

**For Immediate Release**  
**ASX Announcement**

26 February 2026

**2025 Annual Report and Audited Financial Statements**

Australis Oil & Gas (“Australis” or “Company”) is pleased to provide its 2025 Annual Report including the audited consolidated financial statements for the year ended 31 December 2025.

During 2025 the Company continued to safeguard the TMS asset with minimal capital spend whilst meeting all interest, amortisation payments and covenants associated with the Macquarie Credit Facility. Australis announced on 26 November 2025 that it had achieved a key strategic goal to introduce a development partner with financial capacity to deploy significant development capital in the TMS whilst utilising the inherent value in the Company’s undeveloped TMS acreage to fund the Australis share of a development program for which a non-refundable \$1 million Partner Fee was received. The development partner has the right to deploy up to US\$46.25 million of development capital for new wells in the TMS, carrying Australis for a 20% working interest, to earn an 80% working interest in Australis’s undeveloped TMS Core acreage (Development Transaction).

In addition, Australis closed on a second transaction on 30 December 2025 to sell 90% of its working interests in existing TMS producing wellbores for US\$16.9 million before customary closing adjustments (Financing Transaction) to maximise funding flexibility to participate in appraisal and development drilling after the carry program and manage land acquisition programs whilst minimising the need to dilute existing shareholders. Please refer to ASX announcements on 26 November 2025 and 31 December 2025 for further details.

The successful completion of the Development and Financing Transactions strengthens the Company’s balance sheet and enabled the repayment in full of the Macquarie Credit Facility at year end.

The Company’s net loss after tax for the year of US\$24.9 million was predominately due to non-cash charges associated with the impairment expense relating to Oil and Gas Properties. The impairment charge of US\$20.7 million related to both producing assets (on the sale of 90% of Australis working interest in TMS assets) and undeveloped assets (the discounted value of the carry amount required to be spent by the Development Partner to complete its acquisition via farm-in of an 80% WI of the Australis held TMS undeveloped acreage).

A summary of financial and operating results for the year are as follows:

**Financial Results 2025 - (US\$)**

Gross revenue from oil sales (before royalties& hedges)	\$13.9 million
Gain from hedging	\$0.1 million
Average achieved sales price (including hedges)	\$68/bbl
Field Netback*	\$4.0 million
Field Netback (Working Interest)*	\$19.40/bbl
Adjusted EBITDA*	\$0.6 million
Net loss after taxation	\$(24.9) million
Year end cash position	\$14.2 million

**AUSTRALIS OIL & GAS LIMITED**

ABN 34 609 262 937

Level 2, 215 Hay Street Subiaco WA 6008 • PO Box 8225 Subiaco East WA 6008

T +61 (8) 9220 8700 • F +61 (8) 9220 8799

[www.australisoil.com](http://www.australisoil.com)

For personal use only

### **Operating Results 2025**

Oil sales (Working Interest)	208,000 bbls
Net oil sales (after royalties)	168,000 bbls
TMS year end independent PDP reserves (Net) <sup>1</sup>	0.13 MMbbls**
Year end independent mid case(2C) contingent resources <sup>1</sup>	62 MMbbls
Total Acreage leased within the TMS Core	47,200 net acres
Acreage leased and HBP within the TMS Core	39,900 net acres

\*Field Netback and Adjusted EBITDA are considered non-IFRS measures. Please refer to Non-IFRS Financial Measures below.

\*\* reflects the sale of 90% working interest in the producing wellbores to EQV.

The 2025 Annual Report and Appendix 4E is attached.

Australis Oil & Gas Limited advises that in accordance with Clause 6.1 of the Australis constitution and ASX Listing Rule 3.13.1:

- a) The 2026 Annual General Meeting (AGM) will be held at 10.30am (WST) on Tuesday 5 May 2026, and
- b) the closing date for the receipt of nominations from persons wishing to be considered for election as a director is 11 March 2026. Any nominations must be received in writing no later than 5.00 pm (AWST) on 11 March 2026 at the Company's registered office.

Shareholders of the Company (Shareholders) will be advised of further details regarding the AGM in a separate Notice of Meeting, which will be provided to Shareholders in April 2026. The Notice of Meeting will also be available on the ASX Company Announcements Platform and on the Company's website at [www.australisoil.com](http://www.australisoil.com).

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

For further information, please contact:

Ian Lusted Managing Director Australis Oil & Gas Limited +61 8 9220 8700	Graham Dowland Finance Director Australis Oil & Gas Limited +61 8 9220 8700
---	--

### **About Australis**

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

The Company's acreage within the core of the oil producing TMS contains 0.17 MMbbls of recoverable producing reserves (2P - mid case) and approximately 62 MMbbls of mid case 2C recoverable oil<sup>(1)</sup>.

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

### **Footnotes**

1. All estimates and risk factors taken from Ryder Scott, report prepared as at 31 December 2025 and generated for the Australis concessions to SPE standards. See ASX announcement released on 30 January 2026 titled "Quarterly Activities and Annual Reserves Report". The analysis was based on a land holding of 47,200 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 discreetly and separately.

For personal use only

### 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.

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

The following table reconciles net profit after tax to Adjusted EBITDA:

	<b>31 December 2025</b>
	<b>US\$'000</b>
<b>Net loss after tax</b>	<b>(24,949)</b>
Adjustments:	
Net finance expenses	739
<b>EBIT</b>	<b>(24,210)</b>
Depletion & Depreciation	4,171
Impairment expense	20,681
<b>Adjusted EBITDA</b>	<b>642</b>

### 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.

### GLOSSARY

Term	Definition
TMS	Tuscaloosa Marine Shale
bbl(s)	Barrel(s) of oil
MM	Millions
PDP	Proved Producing Reserves
2C	Most Likely Contingent Resource
TMS Core	The Australis designated productive core area of the TMS delineated by production history
HBP	Leased minerals deemed held by production by an existing producing well.

26 February 2026

**APPENDIX 4E**

**FINANCIAL YEAR ENDED 31 DECEMBER 2025**

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

ABN or equivalent company reference

34 609 262 937

This information should be read in conjunction with the Australis Oil & Gas Limited 2025 Annual Report (which contains the 2025 audited Financial Report and other information required for Appendix 4E)

**Results for Announcement to the Market**

Revenue from ordinary activities	Decreased by 28% <sup>(1)</sup> from US\$19.4 million in 2024 to US\$14.1 million in 2025.	
Loss from ordinary activities after tax attributable to members	Increased by 202% <sup>(1)</sup> from a loss of US\$8.3 million for 2024 to a loss of US\$24.9 million for 2025.	
Net loss for the period attributable to members	Increased by 202% <sup>(1)</sup> from a loss of US\$8.3 million for 2024 to a loss of US\$24.9 million for 2025.	
An explanation of the results is contained within the 2025 Annual Report which can be found on the ASX website or the Australis website at <a href="http://www.australisoil.com">www.australisoil.com</a>		
(1) Comparisons are made to the financial year ended 31 December 2024		
<b>Dividends</b>		
No dividends have been paid or proposed for the year ended 31 December 2025 (2024: nil)		
<b>Net Tangible Asset per Security</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
	US\$0.02	US\$0.04
This report is based on audited accounts		

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

For further information, please contact either:

Graham Dowland  
 Finance Director  
 Australis Oil & Gas Limited  
 +61 8 9220 8700

Julie Foster  
 Company Secretary  
 Australis Oil & Gas Limited  
 +61 8 9220 8700

**AUSTRALIS OIL & GAS LIMITED**

ABN 34 609 262 937

Level 2, 215 Hay Street Subiaco WA 6008 • PO Box 8225 Subiaco East WA 6008

T +61 (8) 9220 8700 • F +61 (8) 9220 8799

[www.australisoil.com](http://www.australisoil.com)

For personal use only

For personal use only



# 2025

ANNUAL REPORT

---

Australis Oil & Gas Limited  
ABN 34 609 262 937

For personal use only



---

# CONTENTS

<b>Chairman's Letter</b>	<b>02</b>
<b>Business Strategy, TMS Asset and 2025 Operations</b>	<b>04</b>
<b>Financial and Corporate Review</b>	<b>13</b>
<b>Glossary</b>	<b>23</b>
<b>Sustainability Report</b>	<b>26</b>
<b>Directors' Report</b>	<b>36</b>
<b>Remuneration Report</b>	<b>44</b>
<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	<b>62</b>
<b>Consolidated Statement of Financial Position</b>	<b>63</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>64</b>
<b>Consolidated Statement of Cash Flows</b>	<b>65</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>66</b>
<b>Consolidated Entity Disclosure Statement</b>	<b>105</b>
<b>Directors' Declaration</b>	<b>106</b>
<b>Auditor's Independence Declaration</b>	<b>107</b>
<b>Independent Audit Report</b>	<b>108</b>
<b>ASX Additional Information</b>	<b>112</b>
<b>Corporate Directory</b>	<b>114</b>

For personal use only

# Chairman's Letter

For personal use only



Dear Shareholders,

I am pleased to reflect on the exciting recent developments at Australis Oil and Gas Ltd ("Australis"). It is the view of your Board that we have taken significant steps to strengthen our Company's future and ultimately deliver value to you as shareholders.

During November 2025, and following significant corporate interaction in the US, we entered into two strategic transactions that directly address our long-standing business objectives and position Australis for growth and stability. It was important to us that we achieve this objective without materially diluting shareholders equity in the Company, rather through the use of our valuable asset base. These transactions are discussed at length in this Annual Report but may be summarised as follows.

- **Development Partnership:** We have partnered with a reputable, US-listed independent oil and gas company to advance the development of our TMS acreage. This partner has the right to deploy up to US\$46 million in development capital, including funding Australis for a 20% working interest in new wells, to earn an 80% interest in approximately 46,100 net acres.

Additionally, Australis has established an Area of Mutual Interest with the development partner, within which any leases taken are offered to the other party on the same 80/20% basis. This arrangement allows us to participate in future growth while minimising reliance on shareholder equity or debt during the early phases of development.

- **Financing Transaction:** We agreed to sell 90% of our working interests in existing TMS producing wellbores for US\$16.9 million before customary closing adjustments to an affiliate of the EQV Group. This transaction enabled us to repay all outstanding Macquarie Facility debt and establish a strong cash reserve, while retaining rights to develop our valuable acreage.

## CHAIRMAN'S LETTER

For personal use only

These transactions deliver several important outcomes:

- We have secured a financially strong and experienced development partner, aligned with our vision to unlock the value of our large undeveloped TMS asset.
- The monetisation of producing assets allowed us to repay all the Facility debt and provides a cash balance of approximately US\$14 million at the start of 2026, in addition to future revenues from retained interests and our carried interest in new development wells.
- Importantly, we retain all key rights and upside in our significant undeveloped acreage, ensuring continued exposure to future value creation.

Our financial position is now sound. With debt repaid, a healthy cash reserve and a carry on what we believe will be value demonstrating drilling operations, Australis is well placed to deliver on our strategic objectives. We will closely monitor opportunities to strategically add to our position in accordance with the terms of our new arrangements.

The transactions involved a significant amount of work from our management team and I would like to thank them and also recognise their continued dedication.

Looking ahead, we are excited to work alongside our new partners to advance the TMS play and create lasting value for all shareholders. We remain committed to transparent communication and prudent management as we enter this promising new chapter for Australis.

Thank you for your ongoing support and confidence in our Company.

Yours sincerely,



**Jonathan Stewart**  
Chairman

# BUSINESS STRATEGY, TMS ASSET AND 2025 OPERATIONS



For personal use only

## AUSTRALIS BUSINESS STRATEGY & HISTORY

Australis secured an initial position in the Tuscaloosa Marine Shale (“TMS”) in 2015 as a private company and listed in 2016 to secure the funds to increase the position. In 2017, Australis raised additional funds to acquire a key operated position on the core of the TMS. The Company was seeking an unconventional opportunity that met the following criteria

- oil weighted production
- demonstrable reservoir quality and production deliverability
- a low entry cost and the potential for material scale
- existing or easily accessed infrastructure and proximity to sales markets

At the time of these acquisitions, the play had been delineated by some 85 wells, mostly drilled in 2013 and 2014, which had clearly highlighted an area (“TMS Core”) of more consistent performance that was on par with some of the more established plays that had thousands of wells drilled to optimise design and operating parameters.

Australis sought to build a strategic asset of size that would be desirable for a US independent public company seeking new high quality development inventory, as there were a limited number of oil weighted unconventional plays onshore in the US and those already in development were showing early signs of maturity.

In 2014, compared to the other established plays at this point in the evolution of the unconventional industry, the TMS was relatively deep with higher pressure and temperature, which led to early-stage drilling challenges and being largely passed over by the industry. This allowed Australis to undertake an active leasing program and further acquisitions with limited competition to build up a substantial position within the delineated TMS Core during 2016 – 2018. Today, the depth, temperature and pressure of the TMS would be considered routine with technical boundaries having been significantly expanded.

---

# BUSINESS STRATEGY, TMS ASSET AND 2025 OPERATIONS

In 2018 Australis commenced a six-well drilling program with the primary purpose of demonstrating reservoir deliverability, which we believe it achieved. While there were some operational issues on a couple of the wells, post-drilling analysis clearly showed that the problems occurred when operating parameters moved outside modelled boundaries and results were corroborative with that model.

Following completion of that work program in late 2019, the COVID pandemic led to a period of uncertainty and low oil prices that dampened industry appetite for any new play. At the same time, forced by frustrated shareholders, there was a broad transition by oil & gas public companies from a growth orientated business model to one focused on returns and profitability. This led to a long period of time where, despite gaining traction with potential partners on technical basis of the TMS opportunity, we were unable to secure appropriate commitments to fund renewed activity in the play as the new industry business model limited appetite for emerging early stage opportunities.

Australis has long believed that the industry's newfound philosophy of maximising returns by minimising costs and focusing only on existing established plays was not sustainable. Whilst significant, the resources associated with unconventional plays and number of potential future drilling locations are ultimately finite. This reality combined with the industry-wide process of "high grading" – drilling the locations in the most productive areas of the play first - leads to a dwindling inventory of quality new well locations and of reducing productivity. This has made acquiring any remaining high quality productive drilling locations increasingly competitive and expensive, which we believe will ultimately drive companies to consider alternative, earlier-stage plays such as the TMS. Australis believes there have been indications of these market forces at work over the last 12 – 24 months, reflected by an increase of new inbound enquiries to Australis and the return of companies who had previously evaluated the TMS to update their assessment of the opportunity and ultimately led to the TMS transactions which occurred in late 2025.

## TMS TRANSACTIONS

On 26 November 2025 Australis announced two separate but inter-related transactions that collectively delivered on many of the key strategic goals the Company has been pursuing for some time. In combination the two transactions achieved the following:

- secured a reputable and experienced US listed independent oil and gas company with financial capacity to deploy significant development capital in the TMS play;
- successfully leveraged the inherent value in the Company's undeveloped TMS acreage position by way of a 'free carry program' to fund the Australis's share of an early development program, rather than rely on shareholder equity or debt; and
- strengthened the Company's balance sheet, enabling repayment in full of all the Macquarie Facility debt whilst maintaining a materially increased cash reserve.

The first transaction ("**Development Transaction**") was with an established onshore production, development and exploration company with a multi-billion dollar enterprise value and active operations in multiple US unconventional basins ("**Development Partner**"). A summary of the key transaction points is provided below and please refer to the announcement on 26 November 2025 for further details.

- The Development Partner has the right to earn an 80% interest in approximately 46,100 net undeveloped acres by carrying Australis for a 20% working interest on a US\$46.25 million drilling and completion program ("**Carry Program**"). The Australis working interests in the existing producing TMS wells, both operated and non-operated, were excluded from this transaction.
- The Development Partner and Australis have established an Area of Mutual Interest ("**AMI**") within the TMS Core and Australis has the right to participate at a 20% working interest in any leases that are taken within that AMI.
- The Development Partner paid an initial non-refundable fee of US\$1 million ("**Partner Fee**") and has committed to an initial land program to acquire rights to additional drilling acreage within the AMI of \$US1 million ("**ILP**") to be completed by 30 October 2026, with Australis again being carried for a 20% working

For personal use only

---

# BUSINESS STRATEGY, TMS ASSET AND 2025 OPERATIONS

interest.

- The Development Partner will pay for the first well of the Carry Program (carrying Australis for its 20% working interest) to be drilled and completed by 30 October 2026 or has the right to pay a further US\$1 million non-refundable fee and extend this deadline and the ILP by 12 months.
- Following completion of the first well of the Carry Program the Development Partner has six months to elect to proceed with the remainder of the Carry Program and drill at least one well per 12-month period and complete the Carry Program within three years.
- If the Development Partner fails to meet any of these deadlines or obligations it will forfeit its right to earn the 80% working interest in the Australis undeveloped acreage and Australis will:
  - be entitled to all the interests acquired under the ILP; and
  - retain its carried interests drilled in any carry wells.

The second transaction (“**Financing Transaction**”), was executed with an affiliate of the EQV Group (“**EQV**”), and dealt solely with the Australis working interests in producing TMS wells. All the associated undeveloped acreage was excluded from the transaction and retained by Australis. The Financing Transaction closed on 30 December 2025. A summary of the key transaction points is provided below and please refer to the announcement on 26 November 2025 for further details.

