million (5% decrease from 1H 2023)
  - Adjusted EBITDA of US\$1.2 million (33% increase from 1H 2023)
  - Earnings excluding non-cash items of US\$1.2 million (58% increase from 1H 2023)
- Capital expenditure of US\$0.1 million related to well equipment replacement.
- Loss after tax of US\$4.0 million (1H 2023: Loss \$13.8 million), including non-cash charges of US\$5.2 million.
- Net Debt decreased to US\$3.6 million (1H 23 balance: US\$6.3 million). Total debt under the Macquarie Bank Credit Facility increased by US\$3.3 million to US\$11.3 million at 30 June 2024 following the US\$6 million draw down of the new Facility C Loan offset by amortisation payments of US\$0.7 million and paying down of US\$2 million of the existing Facility A Loan.
- In January 2024, Australis released its independently assessed net reserves and resources estimates<sup>1</sup> for the TMS as at 31 December 2023 having adopted a conservative approach to estimating its oil and gas reserves and resources. Future production from existing wells was assessed in a manner consistent with previous years. However, given the current Company strategy to introduce a partner for the purposes of advancing the development of its TMS asset, the Board determined it would, as it did in the previous year, not be appropriate to propose a development plan as part of the YE2023 reserves evaluation. Therefore, the 31 December 2023 reserve and resource estimate consisted of a proved, probable and possible developed reserve estimate only (i.e. for the existing wells only) and no reserve estimates have been generated for undeveloped acreage. A contingent resource estimate is provided and, as in previous years, the mid case 2C contingent resource is subject to a qualifying development plan to transition volumes to an appropriate reserve category of proved, probable and possible. The Proved Developed Producing reserves net (after royalties) to Australis totaled 2.1 million barrels and the 2C Contingent Resource (mid case) totaled 86 million barrels.

### FUTURE DEVELOPMENTS

With the existing cash balance and projected revenue stream including the WTI oil price hedge contracts, Australis is able to service its debt obligations for the next 12 months. Australis believes that market conditions continue to improve and with the decreasing availability of high quality future well inventory within the existing plays mature or are largely controlled by only a few operators, attention has and will increase into areas that are de-risked, can demonstrate high production rates, provide control over development and offer appropriate entry costs. The TMS Core area asset owned by Australis meets all of these requirements. The Company continues to be patient as it engages with potential partners to assist with the TMS value creation and monetisation of this asset.

## Directors' report

### FINANCIAL AND CAPITAL MANAGEMENT

During the period, the Consolidated Entity made a net loss after tax of US\$4.0 million (1H 23: Loss US\$13.8 million).

As at 30 June 2024, Australis has cash and cash equivalents of US\$7.7 million (31 December 2023: US\$3.7 million).

During the period ended 30 June 2024, Australis TMS Inc, a wholly owned subsidiary, drew down a total of US\$6 million from a new Facility C provided by Macquarie Bank, from which US\$2 million was used to pay down the existing Facility A resulting in an additional US\$4 million of liquidity. In addition, upon accessing this additional liquidity, Australis received favourable Credit Facility amendments, including reduced quarterly debt amortisation payments under the Facility A repayment timetable to better match expected field cashflows and a one-year extension of the maturity date to May 2026. The total amount outstanding at the balance date was US\$11.3 million (31 December 2023: US\$8.0 million).

The operating results for Australis for the period ending 30 June 2024 is as follows:

#### Summary Financial Results

	30 June 2024 US\$ millions	30 June 2023 US\$ millions
Revenue (including hedging loss)	\$10.37	\$10.74
Royalties	(\$2.05)	(\$2.17)
Direct operating costs & taxes	(\$4.48)	(\$4.52)
<b>Field Netback</b>	<b>\$3.84</b>	<b>\$4.05</b>
Other income	-	\$0.01
Corporate costs	(\$2.33)	(\$2.74)
Foreign exchange gain / (loss)	-	(\$0.03)
Share based payments	(\$0.36)	(\$0.43)
<b>Adjusted EBITDA</b>	<b>\$1.15</b>	<b>\$0.86</b>
Net interest expense	(\$0.40)	(\$0.54)
Depreciation and depletion	(\$2.18)	(\$4.72)
Exploration costs – Expired lease write off	(\$2.61)	(\$9.36)
<b>(Loss) before taxation</b>	<b>(\$4.04)</b>	<b>\$(13.76)</b>

#### Significant changes in the state of affairs

The significant changes in the state of affairs of the Consolidated Entity during the financial period and to the date of this report are set out in the review of operations above and the events after the reporting date below.

#### Dividends

In respect of the period ended 30 June 2024, no dividends have been paid or declared and the Directors do not recommend the payment of a dividend in respect of the financial period.