- Australis sold 90% of its working interest in its operated and non-operated producing well inventory to EQV for US\$16.9 million before customary closing adjustments.
- Australis retained 10% of its working interest in all wells and the associated non operator rights.
- Australis relinquished operatorship of all wells to EQV and will be providing transition services for a period of 60 – 90 days following the close of the Financing Transaction.

## OPERATIONS IN 2025

### SAFETY AND ENVIRONMENTAL PERFORMANCE

The Australis team places the utmost importance on our safety and environmental culture. As operator it underpins every activity that takes place during field operations and is an integral part of planning and execution. When there is an incident or a near miss, it is thoroughly investigated and those involved take an active role in identifying opportunities for improvement and mitigation.

In 2025, there was one OSHA reportable safety incident, five non-reportable spills and one reportable spill.

The 6 spills amounted to a total of 2.4 bbls of oil and 1.4 bbls of produced water. They were all contained within the pad boundaries and cleaned up immediately following the incident.

For personal use only

# BUSINESS STRATEGY, TMS ASSET AND 2025 OPERATIONS



## PRODUCTION OPERATIONS

During 2025 Production Operations were affected by the following events:

- In January freezing temperatures required operations in the field to be suspended for two days.
- Storms during the first quarter also led to multiple power losses, which temporarily led to wells being shut in. The storms also saw lightning strikes causing damage to the well electrical control units of two wells that required repair, despite the protection installed.
- As older wells have declined, Australis moved some wells onto a periodic production program which allows reservoir pressure to build and avoids artificial lift altogether or requires it for a shorter period of time. At times this has reduced production volumes over the year, but is still deemed appropriate as the lower operating costs generated improved well economics.
- The workovers in 2025 were carried out as part of two short campaigns during early Q2 and early Q4. Prior to the second campaign the decision was made to wait on individual workovers until we came to a conclusion on our transaction negotiations, which may have influenced our decision on certain operations. As a result, wells were left closed in for longer periods before the workovers, but ultimately benefited from being part of a larger four-well campaign.

Overall sales volumes for 2025 are summarised in the table below. Production decline through the year was in line with expectations for natural decline and downtime.

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Total
Sales Volumes WI (bbbls)	56,700	53,700	48,800	48,900	208,100

For personal use only

# BUSINESS STRATEGY, TMS ASSET AND 2025 OPERATIONS



For personal use only

## LEASE OPERATING EXPENSES (LOE)

As operator, Australis has always focused on the efficiency of activities to reduce costs, extend well life and extend the durations between workovers. In doing so we generate the basis for assuming lower production costs when modelling future development of the play and also maximise returns in the short term.

After over seven years of operatorship Australis has demonstrated continuous improvement and 2025 reinforced that trend as we continued to seek further optimisation.

As a result of these efforts the total LOE + WOE on a gross (or 8/8ths) basis has reduced by 15% this year. The bulk of these savings have come from a substantial reduction in workover and variable production costs.

We report production costs in three categories, fixed LOE, variable LOE and WOE. Each component is tracked on a monthly basis and has been presented in the chart below (Figure 3) on a gross (8/8ths) basis.

- Fixed LOE— shown in dark blue in the chart below. As the name suggests these are costs which are applied to the whole field and shared across the wells such as labour costs and repair and maintenance. The average fixed LOE in 2025 was 3% lower than the previous year.
- Variable LOE— shown in green in the chart below. These are mainly third-party costs with the largest components being power and produced water disposal. During 2025 these variable costs reduced by a significant 20%, which built upon more modest savings of 2% last year. This big reduction was partially due to lower production rates but also due to the periodic production of certain wells and the decision not to workover the Ash 13-1 when it developed a hole in tubing. That well has an abnormally high water cut and significant savings were made on water disposal costs which can be visibly seen from September 2025.
- WOE – shown in blue on the chart below. In total workover expenses decreased by 37% compared to 2024, which had already achieved 44% savings compared to the previous year. This continued reduction has been achieved as we continue to explore the optimised degree of savings through the reuse of recovered equipment (tubing in particular) and the longevity of recompleted wells before they require another workover (see run time analysis below).

# BUSINESS STRATEGY, TMS ASSET AND 2025 OPERATIONS



For personal use only

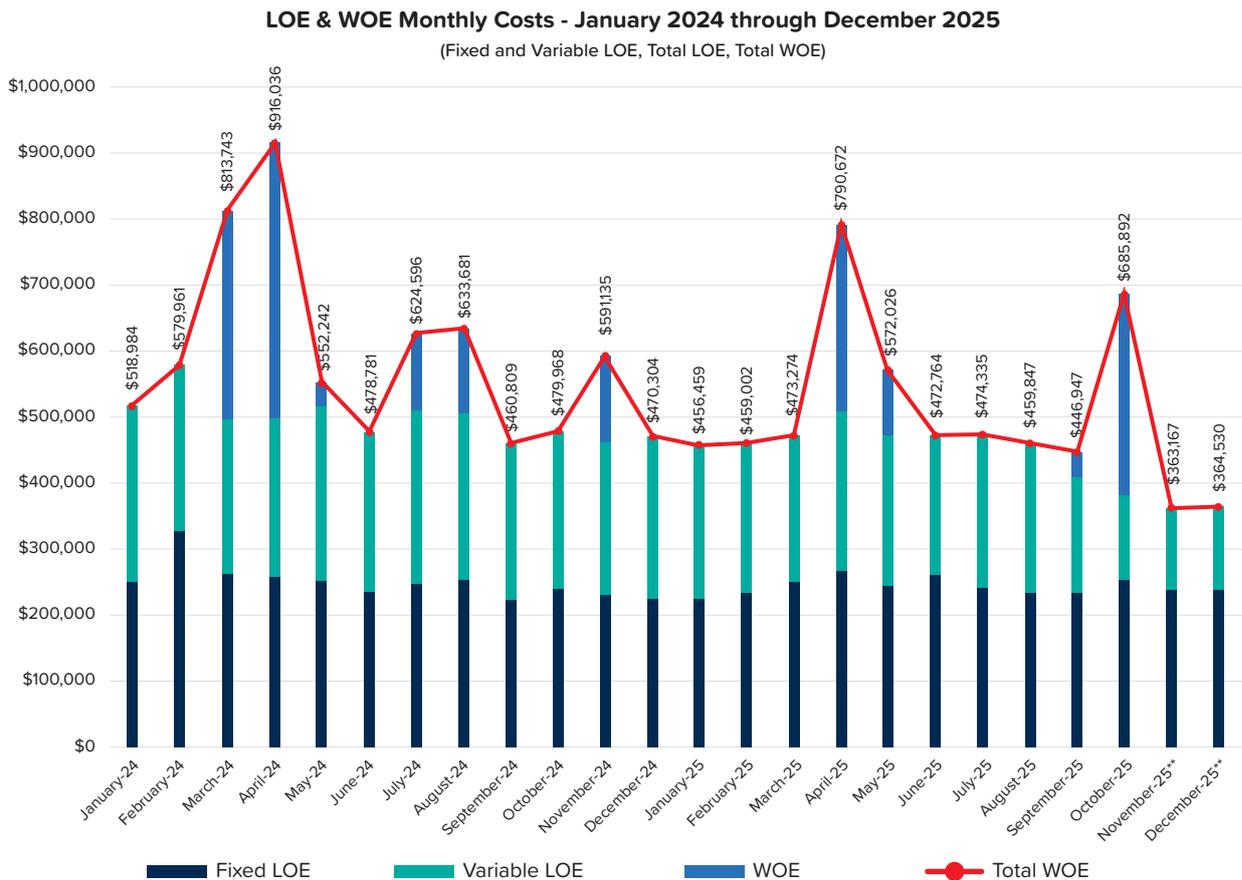


Figure 3: LOE 2024 – 2025 (Gross or 8/8ths) – (\*\* data are accruals)

The production team have continued to focus on reducing well workover frequency as a key driver for both costs and future well economics for reserve purposes. The chart below (in figure 4) shows that the number of workovers was kept at only seven during 2025, which was a small increase on 2024 but clearly demonstrates the trend of decreasing frequency during Australis’s tenure as Operator. Note that there were two further wells which failed during 2025 and were not worked over including the Ash 13-1 (see notes above in LOE section).

# BUSINESS STRATEGY, TMS ASSET AND 2025 OPERATIONS

For personal use only

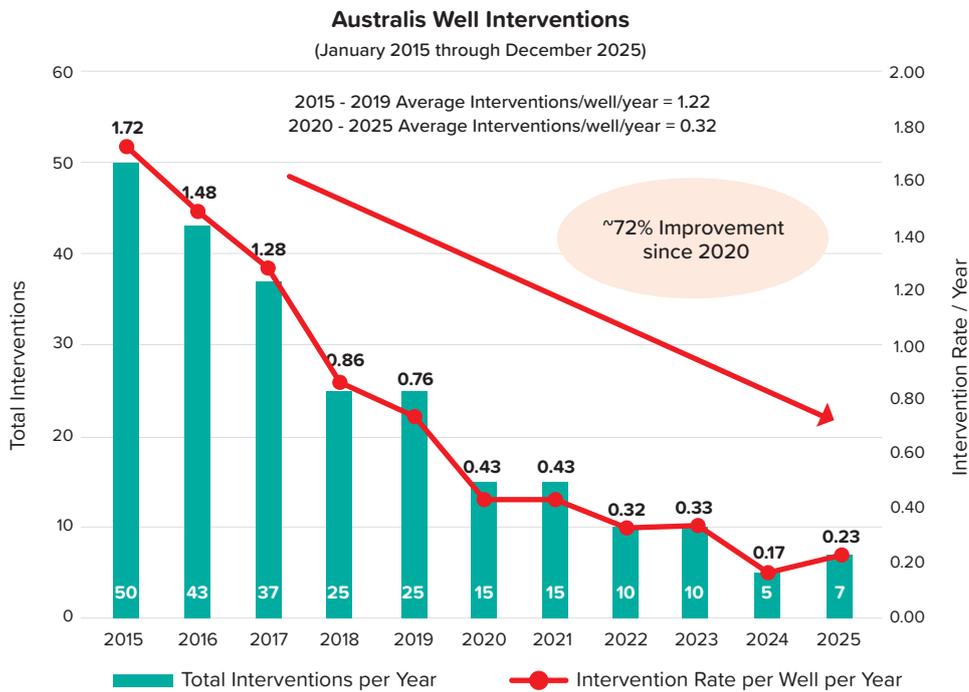


Figure 4: Operated well intervention (workovers) frequency 2015 – 2025 (Australis became operator in 2017)

Another important metric is the average runtime between workovers. Although there were some significant gains made in reducing workover frequency in the period 2017 – 2020 as can be seen in Figure 4, the chart below (Figure 5) shows how the period between workovers has continued to follow a trend since 2020.

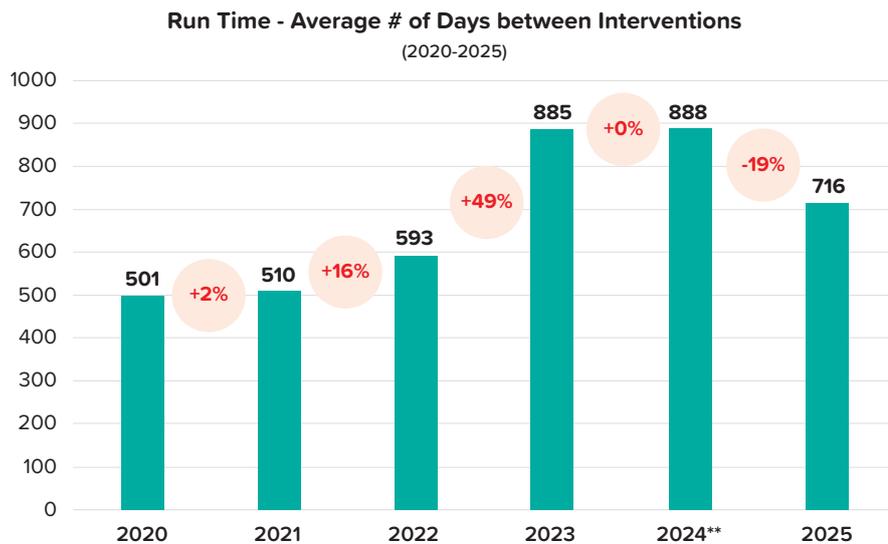


Figure 5: Average run time for wells requiring intervention (\*\* includes a discretionary coiled tubing clean out operation)

# BUSINESS STRATEGY, TMS ASSET AND 2025 OPERATIONS

## TMS EMISSIONS

Australis monitors and reports emissions annually to the state regulatory authorities in the US. Our CO<sub>2</sub>e emission volumes are now below the reporting threshold for the US Federal Environmental Protection Agency, but we continue to set corporate targets then calculate and monitor these figures to measure our performance in this critical area. Australis also continues to run pilot programs that reduce emissions to gather data for use in full field development and more details are provided in the Sustainability Report.

## THIRD PARTY ACTIVITY IN THE PLAY

There has been limited third party activity within the TMS other than several wells changing hands as they reach the end of their economic life. Australis anticipates that the recent announcements will create renewed interest in the play and will monitor closely for indications of leasing and permitting.

## AUSTRALIS TMS LEASE POSITION

**With ~47,200 net acres and 85% of its acreage position in the TMS Core held by production (HBP), Australis retains a material position within the delineated high quality core area.**

During 2025 approximately 3,800 net acres were due to expire. 3,200 net acres were extended with only 600 net acres allowed to expire, leading to the year end position of approximately 47,200 net acres.

Australis negotiated an extension to approximately 1,200 acres in November and then working with our Development Partner extended a further 2,000 acres in December. The extensions were for a year and can be extended further for another year if needed.

Following the execution of the Development Transaction Australis has been working with our Development Partner on leasing strategies and preferred targeted areas. We anticipate that the ILP contemplated in our agreement, where Australis is carried for a 20% interest, will be implemented in a methodical and targeted manner.

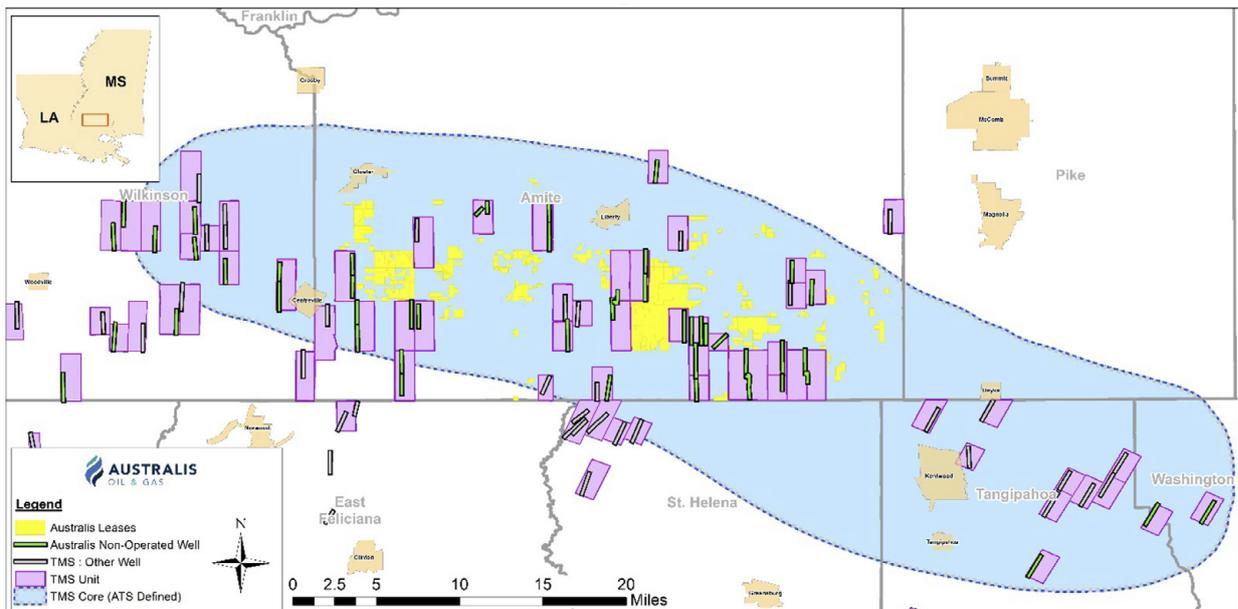


Figure 6: Australis acreage as at 31 December 2025

For personal use only

# BUSINESS STRATEGY, TMS ASSET AND 2025 OPERATIONS

The acreage expiry profile is shown in the pie chart below with the remaining term lease expiring across the 2026 – 2027 + period. Approximately 3,200 acres that are due to expire in 2026 have extension rights for an additional 12 months.

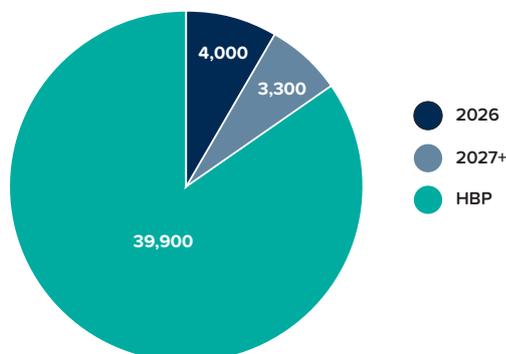


Figure 7: Australis TMS lease expiration year – TMS Core Net Acres as at 31 December 2025

## RESERVES AND CONTINGENT RESOURCES

The year end 2025 reserve and resource estimate was independently prepared by Ryder Scott Company, L.P. in accordance with the Society of Petroleum Engineers – Petroleum Reporting Management System as revised in June 2018.

The effective date of the year end 2025 reserve report (31 December 2025) was after the close of the Financing Transaction and hence reflects only the retained 10% of our original working interest in our producing wells.

Additionally, although the Development Transaction does contemplate a carried drilling program the timing and scale of the drilling activity does not yet constitute a development so Australis elected to continue to assess its undeveloped acreage on the basis of a contingent resource, rather than an undeveloped reserve. When we move to a full development scenario then Australis will request that Ryder Scott assess our undeveloped acreage position at that time as a reserve.

	Net Oil (Mbbbls) <sup>(i)</sup>	% change YE25 vs YE24
Proved Developed	128	-92%
Proved + Probable Developed	165	-92%
Proved + Probable + Possible Developed	214	-92%
1C Contingent Resource	19,709	+2%
2C Contingent Resource	62,156	-1%
3C Contingent Resource	112,498	-1%

<sup>(i)</sup> Contingent Resources and Reserves estimated with an effective date of 31 December 2025 are taken from the Independent Ryder Scott report dated 29 January 2026 and announced on 30 January 2026, titled “Quarterly Activities and Annual Reserves Report”. The report was prepared in accordance with the definitions and disclosure guidelines contained in the Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists, and Society of Petroleum Evaluation Engineers Petroleum Resources Management as revised in June 2018. Ryder Scott generated their independent reserve and contingent resource estimates using a deterministic method. 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.

## GOVERNANCE AND ASSURANCE

On at least an annual basis Australis engages an independent reviewer to verify and determine changes to reserves and resources.

The estimates provided in the above “Reserves and Contingent Resources” in this report pertains to the Tuscaloosa Marine Shale and is based on, and fairly represents, information and supporting documentation, prepared by, or under the supervision of, Eric Nelson, P.E., who is an employee of Ryder Scott Company, L.P. an independent professional petroleum engineering firm. Mr Nelson is a Professional Engineer in the State of Texas (Registration No. 102286). The reserve and resource information pertaining to the Tuscaloosa Marine Shale in this report has been issued with the prior written consent of Mr Nelson in the form and context in which it appears.

# FINANCIAL AND CORPORATE REVIEW



## SUMMARY OF FINANCIAL RESULTS AND POSITION

### OVERVIEW

The Company once again achieved its financial objective in 2025 of continuing to safeguard the TMS asset with minimal capital spend whilst meeting all interest, debt amortisation payments and covenants associated with the Macquarie Credit Facility. Australis announced on 26 November 2025 that it had achieved a key strategic goal to introduce a development partner with financial capacity to deploy significant development capital in the TMS whilst utilising the inherent value in the Company's undeveloped TMS acreage to fund the Australis share of a development program (Development Transaction) for which a US\$1 million non-refundable Partner Fee was received. In addition, Australis closed on a second transaction on 30 December 2025 to sell 90% of its working interests in existing TMS producing wellbores for US\$16.9 million before customary closing adjustments (Financing Transaction) to maximise funding flexibility to participate in appraisal and development drilling after the Carry Program and manage land acquisition programs whilst minimising the need to dilute existing shareholders. Please refer to page 5 for further details on the Development and Financing Transactions.

The successful completion of the Development and Financing Transactions strengthens the Company's balance sheet and enabled the repayment in full of the Credit Facility at year end.

Australis reported a net loss of US\$24.9 million for the year ended 31 December 2025 (2024: loss US\$8.3 million), predominately due to non-cash charges relating to the impairment charges to Oil and Gas Properties of US\$20.7 million. (2024: US\$5.7 million for the write off of expired leases). The impairment charge of US\$20.7 million related to both producing assets (on the sale of 90% of Australis working interest in TMS assets) and undeveloped assets (the discounted value of the carry amount required to be spent by the Development partner to complete its acquisition via farm-in of an 80% WI of the Australis held TMS undeveloped acreage).

Adjusted EBITDA of US\$0.6 million (2024: US\$2.5 million) was lower than the previous year predominantly due to lower field netback as a result of lower realised oil sales price and continued natural decline in sales volumes. Operating cashflows of US\$2.5 million (2024: US\$2.8 million) were maintained despite lower sales volumes, mitigated by disciplined well management and continued reduction in workover costs. Despite the decline in average achieved oil price for the year, cashflow was bolstered with the Partner Fee of US\$1 million received late in the year.

# FINANCIAL AND CORPORATE REVIEW

A review of Group operating results and financial position at year end is summarised below.

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000	% Change Favourable/ (Unfavourable)
Sales volumes (working interest)* bbls	208,000	254,000	(18%)
Revenue before oil hedges	13,945	19,792	(30%)
Oil hedge (loss) / profit	132	(364)	136%
Field Netback	4,037	7,292	(45%)
Other income (2025: Partner Fee)	1,000	392	155%
Operating Cashflow	2,491	2,829	(12%)
Adjusted EBITDA**	642	2,536	(75%)
Net (loss) before taxation	(24,949)	(8,271)	(202%)
Net (loss) after taxation	(24,949)	(8,271)	(202%)

\* Volumes rounded to the nearest thousand barrels

\*\* Adjusted EBITDA represents net gain for the period before income tax expense or benefit, finance costs, depletion, depreciation, expired lease write off and impairment.

## SALES AND REVENUE

Revenue from oil sales (before hedges) for the year was US\$13.9 million, which was 30% lower than 2024 due to sales volumes being 18% lower compared to 2024 as a result of natural well decline and certain wells being offline for workover and a 14% lower realised sales price. Lower WTI oil prices led to realised hedge gains settled during 2025 of US\$0.1 million (2024: loss US\$0.4 million).

Sales volume and average realised and achieved oil prices per barrel of oil by quarter and for the full year in 2025 were as follows:

	2025 by Qtr	Q1	Q2	Q3	Q4	2025 Total	2024 Total
<b>Oil Sales (WI)</b>	bbls'000	57	54	49	48	208	254
						<b>2025 average</b>	<b>2024 average</b>
<b>Realised oil price (excl. hedges)</b>	US\$/bbl	\$74	\$66	\$68	\$60	\$67	\$78
<b>Achieved oil price (incl. hedges)</b>	US\$/bbl	\$73	\$67	\$68	\$62	\$68	\$76

The LLS-based premium to WTI achieved by Australis continued to provide higher realised pricing than most other plays in onshore USA. The monthly premium to WTI averaged over US\$3.09 per barrel in 2025 (2024: US\$3.21/bbl), 4% lower than in 2024.

For personal use only

# FINANCIAL AND CORPORATE REVIEW

## FIELD NETBACK, OPERATING CASHFLOW AND ADJUSTED EBITDA

Field Netback was 45% lower for 2025 than in 2024 due to lower revenue from oil sales, however operating cashflow was only 12% lower than 2024 as a result of lower operating costs primarily due to overall reduced workover costs and the receipt of the Partner Fee. Adjusted EBITDA was 75% lower than 2024 due to the lower field netback which was also offset by the receipt of the \$1 million Partner Fee from the Development Transaction.

Australis TMS Production Costs (WI)

	2025		2024		Change Favourable/ (Unfavourable)	
	US\$'000	US\$/bbl	US\$'000	US\$/bbl	Change US\$'000	% Change US\$/bbl
<b>Operating expenses</b>	\$5,634	\$27.07	\$6,132	\$24.14	8%	(12%)
<b>Workover expenses</b>	\$733	\$3.52	\$1,125	\$4.43	35%	21%

G&A expenditure of US\$3.8 million was lower than 2024 (US\$4.3 million), due to the continuing implementation of cost reduction measures whilst partnering transactions were identified and negotiated.

## NET LOSS

The Company reported a loss of US\$24.9 million predominately due to non cash charges relating to the US\$20.7 million impairment expense relating to both the producing assets (on the sale of 90% of ATMS WI in the producing TMS assets) and undeveloped assets (i.e. being impaired to the discounted value of the carry amount required to be spent by the Development Partner to complete the farm-in of an 80% WI of the Australis undeveloped acreage).

## FUNDING & BALANCE SHEET

Balance Sheet Summary	As at		
	31 December 2025	31 December 2024	% Change Favourable/ (Unfavourable)
	US\$'000	US\$'000	
Current assets	16,257	9,687	68%
Non-current assets	12,666	54,091	(77%)
Current liabilities	(6,834)	(11,498)	41%
Non-current liabilities	(302)	(6,469)	95%
Equity	21,787	45,811	(52%)

The Company continued to adopt a strict financial discipline regime throughout 2025 with a focus on maintaining positive operating cashflows whilst servicing debt obligations under the Credit Facility.

As result of the Financing Transaction the Company was able to repay the Credit Facility in full and improve liquidity for participation in future appraisal and development activity.

For personal use only

## FINANCIAL AND CORPORATE REVIEW

Upon the close of the Financing Transaction the Company sold 90% of its working interest in its producing wellbores (operated and non-operated) to an affiliate of the EQV Group for US\$16.9 million before customary closing adjustments. The Board assessed the recoverable value of the producing assets based on the implied transaction value and an impairment loss of \$15.1 million was recognised in the profit and loss. At 31 December 2025 the Board assessed the recoverable amount of the TMS CGU based on the discounted value of the carry amount required, by the Development Partner, to complete a farm-in of an 80% WI of the Australis undeveloped acreage with the result being a further impairment of \$5.6 million recognised. In future periods as the Carry Program is implemented, the Board intends to revise inputs for a "Value in Use" model assessment of the oil and gas properties and this may result in changes to the assessed value of the asset for impairment purposes.

Included in current liabilities are suspended revenues (US\$4.2 million) held by Australis that are due to working interest and royalty owners who are currently unable to be paid, typically because the owners cannot be located or clear title cannot yet be established. Australis retained the liability for suspended revenues collected prior to the closing of the Financing Transaction and will continue to seek to resolve the associated issues allowing for distribution or escheatment to government authorities.

At year end, the Company had US\$14.2 million (2024: US\$6.2 million) in cash.

### CREDIT FACILITY

Upon the close of the Financing Transaction the Company repaid the Macquarie Credit Facility. The Company met all required covenants under the Credit Facility during the reporting period.

### OIL PRICE HEDGING

Hedging contracts for 2025 covered a total of 97,000 bbls (2024: 143,000 bbls) and settled for a gain of US\$86,000 (2024: loss US\$0.36 million). In addition, a further 19,000 bbls of WTI Swap contracts due for settling in 2026 were unwound on the closing of the Financing transaction for a gain of US\$46,000.

At the commencement of 2026, Australis has 4,000 bbls hedged at 1,000 bbls per month over the first four months of 2026 as summarised in the table below.

Period of Deliver	Subject of Contract	Reference	Option Traded	Barrels	Range Put Price \$US/bbl	Range Call Price \$US/bbl	Fair Value US\$'000
Jan 2026 - Apr 2026	Oil	Nymex WTI	Collar	4,000	60.00	66.71 – 70.84	15
<b>Total</b>				<b>4,000</b>			<b>15</b>

### CORPORATE GOVERNANCE

The Board monitors the operational and financial performance of the Company and oversees its business strategy, including approving the strategic goals of the Company. The Board is committed to generating and maximising shareholder value. In conducting business with this objective, the Board aims to ensure that Australis is properly managed to protect and enhance shareholder interests and that the Company, its directors, officers and employees are operating in an appropriate environment of corporate governance. Accordingly, the Board has created and maintains a framework for managing Australis, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Australis business and which are designed to promote the responsible management and conduct of the Company. Australis reviews and amends its corporate governance policies as appropriate to reflect the size and activities of the Company, current legislation and good practice. The main charters, policies and procedures that form the basis of corporate governance practices at Australis, can be found in the corporate governance section of the Australis website, [www.australisoil.com](http://www.australisoil.com).

---

# FINANCIAL AND CORPORATE REVIEW

## MATERIAL BUSINESS RISKS

Australis has established a framework to identify, manage and report risks. The Board has responsibility for overseeing our risk management framework and monitoring material business risks and the Audit and Risk Management Committee assists the Board in ensuring there is an appropriate risk management system and process that identifies risks and any mitigation measures. Due to the nature of the Company's operations, there are many factors that could impact its operations and financial results. A description of the nature of material business risks that could have an adverse impact on the Company's financial prospects or performance, and how such risks are managed, is set out below. This list is not exhaustive of all risks Australis faces. Any one of the risks below could adversely impact the Company's operating or financial performance.

### (a) Strategy

Australis' strategy is predicated on the belief that the fundamental drivers are in place for renewed interest in undeveloped quality onshore US based oil plays due to the maturing of the established fields. The Company owns high quality, oil-weighted developed and undeveloped assets that have been acquired to provide potential additional leveraged upside to capital employed at a modest oil price.

There is no guarantee the oil price will be sustained for any period of time or that interest in the Company's undeveloped assets will increase. Therefore, there is no guarantee that the Company's assets will be economically developed or increase in value.

### (b) Title risk – Mineral Interests

Australis has acquired and may continue to acquire leasehold and other interests in and to mineral rights from owners in Louisiana and Mississippi, USA. These interests form the basis of the Company's right to develop, produce and sell hydrocarbons from the TMS and are material to the current and potential value of the Company. Generally leasehold interests expire at the end of a primary term unless commercial production from a well on the lease is achieved and maintained or the lease is otherwise extended or renewed. Certain of our leasehold interests are, at Australis' election, capable of renewal or extension. There is no guarantee that existing leases will be renewed, extended, or reacquired prior to expiry or that leases on new areas will be acquired. The process of confirming defensible title on leases for oil and gas exploration and production has been performed by experts acting for Australis. If at any time title cannot be confirmed, it may have a financial impact on the value of that lease. In the event any of the Company's leasehold or other interests in TMS mineral rights are negatively impacted due to title issue and/or are not renewed, extended, or replaced with similar interests, the Company's right to exploit such mineral interest will terminate and size of the Company's undeveloped reserves and resources are likely to decrease.

### (c) Commodity price

The prices of crude oil, natural gas and other hydrocarbon commodities are volatile. As a producer of oil and natural gas, changes in the prices of these commodities will affect Australis' financial position, financial results, cash flows, access to capital, ability to grow, and the quantum and value of Australis' reserves. Commodity prices have in recent years been characterised by significant price fluctuations driven by the market's expectations of demand for oil and natural gas, which are influenced by geopolitical events and other global phenomena beyond Australis' control, including global events such as the COVID-19 pandemic, economic downturns and geopolitical conflicts or hostilities.

The impact of such global events can affect global demand for oil and gas, and the market's expectations on future demand, for long periods of time even after the event has subsided. These factors could result in higher volatility in crude oil pricing that negatively impacts the Company's revenue and cashflows from production and sustained declines in pricing could also lead to a reduction in reserves and the carrying value of our assets as well as our ability to access development capital.

Australis has and will continue to enter into hedging arrangements as a way to address its commodity risk exposure and has adopted a hedging policy to manage the way in which the Company seeks to mitigate downside commodity price risk. Details of the current hedges in place are detailed in this Financial & Corporate Review.

---

## FINANCIAL AND CORPORATE REVIEW

### (d) Hedging activities

The Company has and will continue to enter into hedging arrangements for a portion of future estimated oil production which may include forward sales and derivatives such as puts, collars and fixed price swaps. Changes in the fair value of derivative instruments are recognised in earnings and accordingly, earnings may fluctuate as a result of changes in the fair value of the Company's derivative instruments.

Derivatives arrangements can also expose the Company to the risk of financial loss in some circumstances, including when production is less than the volume covered by the derivative instruments, or the counterparty to the derivative instrument defaults on contract obligations.

The Company's hedging arrangements are entered into in accordance with the hedging policy approved and regularly reviewed by the Audit and Risk Management Committee. Among other things, this policy sets out maximum permitted hedge volumes based on expected forward production and establishes minimum credit-worthiness criteria for counterparties. Details of the current hedges in place are detailed in this Financial & Corporate Review.

### (e) Operational risks

Australis' future financial condition and results of operations will depend on the success of its exploration, development, and production activities, which are subject to numerous risks.

Exploration and early development activities carry a degree of risk associated with the failure to find hydrocarbons in commercial quantities or at all. Selection of a drilling location and well design are influenced by the interpretation of available geological, geophysical, and seismic data, which is a subjective science and has varying degrees of success for the production of hydrocarbons. Other factors, including mineral rights, land ownership and regulatory rules, may impact the Company's decisions with respect to well locations. Further, no known technologies provide conclusive evidence prior to drilling a well that oil or natural gas is present or may be produced economically. New wells drilled may not be productive or may not recover all or any portion of the Company's investment in such wells. The cost of drilling, completing, equipping, and operating wells is typically uncertain before drilling commences. Australis employs well-established industry evaluation methodologies and when selecting drilling locations and when designing new wells. The Company also has accumulated a significant and comprehensive technical information database on TMS subsurface characteristics and has access to operational data relating to substantially all horizontal wells that have been drilled in the TMS.