#### Events after the reporting date

No events have occurred since 30 June 2024 that would materially affect the operations of the Group, the results of the Group or the state of affairs of the Group not otherwise disclosed in the Group's Financial Statements.

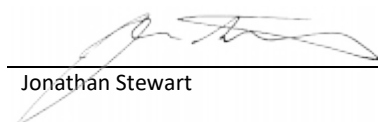
#### Rounding off of amounts

The Directors' Report and Financial Statements are rounded off to the nearest thousand dollars as permitted under Corporations Instrument 2016/191, unless otherwise indicated.

#### Auditor's independence declaration

The auditor's independence declaration is included on page 8 of the half-year report.

The Director's Report is signed in accordance with a resolution of Directors made pursuant to section 306(3) of the Corporations Act.



Jonathan Stewart

21 August 2024

## Directors' report

### FOOTNOTES

<sup>1</sup>All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2023 and generated for the Australis concessions to SPE standards. See ASX announcement released on 31 January 2024 titled "Activities Report and Year End Reserves Update". 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.

### GLOSSARY

Term	Definition
<b>bbl(s)</b>	Barrel(s) of oil
<b>Bopd</b>	Barrel of oil per day
<b>Adjusted EBITDA</b>	represents net income /(loss) for the period before any income tax expense or benefit, finance costs, depletion, depreciation, expired lease write off, and impairment.
<b>Field Netback</b>	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
<b>LLS</b>	Louisiana Light Sweet Oil Benchmark Price
<b>WTI</b>	West Texas Intermediate Oil Benchmark Price
<b>HBP</b>	Held by production – within a formed unit a producing well meets all lease obligations within that unit. Primary term remains valid whilst is on production

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## Auditors' independence declaration



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Australia

### DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF AUSTRALIS OIL & GAS LIMITED

As lead auditor for the review of Australis Oil & Gas Limited for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Australis Oil & Gas Limited and the entities it controlled during the period.



**Phillip Murdoch**  
Director

**BDO Audit Pty Ltd**

Perth

21 August 2024

## Independent review report



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### INDEPENDENT AUDITOR'S REVIEW REPORT

To the Directors of Australis Oil & Gas Limited

#### Report on the Half-Year Financial Report

##### Conclusion

We have reviewed the half-year financial report of Australis Oil & Gas Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

##### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

##### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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## Independent review report



### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**

BDO  


**Phillip Murdoch**

**Director**

Perth, 21 August 2024

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## Directors' declaration

In the Directors' opinion:

- (a) the financial statements and accompanying notes set out on pages 12 to 28, are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



**Jonathan Stewart**  
Chairman  
Perth, Western Australia

21 August 2024

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

### For the half-year ended 30 June 2024

	Notes	Half-year ended 30 June 2024 US\$'000	Half-year ended 30 June 2023 US\$'000
Revenue	2.2	10,370	10,745
Cost of sales	2.3	(8,572)	(11,237)
<b>Gross profit / (loss)</b>		<b>1,798</b>	<b>(492)</b>
Other income	2.4	-	11
Other expenses	2.5	(5,431)	(12,738)
<b>(Loss) from operating activities</b>		<b>(3,633)</b>	<b>(13,219)</b>
Net finance (expenses)	2.6	(404)	(538)
<b>(Loss) before income tax</b>		<b>(4,037)</b>	<b>(13,757)</b>
Income tax expense		-	-
<b>(Loss) after income tax</b>		<b>(4,037)</b>	<b>(13,757)</b>
<b>Other comprehensive profit / (loss)</b>			
Items that may be reclassified to profit or loss:			
Change in fair value of cash flow hedges		(1,043)	1,503
Other comprehensive (loss) / profit for the period net of tax		(1,043)	1,503
<b>Total comprehensive (loss) for the period attributable to owners of the Company</b>		<b>(5,080)</b>	<b>(12,254)</b>
<b>(Loss) per share attributable to owners of the Company</b>			
Basic (loss) per share (cents per share)	2.7	(0.32)	(1.09)
Diluted (loss) per share (cents per share)	2.7	(0.32)	(1.09)

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

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## Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 US\$'000	31 December 2023 US\$'000
<b>Current assets</b>			
Cash and cash equivalents		7,701	3,763
Trade and other receivables		2,612	2,133
Inventories		786	967
<b>Total current assets</b>		<b>11,099</b>	<b>6,863</b>
<b>Non-current assets</b>			
Oil and gas properties	3.1	54,661	58,699
Property, plant and equipment	3.2	4,380	5,006
Other receivables		210	209
<b>Total non-current assets</b>		<b>59,251</b>	<b>63,914</b>
<b>Total assets</b>		<b>70,350</b>	<b>70,777</b>
<b>Current liabilities</b>			
Trade and other payables		(5,865)	(6,083)
Provisions		(397)	(354)
Derivative financial instruments hedge	5.3	(789)	(132)
Borrowings	4.3	(4,989)	(4,000)
Lease liability		(138)	(170)
<b>Total current liabilities</b>		<b>(12,178)</b>	<b>(10,739)</b>
<b>Non-current liabilities</b>			
Provisions	5.1	(2,746)	(2,734)
Borrowings	4.3	(6,308)	(3,925)
Derivative financial instruments	5.3	(502)	(116)
Lease liability		-	(64)
<b>Total non-current liabilities</b>		<b>(9,556)</b>	<b>(6,839)</b>
<b>Total liabilities</b>		<b>(21,734)</b>	<b>(17,578)</b>
<b>Net assets</b>		<b>48,616</b>	<b>53,199</b>
<b>Equity</b>			
Contributed equity	4.1	183,453	183,702
Treasury shares	4.1	-	(248)
Share based payment reserve	4.2	14,646	14,148
Foreign exchange reserve		(467)	(467)
Cash flow hedge reserve		(1,291)	(248)
Accumulated losses		(147,725)	(143,688)
<b>Total equity</b>		<b>48,616</b>	<b>53,199</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2024

	Contributed Equity	Treasury Shares	Other Reserve	Accumulated (Losses)	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2023</b>	<b>183,779</b>	<b>(325)</b>	<b>10,958</b>	<b>(128,373)</b>	<b>66,039</b>
(Loss) for the period	-	-	-	(13,757)	(13,757)
<b>Other comprehensive income</b>					
Change in fair value of cash flow hedges	-	-	1,503	-	1,503
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>1,503</b>	<b>(13,757)</b>	<b>(12,254)</b>
<b>Transactions with owners, in their capacity as owners</b>					
Transfer of treasury shares on rights exercise	(155)	155	-	-	-
Share based payments	-	-	347	-	347
<b>Balance as at 30 June 2023</b>	<b>183,624</b>	<b>(170)</b>	<b>12,808</b>	<b>(142,130)</b>	<b>54,132</b>
<b>Balance at 1 January 2024</b>	<b>183,702</b>	<b>(248)</b>	<b>13,433</b>	<b>(143,688)</b>	<b>53,199</b>
(Loss) for the period	-	-	-	(4,037)	(4,037)
<b>Other comprehensive income</b>					
Change in fair value of cash flow hedges	-	-	(1,043)	-	(1,043)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(1,043)</b>	<b>(4,037)</b>	<b>(5,080)</b>
<b>Transactions with owners, in their capacity as owners</b>					
Transfer of treasury shares on rights exercise	(248)	248	-	-	-
Share based payments	-	-	498	-	498
Issue costs	(1)	-	-	-	(1)
<b>Balance as at 30 June 2024</b>	<b>183,453</b>	<b>-</b>	<b>12,888</b>	<b>(147,725)</b>	<b>48,616</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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## Consolidated Statement of Cash Flows

For the half-year ended 30 June 2024

	Notes	Half-year ended 30 June 2024 US\$'000	Half-year ended 30 June 2023 US\$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		10,081	11,005
Payments to suppliers and employees		(9,064)	(10,819)
Other revenue		-	11
<b>Net cash inflow from operating activities</b>		<b>1,017</b>	<b>197</b>
<b>Cash flows from investing activities</b>			
Payment for capitalised oil and gas assets		-	(1,390)
Payment for property, plant and equipment		(65)	(395)
Interest received		121	125
Refund of security deposit		66	
<b>Net cash inflow / (outflow) from investing activities</b>		<b>122</b>	<b>(1,660)</b>
<b>Cash flows from financing activities</b>			
Share issue costs		(1)	-
Proceeds from borrowings		6,001	-
Repayment of borrowings		(2,657)	(2,000)
Debt facility costs		(530)	(645)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>2,813</b>	<b>(2,645)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>3,952</b>	<b>(4,108)</b>
Cash and cash equivalents at the beginning of the financial period		3,763	7,848
Effect of exchange rates on cash holdings in foreign currencies		(14)	(27)
<b>Cash and cash equivalents at the end of the financial period</b>		<b>7,701</b>	<b>3,713</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Section 1: Basis of Reporting

### For the half-year ended 30 June 2024

#### 1.1 Basis of preparation and compliance statement

The consolidated interim financial report for the half-year reporting period ended 30 June 2024 has been prepared in accordance with the Corporations Act 2001 and AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with the International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

This consolidated interim financial report has been prepared under the historical cost convention. The consolidated interim financial statements are presented in US dollars and are rounded to the nearest thousand dollars (US\$'000) as permitted under Corporations Instrument 2016/191, unless otherwise stated.

The accounting policies adopted are consistent with those adopted and disclosed in the Company's Annual Report for the year ended 31 December 2023 unless otherwise stated.