The Company is exposed to the risk that existing wells may not produce hydrocarbons in quantities estimated for a variety of reasons, including the need for significant maintenance and repair or the occurrence of an adverse event impacting production due to accident or other sudden causes, and the Company may determine that the cost to repair, rework or recomplete such wells is uneconomic. A failure to maintain production could result in significant loss of revenue and operational costs to bring production back on line. The loss of revenue and/or increased capital costs could result in the requirement for Australis to obtain additional debt or equity funding and increases the risk of a default of the financial covenants and repayment obligations under its credit facilities.

Australis manages operational risk through the implementation of its procedures and policies that are based on appropriate industry standards and practices, employee training, a developed risk management system (including the use of insurance policies where prudent) and a focus on health and safety.

For personal use only

---

## FINANCIAL AND CORPORATE REVIEW

### **(f) Global event risks**

Global events such as the COVID-19 pandemic and geopolitical conflicts, hostilities or trade policies can pose a material risk to our operations. These events could result in significant employee absences due to illness or quarantine requirements and significantly impede the ability of our operational and management teams to travel in support of our operations. The Company is able to employ its crisis and emergency management plans, health emergency plans and business continuity plans to manage this risk, including ongoing monitoring and response to government directions and advice. This enables the Company to take proactive steps to manage risks to the Company's staff and stakeholders and to mitigate risks to production operations.

Global supply chain shortages that result from these global events can result in an inability to source important equipment, material and services leading to a material adverse impact on our ability to conduct operations and/or materially increase our costs to acquire same. The emergence of new global events could materially increase the negative impact of supply chain, inflationary and other economic issues on our operations. To assist in mitigating this risk, Australis, where practicable, pre orders various materials into inventory in advance of requirements and retains, where possible, multiple suppliers of critical materials and inventory items.

### **(g) Hydrocarbon spills**

Oil and gas operational activities involve the production, storage and transport of the produced oil and gas as well as waste materials. Hydrocarbon spills may lead to damage to the environment, as well as potential safety issues and damage to Australis' reputation and fines. Please refer to the Sustainability Report for more detail around how the risk of hydrocarbon spills is managed.

### **(h) Reliance on key personnel**

Australis' success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The contributions of the existing management team to the immediate and near-term operations are likely to be of central importance. There can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the implementation, development, and operation of its business strategy. To address this risk, we have implemented employment arrangements, such as a long-term incentive plan, that are specifically designed to secure and retain key personnel.

### **(i) Funding**

The oil and natural gas industry is capital intensive. Australis has made, and expects to make, substantial capital expenditures for the acquisition, development and exploration of oil and natural gas reserves. As and when further funds are required the Company may need to raise additional capital, including from one or more of: the issue of equity securities; the incurrence of further debt finance; or the contribution of capital from one or more operational or financial partners in exchange for a portion of Australis' interests in its assets, if and as appropriate. There is no assurance that the Company will be able to access and secure additional funding on reasonable terms or at all. A failure to access funding may result in the loss of mineral interests and the inability to develop current mineral interests.

Australis manages financial risk through the implementation of policies and procedures that address areas such as hedging and liquidity management. Furthermore, as operator of a substantial majority of its assets, Australis has the flexibility to manage its capital program to help mitigate liquidity risks.

---

## FINANCIAL AND CORPORATE REVIEW

### **(j) Regulatory and political**

Exploration for and development, exploitation, production and sale of oil and natural gas in the United States of America is subject to numerous federal, state, and local laws and regulations, including in the areas of taxation, environmental protection and labour and employment. Existing laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations could adversely affect the Company. Compliance with such laws or regulations may significantly increase the Company's operating expenses and the failure to comply may result in material penalties and fines. In addition to governmental action, private parties may in certain circumstances pursue legal actions to enforce these laws and regulations against industry participants.

Changes in federal, state, or local government regulations and policies (whether through change in governments or change in policy from an existing government) may adversely affect the financial performance or the current and proposed operations generally of the Company.

For example, Australis engages in the practice of hydraulic fracturing to stimulate production of hydrocarbons from tight geological formations. Public debate exists regarding the potential surface and sub-surface impact of hydraulic fracturing, including concern about the impacts of hydraulic fracturing on drinking water and seismic activity tied to re-injection of associated liquids. Additionally, hydraulic fracturing requires large volumes of water (the availability and regulation of which may change over time). Hydraulic fracturing may be subject to additional regulations or restrictions from local, state, or federal governmental authorities, resulting in increased compliance costs or even prohibitions on hydraulic fracturing in certain regions or on certain lands. Any modification to the current regulatory regime may materially adversely impact the value of the Company's assets and future financial performance.

The ability to develop and produce oil and gas, as well as industry profitability generally, can be affected by such changes, which are beyond the control of the Company and the Company's operations, financial performance and future prospects may thereby be materially adversely affected. Australis closely monitors changes in relevant regulations and engages with regulators and governments (directly and through associations and other appropriate representation) to ensure policy and law changes are appropriately influenced and understood.

### **(k) Reserves and resource estimation**

Calculation of recoverable oil and gas reserves and resources contain significant uncertainties which are inherent in the reservoir geology, well data, operating costs and oil prices and require management to make a series of assumptions for the purposes of preparing reserve reports. Although such assumptions may be reasonable at the time they are made and may be subject to review by independent reserves auditors, future drilling results and costs and oil prices may differ significantly from those assumptions. There is a risk that resource estimations will not convert into reserves or any actual production may significantly vary from such estimates. Australis manages the risk associated with reserves estimates through the engagement of qualified, experienced internal engineers and the engagement of independent auditors on at least an annual basis to certify reserves.

### **(l) Access to services, equipment, and infrastructure**

Australis' future operating and financial performance will be impacted by its ability to procure services and access to equipment and infrastructure (including drilling and completion equipment and personnel, hydrocarbon transportation systems and processing facilities) provided or owned by third parties, in order to commercialise its oil and gas reserves and resources. At the present time there are limited development activities by other oil and gas operators in the region where the Company is active. Although the Company has in the past been able to procure such services and access such equipment and infrastructure, our continued ability to do so economically, or at all, depends in large part on the desire and ability of third parties to provide them in our operating area, and any inability to access necessary services, equipment or infrastructure may have an adverse impact on future performance.

For personal use only

---

## FINANCIAL AND CORPORATE REVIEW

### **(m) Environmental regulation**

The Company is subject to numerous United States federal, state, and local laws and regulations to minimise the environmental impact of its oil and gas operations, including those that govern ongoing operations as well as those that require the rehabilitation of any areas affected by such operations. Compliance with these laws can be costly and penalties for failure to comply can be substantive.

Aside from the cost of compliance, regulatory requirements can add operational restrictions and risk on the Company, including amongst other things, the need for permits for drilling operations and reports concerning operations, restrictions on flaring of gas production, disposal of produced water and abandonment of drilled wells. The need to acquire permits and follow such requirements may limit the rate at which oil and gas could otherwise be produced from the Company's leasehold interests and may restrict the number of wells that may be drilled on a particular lease or in a particular field. Failure to obtain drilling approvals may prevent the Company from achieving its business objectives.

### **(n) Competition**

The Company competes with numerous other organisations in the search for, and the acquisition of, oil and gas assets. The Company's competitors include oil and gas companies that have substantially greater financial resources, staff, and facilities than those of the Company. The Company's ability to maintain or increase its reserves in the future will depend not only on its ability to develop its leasehold and other mineral interests, but also on its ability to select and acquire or renew its leasehold interests associated with suitable producing properties or prospects for drilling.

### **(o) Severe Weather Events and Climate Change**

Oil and gas production and transportation can be impacted by natural disasters and other severe weather events or trends which can result in hydrocarbon leaks or spills, equipment failure and loss of well control. Potential failure to manage these risks could result in injury or loss of life, damage or destruction of wells, production facilities and other property, damage to the environment, legal liability and damage to Australis' reputation. Additionally, such events can lead to protracted periods without power supply, leading to shut in production and loss or delays of revenue. Losses and liabilities arising from such events could significantly reduce revenues or increase costs and have a material adverse effect on the operations and/or financial conditions of the Company. Australis employs risk management framework and specific policies and processes to identify and manage risks in this area. Insurance policies, standard operating procedures, contractor management processes and facility design, amongst other things, are important elements of the system that supports mitigation of these risks.

Australis recognises that climate change is an important global challenge and poses certain physical risks to its operations, including those arising from an increase in severity and/or frequency of such severe weather events. In addition, the Company may be subject to increasing regulation and costs associated with climate change and management of carbon emissions. Please refer the Company's Sustainability Report for more detail.

### **(p) Cybersecurity**

Our operations are and will continue to be reliant on various computer systems, software, databases and interfaces with external networks and other systems. Failures or breaches of these systems (including by way of virus and hacking attacks) have the potential to materially and negatively impact our operations. The Company, in consultation with third party experts has put in place a cybersecurity strategy that will be subject to periodic external review and, in the event of an incident, the Company would be supported by an external incident response and forensics firm. Employees are required to undertake cyber awareness training, including how to identify phishing emails and keep data safe. Notwithstanding the protections and risk management systems the Company has or will put in place, there are inherent limits to the effectiveness of such plans and systems in protecting against sophisticated cyber-attacks. Further, the Company has no control over the cyber security plans and systems of third parties which may interface with our operations, or upon whose services our operations are reliant.

---

# FINANCIAL AND CORPORATE REVIEW

## CAUTIONARY AND FORWARD-LOOKING STATEMENTS

This Report contains forward looking statements, including as to Australis' strategy, oil and gas exploration and drilling activities, and related funding, which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Annual Report, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions, and other important factors, many of which are beyond the control of the Company, the Directors, and the Management.

The Company cannot and does not give any assurance that the results, performance, or achievements expressed or implied by the forward-looking statements contained in this Annual Report will occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Annual Report, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out above. Past performance should not be relied upon as being indicative of future performance.

## MATERIAL PREJUDICE

As permitted by sections 299(3) and 299A(3) of the *Corporations Act 2001*, Australis has omitted certain information from the Operating and Financial Review in relation to its business strategy, future prospects and likely developments in its operations and the expected results of those operations in future years. Such information including but not restricted to internal budgets, and forecasts and estimates, has been omitted on the basis that such information, if disclosed, would be likely to result in unreasonable prejudice for example because the information is premature, commercially sensitive, confidential or could give a third party a commercial advantage.

For personal use only

## GLOSSARY

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

Abbreviation / Term	Description
<b>1P</b>	Proved Reserves
<b>2P</b>	Proved plus Probable Reserves
<b>3P</b>	Proved plus Probable plus Possible Reserves
<b>Adjusted EBITDA</b>	EBIT before interest, depreciation, depletion, expired lease write off and impairment
<b>AMI</b>	Area of Mutual Interest
<b>ARMC</b>	Audit and Risk Management Committee of the Board
<b>C</b>	Contingent Resources – 1C/2C/3C – low / most likely / high
<b>Carry Program</b>	Drilling and completion program with the Development Partner contemplated by the Development Transaction
<b>CGU</b>	Cash Generating Unit
<b>CH<sub>4</sub></b>	Methane
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent
<b>DEQ</b>	Mississippi State Department of Environmental Quality
<b>Development Partner</b>	Counterparty to the Development Transaction; an established onshore production, development and exploration company with a multi-billion dollar enterprise value and active operations in multiple US unconventional basins
<b>Development Transaction</b>	Transaction entered into on 26 November 2025 with the Development Partner that contemplates future joint development of the TMS through the Carry Program and the ILP
<b>EBIT</b>	Net income or (loss) for the year before income tax expense and finance costs
<b>EBITDAX</b>	Adjusted EBITDA before exploration costs
<b>EHS</b>	Environmental, Health and Safety
<b>EIA</b>	Energy Information Administration, a federal US governmental agency that provides energy statistics
<b>EPA</b>	US federal Environmental Protection Agency
<b>EQV</b>	Counterparty to the Financing Transaction; an affiliate of the EQV Group
<b>ESG</b>	Environmental, Social and Governance
<b>EUR</b>	Estimated Ultimate Recovery per well
<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

For personal use only

# GLOSSARY

Abbreviation / Term	Description
<b>Financing Transaction</b>	Transaction entered into on 26 November 2025 with EQV pursuant to which the Company disposed of 90% of its working interests in producing wells
<b>FLIR inspections</b>	Forward-looking infrared thermal inspections
<b>G&amp;A</b>	General & Administrative Expenditure
<b>Gross</b>	Means 100% (or 8/8ths) interest
<b>Group or Consolidated Entity</b>	Refers to the consolidated tax group of Australis and its subsidiaries
<b>HBP</b>	Held by Production; where the primary term of an oil and gas lease remains valid whilst at least one well in the associated drilling unit is on production
<b>ILP</b>	Initial leasing program under the Development Transaction
<b>LLS</b>	Louisiana Light Sweet Oil Benchmark Price
<b>LOE</b>	Lease operating expenditure comprising fixed and variable costs
<b>LTI Plan</b>	The Company's long term equity incentive plan
<b>N<sub>2</sub>O</b>	Nitrous oxide
<b>Net Acres</b>	Portio of land in which the Company has beneficial interest in the applicable mineral rights
<b>Net or NRI</b>	Working interest after deduction of royalty interests
<b>Net Sales</b>	Oil & gas sales net of royalties
<b>NPV(10)</b>	Net Present Value (discount rate of 10%), before income tax
<b>Operating Costs</b>	Field operating expenditure including LOE and WOE
<b>OSHA</b>	Occupational Safety and Health Administration, a federal US governmental agency concerned with ensuring safe working conditions.
<b>Partner Fee</b>	US\$1 million paid by Development Partner on execution of transaction documents
<b>PDNP</b>	Proved Developed Non-Producing, a subset of Proved Reserves
<b>PDP</b>	Proved Developed Producing, a subset of Proved Reserves
<b>Performance EBITDA</b>	Adjusted EBITDA excluding share based payments, and short-term incentive expense, revenue and costs associated with transactions undertaken used only for performance metrics in short term incentive calculations
<b>PUD</b>	Proved Undeveloped Producing
<b>Royalty interests or royalty</b>	Oil & gas interest providing the holder with the right to receive a share of production from the associated well and/or leasehold area
<b>Ryder Scott</b>	Ryder Scott Company LP
<b>SOS</b>	The Company's Safety Observation Suggestion program
<b>STI Plan</b>	The Company's annual short-term incentive plan
<b>TCFD</b>	Taskforce on Climate Related Financial Disclosures
<b>TMS</b>	Tuscaloosa Marine Shale
<b>TMS Core</b>	The Australis designated productive core area of the TMS delineated by more than 10 years of production history
<b>TSR</b>	Total shareholder return

For personal use only

# GLOSSARY

Abbreviation / Term	Description
VWAP	Volume-weighted average share price
WOE	Expense for “working over” (repairing) an existing well.
Working interest or WI	The amount of the Company’s beneficial ownership in oil & gas interests before deduction of royalties
WTI	West Texas Intermediate Oil Benchmark Price

## NON-IFRS FINANCIAL MEASURES

References are made within this report to certain financial measures that do not have a standardised meaning prescribed by Australian Accounting Standards and International Financial Reporting Standards (collectively, IFRS). Such measures are neither required by, nor calculated in accordance with IFRS, and therefore are considered Non-IFRS financial measures. EBIT, Adjusted EBITDA, EBITDAX, Field Netback and Earnings excluding non-cash items are Non-IFRS financial measures commonly used in the oil and gas industry that Australis believes provide useful information to readers in assessing the financial performance and condition of the Company. Non-IFRS financial measures used by the Company, such as EBIT, Adjusted EBITDA, EBITDAX, Field Netback and Earnings excluding non-cash items, 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.

## EBIT, ADJUSTED EBITDA & EBITDAX

EBIT represents net (loss) for the year before income tax expense or benefit and finance costs. EBITDA represents EBIT before depletion, depreciation, expired lease write off and impairment. EBITDAX represents Adjusted EBITDA excluding exploration costs.

The following table reconciles net (loss) after tax to EBIT, Adjusted EBITDA and EBITDAX:

	31 December 2025 US\$'000	31 December 2024 US\$'000
Net (loss) after tax	(24,949)	(8,271)
Adjustments:		
Net finance expenses	739	853
<b>EBIT</b>	<b>(24,210)</b>	<b>(7,418)</b>
Depletion and Depreciation	4,171	4,282
Impairment	20,681	-
Expired lease write off	-	5,672
<b>Adjusted EBITDA</b>	<b>642</b>	<b>2,536</b>
<b>EBITDAX</b>	<b>642</b>	<b>2,536</b>

## 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.

For personal use only

# SUSTAINABILITY REPORT

For personal use only



At Australis, our corporate mission has remained to generate shareholder value in a sustainable and responsible manner whilst also addressing the expectations of all stakeholders in our business. As an active participant in the upstream oil and gas industry, we recognise our responsibility to present data relating to our activities in a transparent and concise manner, to set targets that ensure our performance is measured against industry or regulatory standards and to demonstrate commitment to improvement of that performance. To achieve this, we have implemented considered procedures and policies to facilitate and assist in sustainable business practices which permeate all levels of the organisation including management and are factored into business decisions and processes.