#### Going Concern

The financial statements have been prepared on the basis that the Consolidated Entity is a going concern, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. For the half year period ended 30 June 2024 the Consolidated Entity recorded a loss of US\$4.0 million (30 June 2023: Loss US\$13.8 million). For the half year to 30 June 2024 the loss was largely due to the non cash write off of expired mineral leases of US\$2.6 million (2023: US\$9.4 million). There was a net cash inflow from operating activities of US\$1.02 million (30 June 2023: US\$0.2 million). Balance date cash reserves are US\$7.7 million (excluding bank balances held as guarantees of US\$0.2 million).

The financial statements have been prepared on the basis that the Group is a going concern for the following reasons:

- Earnings for the period excluding non-cash items were US\$1.2 million;
- At the reporting date the Consolidated Entity recorded a working capital deficit of US\$1.1 million. This deficit includes amongst other items the recognition of:
  - The current liability for Credit facility amortisation payments of US\$5.5 million due in the next 12 months (US\$3.5 million Facility C and US\$2 million Facility A), and
  - The liability for payments of US\$3.9 million of 'suspended' royalties (i.e. uncontactable or disputed / unverified ownership balances) which historically have had less than 10% settled in any rolling 12 month period.

#### 1.2 Critical Accounting Estimates and Judgements

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions about future events. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are consistent with those adopted and disclosed in the Company's 2023 Annual Report other than as set out below.

#### Depletion

Australis uses the units of production (UOP) approach when depleting producing oil and gas assets. Australis compares the actual volumes produced to the Producing reserves to calculate a depletion rate which is applied to producing oil and gas assets.

## Section 2: Results For The Period

### For the half-year ended 30 June 2024

#### 2.1 Segment Reporting

There has been no other impact on the measurement of the Company's assets and liabilities.

US\$000	Oil & Gas Production		Exploration		Other		Total	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<b>External revenues</b>	<b>10,370</b>	10,745	-	-	-	-	<b>10,370</b>	10,745
Direct operating costs	<b>(6,524)</b>	(6,696)	-	-	-	-	<b>(6,524)</b>	(6,696)
Corporate	-	-	-	-	<b>(2,330)</b>	(2,739)	<b>(2,330)</b>	(2,739)
Foreign currency gains / (losses)	-	-	-	-	<b>3</b>	(30)	<b>3</b>	(30)
Other income	-	-	-	-	-	11	-	11
Share based payments	-	-	-	-	<b>(363)</b>	(427)	<b>(363)</b>	(427)
Exploration costs	-	(3)	-	-	-	-	-	(3)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>3,846</b>	4,046	-	-	<b>(2,690)</b>	(3,185)	<b>1,156</b>	861
Depletion	<b>(1,427)</b>	(2,425)	-	-	-	-	<b>(1,427)</b>	(2,425)
Depreciation	<b>(621)</b>	(2,116)	-	-	<b>(130)</b>	(177)	<b>(751)</b>	(2,293)
Exploration/Development costs -expired lease write-off	<b>(2,611)</b>	-	-	(9,362)	-	-	<b>(2,611)</b>	(9,362)
<b>EBIT<sup>(2)</sup></b>	<b>(813)</b>	(495)	-	(9,362)	<b>(2,820)</b>	(3,362)	<b>(3,633)</b>	(13,219)
Net finance (costs)	<b>(526)</b>	(538)	-	-	<b>122</b>	-	<b>(404)</b>	(538)
<b>Segment (loss) / profit</b>	<b>(1,339)</b>	(1,033)	-	(9,362)	<b>(2,698)</b>	(3,362)	<b>(4,037)</b>	(13,757)

<sup>(1)</sup> Adjusted EBITDA represents net (loss) for the period including net realised hedging loss of US\$0.262 million (2023: US\$0.48 million loss) before any income tax expense or benefit, finance costs, depletion, depreciation, expired lease write off and impairment.

<sup>(2)</sup> EBIT represents net (loss) for the period before income tax expenses or benefit and finance costs.

## Section 2: Results For The Period

### For the half-year ended 30 June 2024

#### 2.1 Segment Reporting (continued)

US\$'000	Oil & Gas Production		Other		Total	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<b>Capital expenditure</b>						
Oil and gas assets	-	826	-	-	-	826
Other plant and equipment	125	221	-	68	125	289
	<b>125</b>	<b>1,047</b>	<b>-</b>	<b>68</b>	<b>125</b>	<b>1,115</b>

US\$000	Oil & Gas Production		Other		Total	
	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
<b>Segment assets</b>	<b>61,644</b>	66,065	<b>8,706</b>	4,712	<b>70,350</b>	70,777
<b>Segment liabilities</b>	<b>(20,476)</b>	(15,908)	<b>(1,258)</b>	(1,670)	<b>(21,734)</b>	(17,578)

#### Geographical segments

The Group operates in the United States of America and has a head office in Australia. In presenting information on the basis of geographical segments, segment revenue and segment assets are grouped based on the location of operating activities.

Production from the designated segments is sold on oil commodity markets.

US\$'000	Revenue		Non-current assets	
	Half-year ended 30 June 2024	Half-year ended 30 June 2023	30 June 2024	31 December 2023
United States of America	10,370	10,745	58,993	63,583
Australia	-	-	258	331
	<b>10,370</b>	<b>10,745</b>	<b>59,251</b>	<b>63,914</b>



**Section 2: Results For The Period**  
For the half-year ended 30 June 2024

	<b>30 June 2024 US\$'000</b>	30 June 2023 US\$'000
<b>2.2 Revenue</b>		
Revenue:		
Oil sales	10,632	11,225
Hedge (loss)	(262)	(480)
<b>Total Revenue</b>	<b>10,370</b>	<b>10,745</b>
<b>2.3 Cost of sales</b>		
<i>Cost of production:</i>		
Production costs	(3,899)	(4,017)
Royalties	(2,048)	(2,166)
Production taxes	(520)	(548)
Gain / (loss) on sale of asset	14	11
Inventory movements	(71)	24
	<b>(6,524)</b>	<b>(6,696)</b>
<i>Depreciation, depletion and amortisation expense:</i>		
Oil & gas assets	(2,048)	(4,541)
<b>Total cost of sales</b>	<b>(8,572)</b>	<b>(11,237)</b>
<b>2.4 Other income</b>		
	<b>30 June 2024 US\$'000</b>	30 June 2023 US\$'000
Other income	-	11
	-	11

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## Section 2: Results For The Period For the half-year ended 30 June 2024

### 2.5 Other expenses

	30 June 2024 US\$'000	30 June 2023 US\$'000
Administrative expenses	(2,330)	(2,739)
Exploration Costs	-	(3)
Exploration/Development costs – Expired lease write off <sup>(1)</sup>	(2,611)	(9,362)
Depreciation	(130)	(177)
Share based payments	(363)	(427)
Foreign exchange gain / (loss)	3	(30)
	<u>(5,431)</u>	<u>(12,738)</u>

<sup>(1)</sup> During the reporting period costs associated with leases that have expired and for which further expenditure on renewals is not currently anticipated, were written off. Refer to note 3.1.

### 2.6 Net finance costs

	30 June 2024 US\$'000	30 June 2023 US\$'000
Interest income	122	127
Amortised debt finance transaction costs	(29)	(29)
Debt finance interest costs	(497)	(636)
	<u>(404)</u>	<u>(538)</u>

### 2.7 Earnings per share

	30 June 2024 US Cents	30 June 2023 US Cents
<b>(Loss) per share attributable to members of the Company:</b>		
Basic (loss) per share	(0.32)	(1.09)
Diluted (loss) per share	(0.32)	(1.09)
<b>(Loss) used in the calculation of basic / diluted (loss) per share</b>	<u>US\$'000</u>	<u>US\$'000</u>
Net (loss) after tax	(4,037)	(13,757)
	<u>Shares</u>	<u>Shares</u>
Weighted average number of ordinary shares used as the denominator in calculating basic (loss) per share	1,277,515,866	1,261,196,273
Weighted average number of ordinary shares used as the denominator in calculating diluted (loss) per share	1,277,515,866	1,261,196,273

### 2.8 Dividends

No dividend has been paid or is proposed in respect of the six month period to 30 June 2024 (six months to 30 June 2023: Nil).

## Section 3: Invested Capital

### For the half-year ended 30 June 2024

#### 3.1 Oil and Gas Properties

	Producing Projects US\$'000	Development Projects US\$'000	Total US\$'000
<b>2024</b>			
Balance at 1 January 2024	37,946	20,753	58,699
Additions	-	-	-
Disposals – Expired lease write-off <sup>1)</sup>	-	(2,611)	(2,611)
Depletion / Depreciation	(1,427)	-	(1,427)
<b>Balance at 30 June 2024</b>	<b>36,519</b>	<b>18,142</b>	<b>54,661</b>
<b>2023</b>			
Balance at 1 January 2023	40,674	16,342	57,016
Additions	97	574	671
Disposals	(104)	-	(104)
Transfer from exploration & evaluation	-	3,837	3,837
Increase in restoration provision	199	-	199
Depletion / Depreciation	(2,920)	-	(2,920)
<b>Balance at 31 December 2023</b>	<b>37,946</b>	<b>20,753</b>	<b>58,699</b>

<sup>1)</sup> During the reporting period costs associated with leases that have expired and for which further expenditure on renewals is not currently anticipated, were written off to the profit and loss.