The results of these efforts are presented in this section of the Annual Report. The Company provides measurable targets against which we have reported annually and where possible integrated into our executive and staff remuneration structures. This Sustainability Report includes climate related disclosures that are prepared in line with the recommendations from the Taskforce on Climate Related Financial Disclosures (TCFD) despite being below the thresholds required for mandatory reporting.

At Australis we view sustainability as integral to all facets of our business, including:

- our business strategy and corporate culture;
- the health and safety of those working for us and those affected by our operations;
- the environmental impact we have on the areas within which we operate; and
- the social and economic impact of our operations on stakeholders in the local community and beyond.

Our performance across a number of these business elements has been monitored since Australis assumed operatorship of our producing TMS asset in 2017 and are covered in this report. For the past few years, we have included reporting of Scope 1 and Scope 2 Emissions, in line with TCFD recommendations, and our direct fiscal contribution to the community through royalties and severance tax payments as well as the secondary economic impact arising from the use of vendors, employees and service contractors from within the local communities. We believe this level of reporting provides the reader with a clear insight into the various forms of interaction that occur.

---

# SUSTAINABILITY REPORT

## PURPOSE AND VALUES

The Company's Purpose and Values have remained consistent with the corporate business strategy and culture since formally adopted in 2019.

Our Purpose can be stated as follows:

"Having identified and secured entry into undervalued upstream oil opportunity the Company's purpose is to realise material value on behalf of shareholders through the disciplined use of capital whilst protecting the safety of those who work for us and the environment in which we operate".

Our Values help define the way in which Australis pursues our Purpose. They seek to encapsulate the principles, culture, ethics and standards which the Company upholds and are set out below.

1. Generate an entrepreneurial culture that values collaboration, accountability and initiative from all employees and contractors.
2. Respect our stakeholders by communicating with clarity and honesty at all times.
3. Seek out opportunities to make positive impacts on the local communities within which we operate.

The Board of Australis is committed to ensuring that our Purpose and Values continue to be reviewed and, if necessary, evolve based on communication and feedback from employees and stakeholders. The Board and Management are committed to reinforcing our Values through all levels of the organisation.

## ENVIRONMENTAL, HEALTH AND SAFETY

To facilitate the continual improvement in the sustainability of our operations, Australis adopts specific and measurable initiatives to embed a cultural commitment Company-wide and continuously seeks ways to improve all facets of our operations with respect to EHS performance. A key initiative that Australis has adopted in 2018 since we became an operator in has been establishing the Company's EHS performance as the overarching financial multiplier within the Company's annual Short-Term Incentive Plan ("STI Plan"), scaling the achieved bonus amounts up or down based on EHS performance. Under the STI Plan, the EHS multiplier, which ranges from 30% (poor performance) to 140% (excellent performance), is applied to all key performance indicators relating to all aspects of the Company's business, including corporate goals and targets linked to Company strategy as well as individual generic and specific targets. This helps ensure that EHS is incorporated into every facet of our business by staff, as opposed to being a stand-alone component of any bonus structure, by providing a direct correlation between environmental and safety performance and remuneration. The Company believes this structure contributed to the excellent EHS performance achieved in 2025 and preceding years. Australis adopted a CO<sub>2</sub>e Emissions target as part of the EHS multiplier assessment for the STI Plan from 2023, with the objective of monitoring and achieving reductions in our emissions.

## ENVIRONMENT

### CLIMATE CHANGE

Australis recognises the challenges and risks facing the oil and gas industry and our role as a responsible producer as the global community transitions towards a lower emissions future.

The Australis Board and management acknowledge that CO<sub>2</sub>e emissions from global fossil fuel production and consumption is contributing to climate change. However, the consumption of oil and gas continues to be an essential part of daily life all over the world, whether it be used for transportation and power generation or as part of the manufacture of industrial and everyday products such as electronics, textiles, medical supplies and household products. This truth is demonstrated by the continued growth in global oil and liquids production and consumption volumes to historical highs in 2025, with projections of continued growth (source: EIA) in the medium term as the infrastructure and technology for alternatives is built out and developed. The Board believes that oil and gas will continue to be an essential source of energy and feedstock for global development and will play an important role in the transition to a lower carbon future over the coming decades.

# SUSTAINABILITY REPORT

The impact of climate change is recognised as part of the Risk Management process and included in strategy development and corporate planning.

The Company has identified key climate related risks and opportunities over the short (<2 years), medium (2-6 years) and long term (>6 years)

For personal use only

	Physical Risks	Possible Impact	Time Frame
Operational	Increased frequency and severity of extreme weather events such as cold, heat or hurricanes, resulting in potential increase in equipment damage, interruptions to operations or HSE incidents	Increased downtime in operations resulting in additional cost and delay to production  Additional capital expenditure may be required to refurbish or augment onshore facilities and infrastructure to minimise potential damage and downtime	Medium to long term
	Transitional Risks	Possible Impact	Time Frame
Market	Changing ESG strategies of equity investors and debt providers	Additional ESG requirements for investors and debt providers potentially reduces the Company's ability to access capital for future project development leading to increased financing cost	Short to long term
Market	Accelerated transition away from the use of fossil fuels	Leading to reduced global demand for oil and gas potentially leading to lower oil prices and Company future revenue	Medium to long term
Technology	Improvements in technology leading to accelerated transition to lower carbon alternative energy and feedstock sources.	Leading to reduced global demand for oil and gas potentially leading to lower oil prices and Company future revenue	Medium to long term
Regulatory	Changing ESG Regulatory and Legislative framework around climate change in the jurisdiction Australis operates.	Delay in timing and increased cost of development or prohibit future development of unconventional resources	Medium to long term
	Physical Opportunities	Possible Impact	Time Frame
Operational	Opportunities to further reduce emissions through operating efficiencies and field development	Potential to access additional revenue streams to offset some development costs	Short to medium term
	Transitional Opportunities	Possible Impact	Time Frame
Market & technology	Continue to examine opportunities that are complimentary to existing operations to reduce or offset emissions	Reduce costs to offset emissions or generate revenue from un-utilised resource	Medium Term

# SUSTAINABILITY REPORT

Australis continued to include Scope 1 and 2 emissions as an STI Plan target and will consider other suitable targets to manage climate related risks in the future whilst continuing to evaluate opportunities to reduce and offset emissions.

## AIR QUALITY & EMISSIONS: MONITORING AND MANAGING THE EMISSIONS PRODUCED THROUGH OUR OPERATIONS

As a responsible operator, Australis ensures that all operations are conducted in line with local government and federal regulations, including operating production sites under state government-issued air emissions permits when required. The volumes involved at most of the individual sites have now fallen below reporting thresholds with only a few exceptions and the company continues to carry out FLIR inspections at the 2018/2019 development well sites which allows for early identification of leaks and targeted remedial steps.

We are proactive with authorities such as the Mississippi Department of Environmental Quality (DEQ) to streamline the permit process and modernise permit requirements and we seek to identify opportunities to improve on regulatory requirements.

Australis has submitted data to the US Federal Environmental Protection Agency's (EPA) Greenhouse Gas (GHG) Reporting Program since we took operatorship in 2017. Our emission volumes dropped below the EPA thresholds in 2024 and again in 2025, but we are required to continue reporting for a further 5 years. We use that data to compile our Scope 1 emission estimates.

As part of our efforts to comply with TCFD reporting obligations, despite not meeting qualifying criteria, Australis reports the following Scope 1 greenhouse gas emission volumes from our operations in 2024 and 2025.

Scope 1 Emissions	2024	2025
mt CO <sub>2</sub> e	21,302	17,776
Scope 1 Intensity		
mt CO <sub>2</sub> e /bbl of oil equivalent	0.075	0.075

<sup>1</sup> In our 2024 Annual Report, we provided an estimate of our Scope 1 emissions at 20,629 mt CO<sub>2</sub>e. In accordance with US EPA directed calculation methodology adjustments, this has increased to 21,302 mt CO<sub>2</sub>e which in turn increases the carbon intensity of our Scope 1 emissions to 0.075 mt CO<sub>2</sub>e /bbl oil equivalent.

As can be seen, Scope 1 intensity was unchanged from previous years with actual emissions reducing in line with produced volumes.

Australis produced the following gross volumes during 2024 and 2025 (note these are 8/8th operated production volumes and not sales volumes) from our operated assets in Mississippi.

	Oil Production (bbls)	Gas Production (MMscf)	Total Production (boe)	Water Production (bbls)
2024	245,000	225	283,000	467,000
2025	207,000	188	238,000	356,305

Operated locations where Australis conducted development activities are designed and equipped with modern air emissions control equipment to minimise emissions. Australis continues to actively evaluate alternatives for reducing greenhouse gas emissions generated from operations.

Nearly all of our locations operate on electricity supplied by local utility companies, which eliminates the need for engines and generators on locations, further minimising our on-site air emissions footprint. We have an ongoing trial of using a gas-powered generator at one location which may be a longer-term solution with the recommencement of development activity in the field. Outline discussions on gas handling options have taken place with our Development Partner and we anticipate solutions being part of our work with them.

For personal use only

# SUSTAINABILITY REPORT

In addition to Scope 1 emissions Australis also reports Scope 2 Emissions according to the TCFD framework reporting. All of the Company's Scope 2 Emissions are from electricity usage for field operations (wells operated by Australis) and for the Perth, Houston and field offices. The table below summarises Scope 1 and Scope 2 Emissions for 2024 and 2025. Note the emissions are based on the field wide emissions (i.e. including other owner interests in wells operated by Australis)

		2024	2025
<b>Scope 1 Emissions</b>	mt CO <sub>2</sub> e	21,302	17,776
<b>Scope 2 Emissions</b>	mt CO <sub>2</sub> e	79	61
<b>Scope 1 &amp; 2 Emissions</b>	mt CO <sub>2</sub> e	21,381	17,837
<b>Production</b>	bbl of oil equivalent	283,000	238,000
<b>Scope 1 &amp; 2 intensity</b>	mt CO <sub>2</sub> e /bbl of oil equivalent	0.076	0.075

The Scope 1 and 2 intensity was again very similar to the 2024 estimates.

## WATER MANAGEMENT: RESPONSIBLY SOURCING AND MANAGING THE WATER WE UTILISE

Water is a precious commodity and Australis production operations generate a significant volume of saline water that needs to be properly disposed of and when in development mode. Additionally, new wells consume a considerable volume of fresh water.

## DEVELOPMENT OPERATIONS: SOURCING WATER FOR DRILLING AND FRACTURE STIMULATION OPERATIONS.

Australis has worked proactively with Mississippi DEQ in formulating a water sourcing strategy that satisfies the DEQ's strict industrial use requirements while ensuring plentiful supply to support our operations. For instance, Australis has invested in a dedicated water facility that sources water from below the potable water aquifer so as not to interfere with local fresh water supplies. This facility services part of the field and the Company anticipates replicating the model in other areas under a full field development scenario. Where needed Australis has put in place surface water agreements with local surface landowners to utilise spare surface water and has the ability access the abundant local water network. By having the ability to access water from multiple sources ensures reliability during operations and limits the excessive reliance on any one supplier.

## OPERATIONS WASTE MANAGEMENT: DISPOSING RESPONSIBLY OF PRODUCED WATER AND WASTE TO MINIMISE OUR ECOLOGICAL IMPACT

Australis produces about 1.5 bbls of saline water for each bbl of oil that is produced. The volumes for 2024 and 2025 are shown in the table on the (previous page). Australis only utilises the services of permitted third-party disposal contractors to manage all of our solid wastes including water. Australis ensures all water produced through our operations is managed responsibly whilst adhering to legal requirements. At present, we use a licensed water disposal contractor, who injects the produced water into deep saline aquifers to minimise its impact on the surrounding environment. Whilst produced water volumes are relatively modest at present, field development plans contemplate recycling produced water for fracture operations and we anticipate doing more work in this area with our Development Partner in the future.

For personal use only

# SUSTAINABILITY REPORT

## 2025 EHS PERFORMANCE

There was one OSHA reportable incident involving a staff member on the Pintard 28-2 well in August 2025. The team member was hit on the chest by a hose which contained brine and broke free when initially being pressured up for a test. The individual underwent a precautionary visit to medical facilities and the medical staff proscribed antibiotic medication for one eye. The individual returned to full duty during the same shift. The operations were immediately shut down and a safety review of the circumstances that led to the incident was carried out with the contractor who owned the pumping truck and hoses used during this operation, before restarting.

During 2025 there was one reportable spill and 5 non-reportable spills totaling 3.8 bbls (2.4 bbls of oil and 1.4 bbls of water), all of which were contained within the wellsite pads and immediately and completely remediated. The reportable spill occurred when a small check valve failed on a well low pressure casing annulus, releasing just over the reporting threshold of 1 bbl of oil that leaked onto the well pad. The leak was promptly observed and cleaned up before the connection was repaired and the well put back on production. The primary root cause of these small spills has been identified as vibration causing fatigue, and Australis has introduced new technology at the more prone wellsites to mitigate this. Further details are provided below.

## SPILL PREVENTION & REMEDIATION: MINIMISING THE RISK OF ACCIDENTAL FLUID OR WASTE SPILLS AND ENSURING A FOCUS ON REMEDIATION

To prevent spills that impact the environment, Australis operates using best practice initiatives such as full secondary fluid containment bounding around all onsite storage tanks and sophisticated data monitoring systems with alarms and automatic shutdowns. Our advanced tank battery containment systems consist of steel walls with a synthetic liner. These resist weathering, wear and tear and are easily repaired when required. Australis maintains Spill Prevention, Control and Countermeasure Plan documents for all operated locations, which is independently reviewed and audited every five years and was completed during 2022 for our ex Encana locations and in 2024 for the Australis locations, as part of our regulatory compliance.

Analysis of our 2024 non-reportable spill events indicated that vibration was a key source of fatigue and subsequent failure, particularly at weaker connections such as valves and sensors. During 2025 Australis implemented efforts to minimise and monitor this vibration on locations that were more susceptible due to the nature of artificial lift being used. Vibration pads were installed to try and limit impact, in addition vibration sensors were installed with alarms to provide warning when vibrations were increasing so that investigative work could seek to identify causes and carry out preventative measures before leaks occur. Whilst this is early stages it appears to be effective and is providing valuable information for the future.

By ensuring that we operate with the latest and safest technology, we reduce the impact on the areas surrounding our operations and minimise the need for remediation in the future. Where remediation is required, Australis performs remediation work as soon as practicable and in full compliance with all regulatory requirements. To demonstrate Australis' understanding of the importance of adequate remediation, anticipated remediation costs for the end of each well's life are provided for and are incorporated in the Company's Statement of Financial Position and reserve estimates.

The following table provides a summary of the spill performance of Australis operations in 2024 and 2025.

	2024	2025
Non-reportable spills <sup>1</sup>	5	5
Reportable spills <sup>2</sup>	0	1
Oil volume spilled inside containment (bbls)	0	0.1
Oil volume spilled outside containment (bbls)	2.9	2.3
Produced water spill volume (bbls)	0.2	1.4

<sup>1</sup> Non-Reportable Spill: < 1 bbl

<sup>2</sup> Reportable Spill: meets the applicable government reporting threshold of at least one bbl of oil or five bbls of water on land

# SUSTAINABILITY REPORT

## HEALTH AND SAFETY: ENSURING A SAFE WORKING ENVIRONMENT FOR ALL EMPLOYEES AND CONTRACTORS

At Australis, the safety and protection of people and the environment in which we operate has been a core principle since the Company was founded in 2014 and is included in the Company's Purpose Statement. Working safely is a condition of employment and the Company EHS Policy requires that EHS-related considerations are prevalent in all business decisions and processes. Company leadership strives to foster a culture of responsibility and EHS excellence.

Underpinning Australis' EHS framework is the Safety Observation Suggestion (SOS) program, which is a behavioural based observation program designed to document EHS-related observations and encourage active participation by all employees and contractors in building a strong EHS culture. Australis has utilised the SOS program throughout our tenure as operator and find that it is an effective tool that has companywide buy in. The program aids in the identification of potential hazards requiring corrective action, either immediately, if warranted, or helps identify trends which can then be targeted before they lead to an actual incident. The program also rewards positive recognition of behaviour demonstrating strong EHS leadership and increases accountability across all Australis operations. Negative EHS outcomes financially impact all employees, and thus the SOS program is a proactive component of Australis' STI Plan calculations.

Typically, corrective action is taken at the time of the safety observation, but if trends are identified, this leads to broader corrective actions being taken. SOS cards are also addressed at regular team meetings and specific safety meetings. In 2025, the Australis team in both the field and the office logged a total of 466 SOS forms.

Tools such as the SOS program help drive safety performance, the following table summarises the employee and contractor safety performance in 2024 and 2025.

	Incident Type	2024	2025
Employees	Near Miss	0	0
	First Aid	0	0
	OSHA Recordable <sup>1</sup>	0	1
	Lost Time	0	0
	Lost Time Days	0	0
	TRIR <sup>2</sup>	0.00	8.13
	Hours Worked	29,775	24,609
Contractors <sup>3</sup>	Near Miss	1	0
	First Aid	0	0
	OSHA Recordable <sup>1</sup>	0	0
	Lost Time	0	0
	Lost Time Days	0	0

<sup>1</sup> OSHA: Occupational Safety and Health Administration (USA government agency)

<sup>2</sup> TRIR: Total Recordable Incident Rate = Total number of OSHA Recordable Incidents \* 200,000 / Total hours worked

<sup>3</sup> Australis does not report contractor hours.

For personal use only

---

# SUSTAINABILITY REPORT

The Company also engages in the following Health and Safety initiatives.

- compulsory Company-specific EHS orientation training for all new field employees and contractors before commencing work, as well as role-specific core safety and environmental training based upon hazard exposure at all levels within the organisation;
- use of a third-party verification service, to screen and assess contractors' safety policies, EHS performance and risk management measures as an integral and mandated part of the procurement process;
- Stop Work Authority as a core safety function for all employees and contractors, which authorises any employee or contractor to stop work and correct an unsafe condition without fear of retribution;
- advanced driver safety training for employees that operate any Company vehicles;
- a Company-wide Emergency Response Plan for operations in the USA, as well as a field operations-specific Well Control Emergency Response Plan. The former was initiated in 2017, and the latter in 2018, during active drilling operations. All plans were rolled out with ongoing training exercises that include mock scenarios and collaboration with local government authorities; and
- GPS monitoring devices in our operation's fleet vehicles for location identification and to monitor driving behaviour such as speed, acceleration and braking patterns and assign driver-specific scores based upon performance. Scores are evaluated and reported monthly via internal management reports. In total operations staff drove a total of 135,000 miles in 2025 (160,000 miles in 2024) without any incidents, and compiled an average score (measuring the above-mentioned driving behaviours) from the third-party monitoring system 98.4% (98.6% in 2024), which corresponds to a low risk assessment performance

## OPERATING WITH INTEGRITY

A key document that governs how Australis operates is the Company's Code of Conduct which outlines the principles and standards of behavior expected of its directors, employees and contractors when working with each other and when interacting with shareholders, other stakeholders and the broader community. The Code of Conduct requires employees and contractors to act with honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which Australis operates. Any breaches of the Code of Conduct may be brought to the attention of management in accordance with the Whistleblower Policy, without fear of retribution or reprisal.

The Code of Conduct and Whistleblower Policy are accessible to all employees at any time via the Company's internal intranet site and are also available for other stakeholders via the Company's website, with dedicated personnel available as contact points for any concerns.

## DEVELOPMENT & RETENTION: PROVIDING APPROPRIATE OPPORTUNITIES AND INCENTIVES FOR EMPLOYEES TO DEVELOP AND GROW THEIR CAREER WITHIN THE COMPANY

Each year, the Australis leadership team in conjunction with the Board set the general Corporate and Operational goals. These goals are then cascaded down through the organisation so that departmental and personal goals are set for each employee, ensuring that all targets are aligned with Australis' strategy. Employees are financially rewarded in their STI Plan for achieving and exceeding these goals.

Australis also has an Employee Equity Incentive Plan ("LTI Plan"), whereby eligible employees can receive long-term incentive awards tied to the Company's equity. In addition to aligning employee compensation with the shareholder return of the Company, the LTI Plan has the objective of rewarding employees for continuing their employment with the Company. Details of awards granted under the LTI Plan are provided in the Remuneration Report.

---

# SUSTAINABILITY REPORT

## DIVERSITY: BUILDING A DIVERSE AND TALENTED TEAM BASED ON PERFORMANCE AND MERIT

Australis understands the variety of employee backgrounds in an organisation can increase overall performance, sustainability, teamwork and creativity. To help generate this value in our business, Australis has a Diversity Policy, which is designed to augment business success by recognising and utilising the contribution of diverse skills and talent whilst fostering an environment of inclusion. The Diversity Policy is available via the Company's website.

We value gender and cultural diversity, and to encourage diversity in our team, Australis facilitates alternative working hours to accommodate for employees with family and other personal responsibilities as well as the impact of time zones on out of office hour commitments. We are an international Company, with offices in multiple jurisdictions, which adds to our cultural and ethnic diversity.

## STAKEHOLDER RELATIONS

In addition to Australis' EHS performance indicators mentioned above, the Company continues to actively engage with external stakeholders relating to EHS and other matters. We value our stakeholder relationships and seek to uphold positive and frequent community engagement throughout our operations.

## COMMUNITY ENGAGEMENT: MAINTAINING TRANSPARENCY IN OUR COMMUNICATIONS AND ENGAGEMENT WITH LOCAL COMMUNITIES AND STAKEHOLDERS

- Australis' management team proactively meets with government regulators and legislative representatives in Mississippi when required.
- We maintain a 24-hour emergency hotline with posted signage for the public and landowners at all of our operated locations.
- We frequently collaborate with local governments to address public road maintenance issues at or around our field locations, this includes working with local authorities to clear roads and accessways of downed trees etc, following weather events.
- Australis carries out Emergency Response drills in collaboration with local authorities and when required, actively supports local emergency response efforts in the community.
- Australis maintains an owner relations webpage that allows royalty and mineral owners to communicate with Australis via the portal, email or an owner relations hotline regarding their ownership interests or their account information.

## OIL HAULAGE AND ROAD USE

In 2025 all of the produced crude from the Australis operated wells was sold and trucked to a local pipeline injection point in Liberty, Mississippi. This was the second full year we avoided trucking crude to nearby refineries in Baton Rouge. Whilst the 'point of sale' and custody transfer occurs when loaded onto the truck, Australis is conscious of significant road usage for trucking operations and the shorter distances to Liberty rather than Baton Rouge produce significant benefits on both road usage and transportation fuel costs.

Another way Australis minimises road use is through the utilisation of split loads, where a single truck visits multiple oil producing sites and combines available sales inventory. This reduces partially full trucks, i.e. reduces road use and maximises income by avoiding inventory build ups before full truck loads can be accommodated at the lower producing locations. In 2025 there were 17 split loads out of a total of 1,240 loads during the year.

Longer term oil evacuation options include pipeline tie-ins and once the field moves to full scale development, these options will be considered further.

For personal use only

---

# SUSTAINABILITY REPORT

## FISCAL IMPACT ON THE LOCAL COMMUNITY

Australis trucked 207,000 bbls of oil (gross) during 2025, from the operated production from 30 wells across 19 sites managed from our local field office in Liberty, Mississippi. This level of activity generated significant fiscal benefits to the local community, which included:

- \$1.52 million paid in royalties to local mineral rights owners
- \$3.39 million spent with local Mississippi vendors and contractors
- \$1.83 million spent with local Louisiana vendors and contractors
- \$0.92 million paid in production taxes to local Mississippi authorities.

These are significant sums and total of approximately \$7.6 million contributed to the local communities. These figures do not include the salaries and benefits paid directly to 5 full time field staff members who live local to the operations.

As an active business in the local community, we are proud of the role we play and look to preferentially source services from local suppliers where available at a comparative cost.

## RISK MANAGEMENT

As with any operations-based business, it is important that Australis actively manages risk through identification, mitigation and resolution where possible. The Company maintains a robust system of risk management and internal controls which facilitates the identification and then quantification of the severity a given risk and its potential impact on the Company's business and stakeholders. The risk management system stipulates the frequency of review by management and the Board, in addition to the internal reporting required for each level of designated risk. Management have split the registers into Corporate and Operational risks which allows review participants to be targeted based on areas of expertise.

The Board retains overall responsibility for reviewing, ratifying and monitoring systems of risk management and internal control however, the day-to-day responsibility for the management of risk is delegated to the CEO. The Board has adopted a Risk Management Policy and associated procedures, which are reviewed by the Board on at least an annual basis.

Australis' Risk Management Policy is available via the Company's website.

### Financial Risk Management

The Board has delegated responsibility for financial risk management to the Audit and Risk Management Committee (ARMC). The ARMC reports to the Board on at least an annual basis as to the effectiveness of the financial risk management and internal control systems, which are also subjected to audit as part of our annual review.

Australis' ARMC Charter is available via the Company's website.

### Operational Risk Management

Australis' risk management initiatives extend beyond our employees, to include our contractors. An example of this is Australis' use of a third-party registration and monitoring system to which contractors must subscribe in order to qualify to do business with Australis. The system requires them to track and report their EHS performance, to meet minimum insurance, safety and environmental requirements in line with industry standards and thus achieve a minimum score on the third party's scoring system to be considered by Australis during the procurement process. Australis retains the right to audit vendors as part of our risk management framework.

### Compliance

Australis is committed to conducting its business in compliance with the laws, regulations and rules of the jurisdictions and capital markets in which it operates or functions. In order to achieve this goal Australis has adopted a sound system of corporate governance which is regularly monitored, developed as appropriate and communicated to employees and, where applicable, to its contractors.

# 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 financial year ended 31 December 2025.

## DIRECTORS

The names of directors of the Company in office at any time during or since the end of the financial year ended 31 December 2025 are:

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

Each director held their office from 1 January 2025 until the date of this report.

## DIRECTORS INTERESTS IN SHARES, OPTIONS, PERFORMANCE RIGHTS AND FEE RIGHTS

The relevant interest of each director in the ordinary share capital of Australis at the date of this report is:

	Shares	Performance Rights	Fee Rights
J Stewart	90,836,383	-	3,322,544
I Lusted	32,817,019	16,741,048	-
G Dowland	29,770,873	10,209,173	-
A Watson	8,927,866	-	1,329,010
S Scudamore	5,028,153	-	1,329,010

Details of the qualifications, experience, special responsibilities and meeting attendance of each of the directors are set out below.

## PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity continued to be oil and gas exploration, development and production in the United States of America.

## REVIEW OF OPERATIONS

A review of Group operations is included in the Business Strategy, TMS Asset and 2025 Operations section within this Annual Report.

For personal use only

# DIRECTORS' REPORT

## Mr Jonathan Stewart – Chairman

*Qualifications - B.Com*

Mr Stewart was appointed as the Non-Executive Chair of Australis on 12 November 2015. Mr Stewart was a founder of Aurora and was Executive Chairman of Aurora from 22 February 2005 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd on 11 June 2014. He was Executive Chairman and CEO of Aurora until separating those roles in 2012. An experienced oil & gas executive, Mr Stewart has held a number of executive management positions in listed and unlisted companies in Australia, the United States, Canada, the United Kingdom and the former Soviet Union. He has considerable experience in the management of oil and gas exploration and production companies, structuring and financing of transactions and the broader strategic development of companies. He has also been involved helping list a number of companies in Australia, the United Kingdom and Canada. Based in Europe during the 1990s, Mr Stewart has been involved in raising significant capital from international equity markets to enable the successful development of numerous projects.

### *Other current directorships of Australian listed public entities*

None

### *Former directorships with Australian listed public companies within the last three years*

None

### *Special responsibilities*

Chairman of the Board

Member of the Audit and Risk Management Committee

Member of the Remuneration and Nomination Committee

Chair of the Reserves Committee

## Mr Ian Lusted – Managing Director and Chief Executive Officer

*Qualifications – B. Science, MBA*

Mr Lusted was appointed Managing Director and CEO of Australis on 12 November 2015. He has extensive international oil & gas experience, having begun his career in the industry in 1991 with Shell International after serving for several years as an officer in the Royal Navy. At Shell, Mr Lusted gained upstream operations experience in a variety of locations including the North Sea, SE Asia and onshore Europe. He was responsible for field operations including drilling and well operations on semi-submersibles, platform, jack-up and land facilities. In 1998 Mr Lusted established Leading Edge Advantage (“LEA”), an advanced drilling project management consultancy based in Aberdeen and subsequently in Perth, Australia. Mr Lusted led a number of multi-discipline project teams that implemented world first technology applications often in complex jurisdictions. Mr Lusted then spent 3 years as Technical Director for Cape Energy, a private oil and gas company with development assets in the Philippines and Australia. Preceding his appointment at Australis Mr Lusted was Technical Director of Aurora Oil and Gas from 14 April 2008 until August 2013. As well as being responsible for all technical activities carried out by Aurora, Mr Lusted played an active role in investor and stakeholder relations.

Mr Lusted holds a B.Sc (Hons.) from York University in the United Kingdom and is a member of the Society of Petroleum Engineers.

### *Former directorships with Australian listed public companies within the last three years*

None

### *Special responsibilities*

None

For personal use only

## DIRECTORS' REPORT

### Mr Graham Dowland - Finance Director and Chief Financial Officer

*Qualifications - B.Com,*

Mr Dowland was appointed Director and CFO of Australis on 12 November 2015. Prior to this appointment Mr Dowland was a founding director of Aurora Oil & Gas Limited (Aurora) appointed in February 2005. Mr Dowland held the position of Finance Director of Aurora from 10 November 2010 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd in June 2014. He has over 35 years corporate finance and management experience in the oil and gas industry having previously held director or senior management or advisory positions in Australian, Canadian and UK-listed companies with operations in the UK, Russia, Azerbaijan, Indonesia, Australia and New Zealand.

*Other current directorships of Australian listed public entities*

None

*Former directorships with Australian listed public companies within the last three years*

None

*Special responsibilities*

None

### Mr Alan Watson – Non-Executive Director

*Qualifications – B.Sc (Hons.)*

Mr Watson was appointed as an independent Non-Executive Director of Australis on 24 May 2016 and was formerly an independent, non-executive director of Aurora from 17 November 2010 until the acquisition of Aurora by Baytex Energy Australia Pty Ltd on 11 June 2014. Sydney-based Mr Watson is a former investment banker with 35 years of experience within various global equity markets. Over this period he established, directed and was responsible for the conduct of securities businesses both in Europe and Asia advising many companies on capital structuring, initial public offerings, takeovers and mergers and investment relations strategies. Mr Watson held positions at Barclays de Zoete Wedd Limited, Donaldson, Lufkin & Jenrette Securities Corporation, Lehman Brothers Holdings Inc and as Head of Securities Europe for Macquarie Capital (Europe) Ltd. Currently

Mr Watson is independent Chairman of ASX listed funds management company Pinnacle Investment Management Group Limited.

*Other current directorships of Australian listed public entities*

Pinnacle Investment Management Group Limited

*Former directorships with Australian listed public companies within the last three years*

None

*Special responsibilities*

Chairman of the Remuneration and Nomination Committee

Member of the Audit and Risk Management Committee  
Lead Independent Director

For personal use only

# DIRECTORS' REPORT

## Mr Stephen Scudamore AM – Non-Executive Director

*Qualifications – BA (Hons) MA (OXON), FCA*

Mr Scudamore was appointed as an independent Non-Executive Director of Australis on 30 November 2016.

Mr Scudamore is an experienced Australian company director. His distinguished career includes more than three decades with KPMG, including senior roles in Australia, London and PNG including Chairman of Partners WA, Head of Corporate Finance in WA and National Head of Valuations, KPMG Australia.

He is currently a non-executive Director of Regis Resources Limited and was previously Non-Executive Director of Aquila Resources, Altona Mining Limited and Pilbara Minerals Limited.

Mr Scudamore is a Chartered Accountant with a Bachelor and Master of Arts from Oxford University, a Fellow of the Institute of Chartered Accountants, England, Wales and Australia (FCA), a Fellow of the Institute of Company Directors (FAICD) and a Senior Fellow of the Financial Services Institute of Australia (SF Fin) and Honorary Doctor of Curtin University (Hon D Univ). In January 2023 Mr Scudamore was awarded a Member of the Order of Australia for significant service to business and commerce.

### *Other current directorships of Australian listed public entities*

Regis Resources Limited

### *Former directorships with Australian listed public companies within the last three years*

Pilbara Minerals Limited

### *Special responsibilities*

Chairman of the Audit and Risk Management Committee

Member of the Remuneration and Nomination Committee

## Ms Julie Foster – Vice President - Finance and Company Secretary

*Qualifications – BA(Hons), ACA (ICAEW), AGIA, AGC*

Ms Foster was appointed Vice President-Finance and Joint Company secretary of Australis on 12 November 2015. Previously Ms Foster was Group Controller and Company Secretary of Aurora from 2008 until its acquisition by Baytex Energy Australia Pty Ltd in June 2014.

Ms Foster holds a degree in Accounting and Finance (BA Hons) and is a member of the Institute of Chartered Accountants in England and Wales (ACA) and a member of the Governance Institute Australia (AGIA).

For personal use only

# DIRECTORS' REPORT

## INDEMNITY OF DIRECTORS AND OFFICERS

The Company has paid a premium in respect of a contract insuring the directors and officers of the Company and Group against liabilities incurred as such a director, secretary or officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

## MEETINGS OF DIRECTORS

The following table sets out the scheduled number of meetings of the Company's directors held during the year and the number of meetings attended by each director.