#### 3.2 Property, plant and equipment (other than oil and gas properties)

	Office equipment US\$'000	Production Equipment US\$'000	Motor Vehicles US\$'000	Right of Use Asset US\$'000	Total US\$'000
<b>2024</b>					
Opening net book amount	70	4,483	228	225	5,006
Additions	-	125	-	-	125
Disposals	-	-	-	-	-
Depreciation charge	(29)	(621)	(21)	(80)	(751)
<b>Balance at 30 June 2024</b>	<b>41</b>	<b>3,987</b>	<b>207</b>	<b>145</b>	<b>4,380</b>
<b>2023</b>					
Opening net book amount	145	6,962	281	342	7,730
Additions	38	254	-	44	336
Disposals	(8)	-	-	-	(8)
Depreciation charge	(105)	(2,733)	(53)	(161)	(3,052)
<b>Balance at 31 December 2023</b>	<b>70</b>	<b>4,483</b>	<b>228</b>	<b>225</b>	<b>5,006</b>

## Section 4: Capital and Debt Structure

### For the half-year ended 30 June 2024

#### 4.1 Contributed equity

	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Share capital	Securities	Securities	US\$'000	US\$'000
Ordinary shares	1,285,970,121	1,276,865,539	183,453	183,702
Treasury shares	-	(10,718,047)	-	(248)
<b>Total contributed equity</b>	<b>1,285,970,121</b>	<b>1,266,147,492</b>	<b>183,453</b>	<b>183,454</b>

#### Movements in contributed equity:

	Date	Number of Securities	Issue Price A\$	US\$'000
<b>Balance at 1 January 2023</b>		<b>1,261,196,273</b>		<b>183,779</b>
Issue to Employee Share Trust	13-Sep-23	2,000,000	0.0258	33
Issue to Non-Executive Directors (exercise of Fee Rights)	13-Sep-23	3,669,266	-	-
Issue to Employee Share Trust	20-Dec-23	10,000,000	0.0138	92
Treasury share release <sup>(1)</sup>			Various	(202)
<b>Balance at 31 December 2023</b>		<b>1,276,865,539</b>		<b>183,702</b>
Issue to Employees (excluding Executive Directors (settlement of 2023 STI)		9,104,582	-	-
Treasury Share Release <sup>(1)</sup>		-	Various	(248)
Issue costs		-		(1)
<b>Balance at 30 June 2024</b>		<b>1,285,970,121</b>		<b>183,453</b>

- During the reporting periods, employees of the Company exercised their vested performance rights resulting in the release of the treasury shares to the employees.

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon poll every holder is entitled to one vote per share held.

## Section 4: Capital and Debt Structure

### For the half-year ended 30 June 2024

#### 4.1 Contributed equity (continued)

##### Treasury shares

Treasury shares are shares in Australis Oil & Gas Limited that are held by the Australis Oil & Gas Limited Employee Share Trust for the purpose of issuing shares under the Australis Oil & Gas Limited Employee Executive Incentive Plan.

	Date	Number of Treasury Shares	Purchase Price A\$	Cost US\$'000
<b>Balance at 1 January 2023</b>		<b>7,049,102</b>		<b>325</b>
Performance rights exercised		(8,331,055)	Various	(202)
Australis Oil & Gas Employee Share Trust acquisition	13-Sep-23	2,000,000	0.0258	33
Australis Oil & Gas Employee Share Trust subscription	20-Dec-23	10,000,000	0.0138	92
<b>Balance at 31 December 2023</b>		<b>10,718,047</b>		<b>248</b>
Performance rights exercised		(10,718,047)		(248)
<b>Balance at 30 June 2024</b>		-		-

#### 4.2 Share-based payment reserve

	30 June 2024 US\$'000	31 December 2023 US\$'000
Balance at beginning of period	14,148	13,107
Share based payment expense arising during the period	498	1,041
<b>Balance at end of period</b>	<b>14,646</b>	<b>14,148</b>

#### Performance & Fee Rights

#### Number of Securities

<b>Balance at 1 January 2023</b>	<b>84,118,770</b>
Granted	63,731,277
Exercised	(14,830,958)
Forfeited	(10,209,446)
Lapsed	(1,641,552)
<b>Balance at 31 December 2023</b>	<b>121,168,091</b>
Granted <sup>(1)</sup>	58,230,259
Lapsed <sup>(2)</sup>	(13,428,047)
Exercised <sup>(3)</sup>	(14,509,478)
<b>Balance at 30 June 2024</b>	<b>151,460,825</b>

## Section 4: Capital and Debt Structure

For the half-year ended 30 June 2024

### 4.2 Share-based payment reserve (continued)

<sup>(1)</sup> During the half year ended 30 June 2024 Australis issued 52,249,695 performance rights (2023: 58,607,113) to certain employees and executive directors of the Company under the Australis Oil & Gas Limited Employee Equity Incentive Plan. In addition, 5,980,564 fee rights (2023: 5,124,164) were issued to non-executive directors in lieu of forgoing cash fees. The grant of performance and fee rights to directors were approved by Shareholders in general meeting on 14 May 2024.

<sup>(2)</sup> During the half year ended 30 June 2024 13,428,047 unvested performance rights lapsed due to non-achievement of vesting conditions.

<sup>(3)</sup> During the half year ended 30 June 2024 10,718,047 vested performance rights were exercised by employees and 3,791,431 vested performance rights were forfeited by North American based employees to satisfy their personal tax liabilities arising on vesting of performance rights.

The performance and fee rights granted during the half year ended 30 June 2024 have the following terms and conditions:

Type of grant	Grant date	Tranche	Number	Vesting date	Expiry date	Exercise Price	Value per right at grant date	Vesting condition
Performance Rights 2024 LTI Plan Award <sup>(1)</sup>	14 May 2024	1	7,464,239	31-Jan 25	31-Jan-27	Nil	A\$0.014 A\$0.0093	Service Absolute TSR*
		2	14,928,488	31-Jan 26	31-Jan-28	Nil	A\$0.014 A\$0.0090	Service Absolute TSR*
		3	29,856,968	31-Jan 27	31-Jan-29	Nil	A\$0.014 A\$0.0075	Service Absolute TSR*
2024 Fee Rights – A	14 May 2024	1	5,980,564	31-Jan 25	31-Jan-27	Nil	A\$0.014	Service

<sup>(1)</sup> A continued service condition also applies in addition to the applicable TSR vesting condition.

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## Section 4: Capital and Debt Structure

### For the half-year ended 30 June 2024

#### 4.3 Borrowings

	<b>30 June 2024 US\$'000</b>	<b>31 December 2023 US\$'000</b>
<b>Interest bearing loans and borrowings</b>		
Borrowings <sup>(1)</sup> Current	<b>4,989</b>	4,000
Borrowings <sup>(2)</sup> Non Current	<b>6,308</b>	3,925
<b>Balance at 30 June 2024</b>	<b>11,297</b>	<b>7,925</b>

- (1) Current borrowings are made up of \$1.5m in relation to the Macquarie Facility A and \$3.4 million in relation to the Macquarie Bank Facility C loan. The quarterly amortisation payments for the Facility A loan were suspended at draw down of Facility C until 30 September 2024 and will recommence at the reduced rate of US\$0.5 million per quarter (a reduction from US\$1.0 million). The repayment of the Facility C loan occurs in monthly instalments equalling the monthly hedged settlement values.
- (2) Non current borrowings relate to the Macquarie Bank Facility A and C loans. The Macquarie non current borrowings are net of capitalised transaction costs.

Australis TMS Inc obligations under the Facility are guaranteed by pledged security from the parent entity, Australis and Australis USA 1 Pty Limited a wholly owned subsidiary of Australis (Obligors). At 30 June 2024 the following remained pledged as security:

Grantor	Issuer	Percentage owned	Percentage pledged	Class of stock
Australis Oil & Gas Ltd	Australis USA 1 Pty Ltd	100%	100%	Ordinary shares
Australis USA 1 Pty Ltd	Australis TMS Inc	100%	100%	Common Stock

The security package includes mortgages on leases held by Australis TMS Inc. within existing PDP units and leases within units of the Initial Drilling Plan locations.

Under the Facility there are industry standard financial covenants which include minimum liquidity, current asset and liability ratio, PDP reserves ratio and oil price hedging covenant requiring a minimum volume of projected oil production hedged for the remaining term of the Facility.

Upon drawdown of the Facility C, as a condition precedent, Australis entered into monthly WTI oil swap hedging contracts covering 100,000 barrels securing the repayment of the full amount of the Facility C loan and associated interest in monthly instalments equalling the monthly hedge settlement values.

Australis is in compliance with all required covenants.

## Section 5: Other Assets and Liabilities

### For the half-year ended 30 June 2024

#### 5.1 Provisions – Non-Current

	<b>30 June 2024 US\$'000</b>	31 December 2023 US\$'000
Long Service Leave	166	154
Restoration Provision	<b>2,580</b>	2,580
	<b>2,746</b>	2,734
<b>Reconciliation of movement in provision</b>		
Balance at the beginning of the financial period	<b>2,734</b>	2,442
Arising during the year – Long Service Leave	<b>12</b>	22
Arising during the year – Restoration	-	270
<b>Balance at 30 June 2024</b>	<b>2,746</b>	2,734

#### 5.2 Fair Value of Financial Instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated interim financial statements approximate their fair values.

#### 5.3 Derivative Financial Instruments

	<b>30 June 2024 US\$'000</b>	31 December 2023 US\$'000
Current	<b>(789)</b>	(132)
Non-current	<b>(502)</b>	(116)
	<b>(1,291)</b>	(248)

The derivative financial instruments represent oil price (WTI) hedge contracts, comprising collars and swaps, held by the Group at 30 June 2024.