	Meetings of committees					
	Meetings of directors		Audit		Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Jonathan Stewart	6	6	5	5	4	4
Ian Lusted	6	6	5	5	4	4
Graham Dowland	6	6	5	5	4	4
Alan Watson	6	6	5	5	4	4
Steve Scudamore	6	6	5	5	4	4

In addition to the above formal meetings there were a number of informal meetings held throughout the year to discuss a variety of operational and strategic matters. The Board and Committees also resolved several actions by circular resolution. A total of 12 Board resolutions and 3 Audit Committee resolutions were resolved by circulatory resolution during 2025.

## SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no options on issue during the year ending 31 December 2025 nor any on issue at the balance date (2024: Nil).

## SHARES ISSUED ON THE EXERCISE OF FEE RIGHTS

The following vested fee rights were exercised during the year ended 31 December 2025 with fully paid ordinary shares issued as a result to the non executive directors in lieu of non executive director cash fees.

Grant Date	Year Ended 31 December 2025		Year Ended 31 December 2024	
	Number exercised	Exercise Price	Number exercised	Exercise Price
2022 Fee Rights A	-	-	3,039,629	-
2023 Fee Rights A	5,124,164	-	-	-
<b>Total Shares</b>	<b>5,124,164</b>		<b>3,669,266</b>	

For personal use only

# DIRECTORS' REPORT

## SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following vested performance rights were exercised and settled during the year ended 31 December 2025 with fully paid ordinary shares issued as a result. No amounts are unpaid on these shares.

Grant Date	Year Ended 31 December 2025		Year Ended 31 December 2024 <sup>(1)</sup>	
	Number exercised	Exercise Price	Number exercised	Exercise Price
2019 LTI Awards Performance Rights	-	-	48,980	-
2020 LTI Awards Performance Rights	194,224	-	2,140,109	-
2021 LTI Awards Performance Rights	2,515,094	-	3,523,491	-
2022 LTI Awards Performance Rights	9,213,795	-	2,816,529	-
2023 LTI Awards Performance Rights	7,117,004	-	2,188,939	-
2024 LTI Awards Performance Rights	3,034,536	-	-	-
<b>Total Shares</b>	<b>22,074,653</b>		<b>10,718,048</b>	

<sup>(1)</sup> During the year ended 31 December 2024 the exercise of vested performance rights was settled through the Australis Oil & Gas Employee Share Trust (Trust) with treasury shares previously acquired on market or via a subscription for new shares. The Trust was dissolved during 2024. In 2025 the exercise of performance rights was settled by the issue of ordinary shares direct to employees.

## SHARES ISSUED ON THE SETTLEMENT OF 2024 STI

17,555,844 fully paid ordinary share were issued during the year ended 31 December 2025 as part settlement of the 2024 achieved STI.

In addition, the following performance rights were either expired, forfeited or exercised to meet employee personal tax obligations in North America upon vesting during the year:

Performance Rights – expired, exercised for tax or forfeited	Year Ended 31 December 2025	Year Ended 31 December 2024
Expired	-	-
Exercised to meet Employee tax obligations	21,293,397	3,791,432
Forfeited (failed to meet Performance conditions)	17,932,244	9,539,470
Forfeited (failed to meet Continued employment)	2,844,480	4,930,551
<b>Total</b>	<b>42,070,121</b>	<b>18,261,453</b>

Details of performance rights and fee rights on issue and their terms and conditions as at 31 December 2025 are set out at Note 7.3 to the financial statements. The Remuneration Report outlines those granted and / or vested to KMP and the key terms and conditions.

For personal use only

---

# DIRECTORS' REPORT

## 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 Annual Report are set out in the Business Strategy, TMS Asset and 2025 Operations section and the Financial and Corporate Review and the events after the reporting date as set out in this Annual Report.

## DIVIDENDS

In respect of the year ended 31 December 2025, no dividends have been paid or declared and the directors do not recommend the payment of a dividend in respect of the financial period (2024: Nil).

## EVENTS AFTER THE REPORTING DATE

No events have occurred since 31 December 2025 that would materially affect the operations of the Group, the results of the Group or the state of the affairs of the Group not otherwise disclosed in the Group Financial Statements other than as set out below.

On 22 January 2026 Shareholder approval was obtained for the provision of a benefit to KMP, pursuant to sections 200C and 200E of the Corporations Act. Upon approval 50.5 million performance rights held by KMP vested pursuant to the LTI Plan terms relating to material asset disposals.

AASB 2 – Share Based Payments requires the fair value at grant date of the performance rights granted be expensed over the vesting periods. The fair value of unvested performance rights for KMP that had not been expensed at 31 December 2025 will be recognised in the profit and loss in 2026.

## LIKELY DEVELOPMENTS

Refer to the Business Strategy, TMS Asset and 2025 Operations on pages 4-12.

## ENVIRONMENTAL DEVELOPMENTS

The Group is subject to environmental regulations under State and Federal laws in the jurisdictions where it holds mineral rights within the United States and has processes in place to ensure compliance with these regulations. Environmental performance is reported to the Board on a monthly basis. For further detail on the Group's environmental performance, refer to Environment section on page 29 of the Sustainability Report.

## ROUNDING OFF OF AMOUNTS

The Company is of a kind referred to in ASIC Class Order 2016/191, dated 24 March 2016 and in accordance with that Class Order amounts in the Director's Report and Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

## PROCEEDINGS ON BEHALF OF AUSTRALIS

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of Australis, or to intervene in any proceedings to which Australis is a party, for the purpose of taking responsibility on behalf of Australis for all or part of these proceedings.

No proceedings have been brought or intervened in on behalf of Australis with leave of the Court under section 237 of the *Corporations Act 2001*.

## NON-AUDIT SERVICES

No amounts were paid or are payable for non audit services.

For personal use only

---

# DIRECTORS' REPORT

## AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration as required by section 307C of the Corporations Act 2001 is included on page 107.

The Directors' Report is signed in accordance with a resolution of the directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the directors,



**Jonathan Stewart**  
Chairman

Perth, Western Australia  
26 February 2026

For personal use only

---

# REMUNERATION REPORT

The directors of Australis Oil & Gas Limited present their Remuneration 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 year ended 31 December 2025.

In accordance with section 308(3C) of the *Corporations Act 2001*, the Remuneration Report has been audited by BDO Audit Pty Ltd and forms part of the Directors’ Report.

In this report the remuneration and benefits reported have been presented in United States dollars unless otherwise stated. Quoted share prices and volume weighted average price of shares are expressed in Australian dollars.

Australian based KMP are paid in Australian dollars and Canadian based KMP are paid in Canadian dollars. Remuneration and benefits denominated in Australian or Canadian dollars have been converted to United States dollars at the exchange rate prevailing at the date of the transaction.

The Remuneration Report outlines the key aspects of the Australis remuneration policy and framework and the remuneration awarded as set out below:

1. Letter from the Chair of the Remuneration and Nomination Committee
2. Key Management Personnel (KMP)
3. Remuneration policy
4. Remuneration Components – Executive KMP
5. Remuneration and performance
6. Remuneration expense – Executive KMP
7. Employment agreements – Executive KMP
8. Non-executive director arrangements
9. Other statutory information

For personal use only

---

# REMUNERATION REPORT

## 1. LETTER FROM THE CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

Dear Fellow Shareholders

The two dominant objectives for your Company in 2025 were to continue to operate its assets in the TMS as safely and efficiently as possible and to secure partnerships to allow realisation of the value of its assets, together with facilitating the future development of the TMS.

Both of these objectives were achieved in 2025. The Company's safety performance is detailed between pages 31 and 33 of the Sustainability Report, where shareholders can observe that the operations were conducted to a consistently high standard of safety. In addition, the Company fulfilled its ambitions to secure development and financing partnerships, details of which were announced to the ASX on 26 November 2025 and can be found in the announcements section on the Company's website at: [www.australisoil.com](http://www.australisoil.com)

Leading up to these two transactions, the Company maintained tight financial discipline by continuing to limit capital expenditure, whilst minimising operational costs. Cost control had to be balanced with the requirement to retain a 'drill ready' management team in the US of qualified and experienced oil personnel capable of marketing and executing on our development and financing transactions.

As a result of closing the financing partnership on 30 December 2025, certain performance rights granted under the Australis Employee Equity Incentive Plan vested in accordance with the Plan's terms relating to material asset disposals. This incentive plan has been a critical and successful retention component for the Company over the past few years whilst Executive KMP and senior management have agreed to part-time roles, salary reductions and sacrificed bonus payments as needed to reduce costs whilst maintaining capability. Shareholders overwhelmingly supported the vesting of approximately 50.5 million of these performance rights to KMP (25.6 million to Executive KMP) at a General Meeting held on 22 January 2026, and we thank shareholders for their support.

Both the CEO and CFO further reduced their remuneration from 2024, now to 60% and 25% of their base salaries, until the Company succeeded in securing its financing and partnering goals. Aside from this, there was no increase for other KMP remuneration during the year although the CCO agreed to 35% of his base remuneration being subject to a successful close to the transactions.

Along with the additional reductions in Executive KMP remuneration, your Non-Executive directors, as highlighted in last year's report, also significantly reduced their fees (40%) from 1 January 2025.

### SHORT TERM INCENTIVE REMUNERATION (STI)

KMP and senior managements incentives were heavily based on the key objectives for the Company of securing financing and introducing a development partner. It was a pleasing result that both goals were achieved late in the year.

As an operator of the TMS field, key targets for all management and staff, although weighted towards operational staff, were similar to previous years, with the priority for safety and environment. Cashflow, production and costs of production were the key targets. As reported in the sustainability report, the outstanding record in safety and performance targets continued to be maintained. All targets other than cashflow were met or exceeded in 2025 as detailed within this report.

With the introduction of our Development Partner and the transition to non-operator for existing producing assets, the Board recognises different targets and hence incentives are required going forward. The management team will continue to be "drill ready" to assist the Development Partner in planning and with operator activities when they commence whilst being ready to pursue opportunities in and around the TMS. Incentives for 2026 will be measured against these activities.

For personal use only

---

# REMUNERATION REPORT

## LONG TERM INCENTIVE PLAN (LTI)

The LTI Plan for 2025, as with previous years, sought to align the interests of Executive KMP and staff with shareholders. Performance Rights were granted to all staff and were to vest over 3 years based on service and an improvement in share price. A total of 4.4 million Performance Rights were issued to Executive KMP in 2025 and a further 8.4 million Performance Rights held by Executive KMP lapsed.

As mentioned earlier, with the closing of the Financing Transaction in late 2025, all unvested Performance Rights held by Executive KMP and all staff have now vested.

For 2026, the Board recognises the Company has moved closer to its ultimate goal of value creation for shareholders and accordingly the long term incentives for Executive KMP and staff will be narrowed to focus on this outcome.

On behalf of all shareholders, the Board wishes to thank and acknowledge all Australis personnel for their success in delivering a safe and productive operating environment in 2025, as well as concluding development and financing partnerships to allow a pathway to increasing value creation.

We hope you find the Remuneration Report useful.



**Alan Watson**

Chairman, Remuneration and Nomination Committee

Sydney, NSW  
26 February 2026

For personal use only

# REMUNERATION REPORT

## 2. KEY MANAGEMENT PERSONNEL

The KMP disclosed in this report are as follows:

Non – Executive Directors	Position
Jonathan Stewart	Non-Executive Chairman
Alan Watson	Independent Non-Executive Director
Steve Scudamore	Independent Non-Executive Director
Executive KMP	Position
<i>Executive Directors</i>	
Ian Lusted	Managing Director and Chief Executive Officer (CEO)
Graham Dowland	Finance Director and Chief Financial Officer (CFO)
<i>Other KMP</i>	
Darren Wasylucha	Chief Corporate Officer (CCO)
David Greene	Vice President Operations

## 3. REMUNERATION POLICY

The Remuneration and Nomination Committee (RNC or Committee) is comprised of Independent Non-Executive Directors: Mr Alan Watson (Chair) and Mr Steve Scudamore and Non-Executive Chairman Mr Jonathan Stewart.

The Board, together with the RNC has established a remuneration policy that it considers:

- appropriate for current activity levels and for the evolution of the Company's business;
- aligned with the achievement of the Company's strategic and business objectives;
- aligns the objectives of employees with those of shareholders; and
- competitive and reasonable, enabling the Company to attract and retain key personnel.

The Committee reviews the remuneration policy and structure on an annual basis to ensure it remains aligned with business goals and is consistent with remuneration principles and makes recommendations to the Board where appropriate.

The RNC may consider advice from external advisors who are engaged by and report to the Committee, the RNC did not receive any external remuneration recommendations during the reporting period.

For personal use only

# REMUNERATION REPORT

Table 1: Remuneration framework

Component	Purpose	Performance metrics	Potential value										
<b>Fixed remuneration (FR)</b>	Provide competitive market salary including Base Remuneration (BR), post employment and non-monetary benefits	None	Median market rate for a business of similar size and current activity levels										
<b>Short term incentive (STI)</b>	Reward for in-year performance with an emphasis on safety, payable after lodgement of Financial Report	Goals aligned with TMS partnering, financing and development activities, Adjusted EBITDA and EHS goals and targets including Greenhouse Gas Emissions	<table border="0"> <tr> <td></td> <td style="text-align: right;">% of Base Remuneration</td> </tr> <tr> <td>CEO</td> <td style="text-align: right;">112.88%</td> </tr> <tr> <td>CFO<sup>(1)</sup></td> <td style="text-align: right;">n/a</td> </tr> <tr> <td>CCO</td> <td style="text-align: right;">69.30%</td> </tr> <tr> <td>VP Operations</td> <td style="text-align: right;">61.60%</td> </tr> </table>		% of Base Remuneration	CEO	112.88%	CFO <sup>(1)</sup>	n/a	CCO	69.30%	VP Operations	61.60%
	% of Base Remuneration												
CEO	112.88%												
CFO <sup>(1)</sup>	n/a												
CCO	69.30%												
VP Operations	61.60%												
<b>Long term incentive (LTI)</b>	Alignment to long term shareholder value and to attract and retain high calibre employees	<p>Vest in three annual tranches on a 1/7, 2/7, 4/7 basis over a three year period</p> <p>Absolute TSR Performance Targets as set out in Section 4.2.3.</p> <p>Retention only (continued employment) component</p>	<p>CEO 70% of contracted Base Remuneration subject to a reduction of 73%.</p> <p>CCO: 45% of Base Remuneration subject to a reduction of 81%.</p> <p>VP Operations: 40% of Base Remuneration subject to a reduction of 82%.</p>										

<sup>(1)</sup> Mr Dowland (CFO) voluntarily declined a STI and LTI Award for 2025.

The RNC is responsible for assessing performance against KPI's and determining the STI and LTI to be paid to Other KMP based on the recommendation of the CEO. The STI and LTI outcomes for the Executive Directors are approved by the Board after receiving recommendations from the RNC.

The Company has adopted a Claw Back Policy which permits the claw back of vested and unvested short and long term incentives granted to Executive KMP and other senior executives, in accordance with the terms of the applicable incentive, including if the Company becomes aware of a material misstatement in its Financial Statements or other reports for the immediately preceding financial year for LTI's and STI's or becomes aware of an event that has occurred, including but not limited to fraud or dishonesty, which would deem that some or all of the performance based remuneration should not have been paid to Executive KMP and other senior executives.

For personal use only

# REMUNERATION REPORT

## 4. REMUNERATION COMPONENTS – EXECUTIVE KMP

Table 2: Remuneration Components

### 4.2.1 Fixed remuneration

- |                                 |   |
|---------------------------------|---|
| <b>Base Remuneration</b>        | <ul style="list-style-type: none"><li>• Base remuneration for Executive KMP is reviewed at least annually by the RNC as part of the Company's annual performance review processes. Consideration is given to comparable roles in organisations of a similar size, industry and complexity in the country in which the executive operates. Where relevant, remuneration information derived from relevant remuneration surveys conducted by independent third parties are used to supplement this data.</li><li>• There was no change in base salary for the VP Operations during the reporting period. Mr Dowland (CFO) continued to further voluntarily reduce his base salary which was reduced by 50% from 1 January 2024 and then a further reduction of 43% to the equivalent of A\$85,000 pa from 1 April 2025. The CCO voluntarily deferred payment of 25% of his salary from 1 June 2025 until a partnering transaction had been executed. The deferred remuneration was paid in January 2026. Mr Lusted (CEO) voluntarily reduced his salary a further 20% from 1 January 2025 (Total reduction of 40% since 1 June 2024).</li></ul> |
| <b>Post-employment benefits</b> | <ul style="list-style-type: none"><li>• Superannuation Guarantee contributions are made for Australian based Executive KMP at an average of 11.75% of the base salary for the year.</li><li>• USA based Executive KMP receive a contribution towards "401k" retirement plans which matches their own contributions to such plans. In 2025, contributions were matched for USA Executive KMP up to a maximum of 4% of base salary.</li><li>• Canadian based Executive KMP receive a contribution towards a Registered Retirement Savings Plan ('RRSP') as part of an annual medical/post retirement benefit allowance. The maximum allowance is C\$15,831 and the allocation of the funds to medical insurance and RRSP is at the discretion of the CCO. It was mutually agreed that there would be no contribution to RRSP made during the year (2024: C\$8,300).</li><li>• Termination benefits are payable to Executive KMP as part of their contractual agreements as set out in section 7. These termination benefits were approved by shareholders for Executive KMP other than the VP Operations.</li></ul>                             |
| <b>Other benefits</b>           | <ul style="list-style-type: none"><li>• For the reporting period, the following benefits or allowances (including fringe benefits tax where applicable) were made available to Executive KMP:<ul style="list-style-type: none"><li>- Car parking – CEO and VP Operations.</li><li>- Health, dental and life insurance benefits – CCO and VP Operations (a standard benefit for North American based employees).</li></ul></li></ul>   |

For personal use only

# REMUNERATION REPORT

## 4.2.2 Short term incentives

### Maximum achievable short-term incentive (STI)

- The maximum amount of STI awarded to Executive KMP is expressed as a percentage of their 2025 earned base remuneration and is based on employment level and may be settled in cash and / or equity.
- The STI percentage for individual Executive KMP is pre-approved by the Board or RNC.
- The Target and Maximum achievable as a percentage of base salary is as follows:

	Target %	Max Stretch Target
CEO	75%	112.88%
CCO	45%	69.30%
VP Operations	40%	61.60%

- Mr Dowland (CFO) voluntarily declined an STI award for 2025.