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## Section 6: Other Notes

### For the half-year ended 30 June 2024

#### 6.1 Related party disclosures

##### Transactions with key management personnel

The following ordinary fully paid shares (Shares) have been issued to key management personnel during the half year ended 30 June 2024. The Shares were issued for nil consideration as part settlement of their 2023 achieved short term incentive. The terms and conditions associated with the grant of STI Shares are set out in the 2023 Annual Report (Remuneration Report).

	Grant date	Number
Darren Wasylucha – Chief Corporate Officer	17 June 2024	721,576
David Greene – Vice President Operations	17 June 2024	1,276,511

The following performance rights (Rights) have been issued to key management personnel during the half year ended 30 June 2024. The Rights were issued under the Company’s employee equity incentive plan. The Rights granted to executive directors were approved by Shareholders at the Annual General Meeting of the Company held on 14 May 2024. The terms and conditions associated with the plan are detailed in the AGM Notice.

	Grant date	Vesting period	Number	Exercise price	Total fair value A\$ <sup>(1)</sup>	Expiry	Vesting condition	Expense recognised at 30 June 2024 US\$
Ian Lusted – Executive Director	14 May 2024	31-Jan 25	709,032	Nil	\$6,594	31-Jan-27	Absolute TSR	\$478
	14 May 2024	31-Jan 26	1,418,065	Nil	\$12,763	31-Jan-28	Absolute TSR	\$370
	14 May 2024	31-Jan 27	2,836,129	Nil	\$21,271	31-Jan-29	Absolute TSR	\$385
Graham Dowland – Executive Director	14 May 2024	31-Jan 25	669,877	Nil	\$7,017	31-Jan-27	Service Absolute TSR	\$508
	14 May 2024	31-Jan 26	1,339,755	Nil	\$13,732	31-Jan-28	Service Absolute TSR	\$398
	14 May 2024	31-Jan 27	2,679,510	Nil	\$24,451	31-Jan-29	Service Absolute TSR	\$443
Darren Wasylucha – Chief Corporate Officer	14 May 2024	31-Jan 25	629,113	Nil	\$7,033	31-Jan-27	Service Absolute TSR	\$510
	14 May 2024	31-Jan 26	1,258,225	Nil	\$13,840	31-Jan-28	Service Absolute TSR	\$401
	14 May 2024	31-Jan 27	2,516,450	Nil	\$25,416	31-Jan-29	Service Absolute TSR	\$460
David Greene – Vice President Operations	14 May 2024	31-Jan 25	597,486	Nil	\$6,961	31-Jan-27	Service Absolute TSR	\$504
	14 May 2024	31-Jan 26	1,194,973	Nil	\$13,742	31-Jan-28	Service Absolute TSR	\$398
	14 May 2024	31-Jan 27	2,389,946	Nil	\$25,692	31-Jan-29	Service Absolute TSR	\$465

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## Section 6: Other Notes

### For the half-year ended 30 June 2024

#### 6.1 Related party disclosures (continued)

##### Transactions with key management personnel (continued)

The following Fee Rights granted to non-executive directors were not issued under the Company's incentive plan. The Rights were approved by Shareholders at the Annual General Meeting of the Company held on 14 May 2024. The terms and conditions associated with the issue of the Rights are detailed in the AGM Notice. The Rights were issued in lieu of cash fees.

	Grant date	Vesting period	Number	Exercise price	Total fair value A\$ <sup>(1)</sup>	Expiry	Vesting condition	Expense recognised at 30 June 2024 US\$
Jonathon Stewart – Non-executive Chairman	14 May 2024	31-Jan 25	3,322,544	Nil	46,516	31-Jan-27	Service	7,687
Alan Watson – Non-executive Director	14 May 2024	31-Jan 25	1,329,010	Nil	18,606	31-Jan-27	Service	3,075
Steve Scudamore – Non-executive Director	14 May 2024	31-Jan 25	1,329,010	Nil	18,606	31-Jan-27	Service	3,075

(1) Fair value of the performance rights is in Australian Dollars.

#### 6.2 Commitments

There have been no material changes to the commitments reported at 31 December 2023.

#### 6.3 Contingencies

As at 30 June 2024 the Group had no contingent liabilities (31 December 2023: nil).

#### 6.4 Events after the reporting date

Since 30 June 2024 there has been no event that would materially affect the operations of the Group, the results of the Group or the state of affairs of the Group not otherwise disclosed in the Group's financial statements.

#### 6.5 Rounding of amounts

The Company satisfies the requirements of Corporations Instrument 2016/191 issued by the Australian Investments and Securities Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with that Class Order.

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