### Performance Metrics

- For 2025 Company performance was assessed based on weighted components that included:

Corporate KPI's		As a % of Target STI	Range (subject to minimum threshold achievement)		EHS Multiplier <sup>(1)</sup>
			Target <sup>(2)</sup>	Base <sup>(2)</sup>	
1. Goals aligned to TMS partnering, financing and development activities	Executive Director	70%	n/a	70%	
	Other KMP	60%	n/a	60%	
2. Performance EBITDA <sup>(3)</sup>	Executive Director	30%	22.5%	37.5%	
	Other KMP	40%	30%	50%	
<b>Total not greater than</b>	<b>Executive Director</b>	<b>100%</b>	<b>92.5%</b>	<b>107.5%</b>	<b>0.3 to 1.4 x</b>
	<b>Other KMP</b>	<b>100%</b>	<b>90%</b>	<b>110%</b>	<b>0.3 to 1.4 x</b>

<sup>(1)</sup> The Board and management of Australis are committed to supporting a culture of prioritising safety. The EHS KPI relates to specific statistical targets for reportable incidents. These targets are monitored on a regular basis. Due to the importance attributed to the safety culture the EHS KPI overlies the existing corporate and individual KPI's. A multiplier of between 0.3 to 1.4 times, dependent on the level of achievement of EHS targets, will be applied to the achieved STI %.

<sup>(2)</sup> The Board assesses achievement based on a pre-determined range as follows:

- Base – minimum performance necessary to qualify for an award, other than Goals which require a subjective assessment by the board as to achievement.
- Target – where performance requirements are met.
- Stretch – where performance requirements are exceeded.

<sup>(3)</sup> Performance EBITDA means Adjusted EBITDA (as defined in Glossary on pages 23 and 24) excluding share based payments, short term incentive expense and income/expense relating to a financing or partnering transaction.

### Board Discretion

- The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes.
- The Board retains the right to grant STI's in recognition of, however is not restricted to, additional workload and ad hoc assignments.

### Payment of STI

- The payment of the 2025 STI's will occur after lodgement of the 2025 Financial Statements.

For personal use only

# REMUNERATION REPORT

## 4.2.3 Long term incentives

- Long term incentive (LTI) awards**
- LTI's are awarded under the Australis Oil & Gas Limited Employee Equity Incentive Plan (LTI Plan) which has been approved by Shareholders in general meeting and can include options, performance rights and shares. For the reporting period the following awards, which are unchanged from previous year, were approved by the Board.
  - The total number of LTI Awards granted in 2025 were subject to a scaling factor based on, but not limited to, seniority and previous remuneration adjustments.
  - Mr Dowland (CFO) voluntarily declined a LTI Award for 2025.

Executive KMP	Award as % of Base Remuneration	Scaling Factor	Service Condition Only	Absolute TSR Performance and Service Condition
CEO	70%	73%	20%	80%
CCO	45%	81%	40%	60%
VP Operations	40%	82%	50%	50%

- Performance Conditions**
- LTI awards vest in three annual tranches on a 1/7, 2/7 and 4/7 basis over a three-year period.
  - A proportion of the awards, as set out above for the 2025 Performance Year, are subject to Absolute TSR Performance Targets being the Company's weighted average price (VWAP) for December 2024 to the VWAP of the Company for the month of December prior to the particular vesting date as follows:

ATS TSR increase compared to December 2024 VWAP of A\$0.0086	Up to 120%	120% to < 150%	150% to < 200%	200% to < 250%	250% to < 300%	300%+
--	------------	----------------	----------------	----------------	----------------	-------

Vesting date for:

Tranche 1*	0%	40%	60%	80%	100%	100%
Tranche 2**	0%	20%	40%	80%	100%	100%
Tranche 3***	0%	10%	20%	60%	80%	100%

\* being 31 Jan 2026 (December 2025 VWAP)

\*\* being 31 Jan 2027 (December 2026 VWAP)

\*\*\* being 31 Jan 2028 (December 2027 VWAP)

- For the 2025 LTI award and all previous awards, the LTI Plan incorporates a retest facility whereby any performance rights that do not vest under the LTI awards on the Tranche 1 (1/7) and / or Tranche 2 (2/7) Vesting Dates pursuant to the Absolute and / or Relative TSR Performance Targets will be retested at the Tranche 3 (4/7) Vesting Date in accordance with the Tranche 3 Performance Targets.

On 30 December 2025 the Company closed on a financing transaction with EQV. As a result, all invested performance rights held by KMP at 31 December 2025 for the 2025 Award and prior vested on 22 January 2026. Refer to Section 5.2 of the Remuneration Report for details.

# REMUNERATION REPORT

## 5. REMUNERATION AND PERFORMANCE

### 2025 PERFORMANCE

#### 5.1 STI Award

The corporate goal for 2025 for Executive KMP was linked to securing asset level partners or alternative sources of funding for development operations in the TMS and achievement was subject to Board discretion after consideration of a range of factors.

In addition, Executive KMP had a corporate target for 2025 based on Performance EBITDA being Adjusted EBITDA (as defined on pages 23 and 24, excluding share-based payments, short term incentives, transaction net income and impairment) with the target based on the 2025 Board approved budget which assumed no partnering or drilling.

A multiplier is applied to the target for achievement of between 85% to 115% of the budgeted Performance EBITDA.

To reinforce the Company's commitment to a culture of safety an STI target focused on Environment, Health and Safety (EHS) was introduced from 2017 and is applied to all employees including Executive KMP. The EHS STI target measures all lost time incidents by employees or contractors on Company sites, motor vehicle incidents causing injury or above a financial value threshold and reportable and non-reportable spills and an emissions component. The overall result of the EHS assessment generates a multiple with a maximum of an increase of up to 40% of achieved STI for achieving all EHS targets or reduction of up to 70% of achieved STI depending on the extent and number of EHS targets missed.

The RNC determined and recommended to the Board, the KPI outcomes based on the Company's activity during 2025 and assessed achievement of certain components of Company performance based on a pre-determined range as detailed in 4.2.2.

For 2025 the Board determined that the goal to secure an asset level partner and a source of funding was achieved by the year end as a result of the close of the transactions on 26 November 2025 and 30 December 2025, the Development Partnering and Financing Transaction respectively, as set out in the Operations Report.

The Board have determined that the Performance EBITDA for the financial year did not exceed the threshold performance requirements.

Operational KPI's in place for employees below Executive Management level were achieved and represent the continued success of the operations team to maximise output from the producing wells including through the continual improvements in run times between workovers.

Due to the continued diligence of the operations team, for 2025 an EHS multiplier of 110% was achieved.

#### Statutory Performance Indicators

The table below shows measures of the Group's financial performance as required by the *Corporations Act 2001*. There may not be a direct correlation between the statutory performance indicators and the measures used to determine short term incentives awarded to Executive KMP.

For personal use only

# REMUNERATION REPORT

Table 3: Statutory Performance Indicators

	Year Ended				
	31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021
Revenue from oil sales (US\$'000)	14,077	19,428	20,712	28,378	22,909
Adjusted EBITDA* (US\$'000)	642	2,536	1,046	6,122	2,735
(Loss)/profit after impairment and taxation (US\$'000)	(24,949)	(8,271)	(15,315)	1,967	(2,408)
Profit / (Loss) per share					
- Basic (US cents)	(1.90)	(0.64)	(1.21)	0.16	(0.21)
- Diluted (US cents)	(1.90)	(0.64)	(1.21)	0.14	(0.21)
Share price at end of year/period	A\$0.015	A\$0.009	A\$0.016	A\$0.036	A\$0.048

\* Adjusted EBITDA is defined in the glossary on pages 23.

## 5.2 LTI Award

Upon close of the Financing Transaction with EQV on 30 December 2025, a total of approximately 83.2 million performance rights granted to employees, excluding KMP, vested pursuant to the LTI Plan terms relating to material asset disposals. A further 50.5 million performance rights held by KMP, including those granted in 2025, vested on 22 January 2026 after shareholder approval was obtained for the provision of a benefit to KMP, pursuant to sections 200C and 200E of the Corporations Act. The LTI Plan has been a critical and successful retention component for the Company over the past few years whilst staff have agreed to part-time roles, salary reductions and sacrificed bonus payments as needed to reduce costs whilst maintaining capability.

AASB 2 – *Share Based Payments* requires the fair value at grant date of the performance rights granted be expensed over the vesting periods. For employees, excluding KMP, the fair value of performance rights that had not previously been expensed were expensed to the profit and loss on the close of the EQV Financing Transaction.

As the approval for accelerated vesting of KMP performance rights was not obtained until 22 January 2026, the unvested portion of the rights expense was not accelerated in the financial period and will be recognised as an expense in the 2026 financial year.

For personal use only

# REMUNERATION REPORT

## 6. REMUNERATION EXPENSE EXECUTIVE KMP

Table 4: Executive KMP Remuneration (all US\$)

Executive Directors	Short term benefits			Post-employment benefit	Total Cash	Annual/Long Service leave provision	Share-based		Total	Performance related
	Cash salary & fees	STI Cash <sup>(1)</sup>	Other benefits <sup>(2)</sup>	Super-annuation	Remuneration		STI Shares <sup>(1)</sup>	Options/Rights <sup>(3)</sup>	Remuneration	
Ian Lusted										
31 Dec 2025	129,725	77,885	1,547	15,248	224,405	(13,124)	-	41,302	252,583	41%
31 Dec 2024	187,443	-	1,585	16,299	205,327	(14,665)	-	90,184	280,846	19%
Graham Dowland										
31 Dec 2025	55,358	-	-	17,042	72,400	1,523	-	34,309	108,232	21%
31 Dec 2024	90,646	-	-	18,372	109,018	(21,877)	-	82,229	169,370	28%
<b>Other KMP</b>										
Darren Wasylucha										
31 Dec 2025	246,687	74,453	5,592	-	326,732	9,444	-	37,247	373,423	24%
31 Dec 2024	251,150	-	5,628	6,135	262,913	30,429	-	69,663	363,005	8%
David Greene <sup>(5)</sup>										
31 Dec 2025	316,725	83,616	18,699	11,887	430,927	6,296	-	40,961	478,184	20%
31 Dec 2024	316,725	10,000	18,010	12,047	356,782	(6,968)	10,000	75,184	434,998	10%
<b>Total</b>										
<b>31 Dec 2025</b>	<b>748,495</b>	<b>235,954</b>	<b>25,838</b>	<b>44,177</b>	<b>1,054,464</b>	<b>4,139</b>	<b>-</b>	<b>153,819</b>	<b>1,212,422</b>	
31 Dec 2024	845,964	10,000	25,223	52,853	934,040	(13,081)	10,000	317,260	1,248,219	

<sup>(1)</sup> STI represents the amount earned in relation to the financial year and settled in the subsequent financial year after the release of the Annual Financial Statements. Amounts were translated to USD using closing spot rate on 31 December 2025 and 2024 respectively.

<sup>(2)</sup> Other benefits include car parking, health and travel benefits and associated fringe benefit tax, where applicable.

<sup>(3)</sup> AASB 2 – Share Based Payments requires the fair value at grant date of the performance rights granted be expensed over the vesting periods. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual KMP may ultimately realise should these equity interests vest. No options, performance rights or fee rights were granted to directors during 2025 other than as set out in Section 9.

For personal use only

# REMUNERATION REPORT

## 7. EMPLOYMENT AGREEMENTS EXECUTIVE KMP

Table 5: Executive KMP Employment Contract Summary

Name	Employing Company	Contract Duration	Termination – Material Diminution	Termination notice period company	Termination notice period executive	Post-employment restraints
<b>Ian Lusted</b>	Australis Oil & Gas Limited	Unlimited	1 month	12 months	12 months	12 months
<b>Graham Dowland</b>	Australis Oil & Gas Limited	Unlimited	1 month	12 months	12 months	12 months
<b>Darren Wasylucha</b>	Australis Oil & Gas Limited	Unlimited	2 months	1 month <sup>(1)</sup>	1 month <sup>(1)</sup>	6 months
<b>David Greene</b>	Australis TMS Inc	Unlimited	2 months	6 months	3 months	12 months – non solicitation only

<sup>(1)</sup> Previously 9 months and 3 months – reduced as part of negotiated deferred salary arrangements as outlined in section 4.2.1

For personal use only

# REMUNERATION REPORT

## 8. NON-EXECUTIVE DIRECTOR ARRANGEMENTS

NEDs receive a fee for chairing or participating on the Board and its Committees. Fees are reviewed annually by the Board. Superannuation contributions are made in relation to fees that are settled in cash. NED's do not receive performance-based pay.

On 1 January 2025 the NEDs reduced their total fees (Base and Additional) as set out below.

The maximum annual aggregate directors fee pool limit is A\$600,000 and was approved by Shareholders at the general meeting on 27 June 2016.

Base Fees (excluding Super)	From 1 Jan 2025
Chair	AS\$100,000
Other NEDs	A\$35,725
Additional fees	
Audit Committee Chair	A\$4,275
Remuneration and Nomination Committee Chair	A\$4,275

NED fees were reduced from 1 January 2025. The Chair fees were reduced from A\$171,232 to A\$100,000 and the other NED fees reduced from A\$68,493 to A\$40,000. For 2025 NED fees were settled fully in cash.

In 2024 50% of the NED's fees were settled in equity awards and 50% in cash. The 2024 equity awards were issued in the form of Fee Rights approved by shareholders at the 2024 AGM. The 2024 Fee Rights vested on 31 January 2025. Each Fee Right is exercisable at any time up to 31 January 2027 into one ordinary share. The Fee Rights were issued based on the Australis VWAP for the year to 31 December 2023 of A\$0.0272.

For personal use only

# REMUNERATION REPORT

Table 6: Non-Executive Director total remuneration per Corporations Act (all US\$)

Non-Executive Directors	Short term benefits	Post-employment benefit	Total Cash	Share based	Total	Performance related
	Cash salary & fees	Superannuation	Remuneration	Equity settled fees <sup>(1)</sup>	Remuneration	
<b>Jonathan Stewart</b>						
31 Dec 2025	52,224	19,956	72,180	-	72,180	n/a
31 Dec 2024	49,186	17,215	66,401	30,680	97,081	n/a
<b>Alan Watson</b>						
31 Dec 2025	25,835	3,037	28,872	-	28,872	n/a
31 Dec 2024	23,877	2,683	26,560	12,272	38,832	n/a
<b>Steve Scudamore</b>						
31 Dec 2025	25,835	3,037	28,872	-	28,872	n/a
31 Dec 2024	23,877	2,683	26,560	12,272	38,832	n/a
<b>Total</b>						
<b>31 Dec 2025</b>	<b>103,894</b>	<b>26,030</b>	<b>129,924</b>	<b>-</b>	<b>129,924</b>	
<b>31 Dec 2024</b>	<b>96,940</b>	<b>22,581</b>	<b>119,521</b>	<b>55,224</b>	<b>174,745</b>	

<sup>(1)</sup> 100% of the non-executive director fees for 2025 were paid in cash. 50% of the non-executive director fees for 2024 were settled in performance rights (Fee Rights A) – Mr Stewart A\$85,616, Mr Watson and Mr Scudamore A\$34,246 each. AASB 2 – Share Based Payments requires the fair value at the grant date to be expensed over the vesting period.

For personal use only

# REMUNERATION REPORT

## 9. ADDITIONAL STATUTORY INFORMATION

### A) PERFORMANCE BASED REMUNERATION GRANTED AND FORFEITED DURING THE YEAR

The table below shows the STI achieved and forfeited for each KMP and the value of the performance rights granted, forfeited and exercised during 2025. The number of performance rights vested and or forfeited for each grant is set out in Table 10.

Table 7: Performance based remuneration granted, forfeited and exercised during the year

Executive KMP	Maximum Available <sup>(1)</sup>	STI*			LTI		
		Achieved	Forfeited <sup>(2)</sup>	Bonus	Value Granted <sup>(3)</sup>	Number Exercised	Value Exercised <sup>(4)</sup>
		% of Maximum Available STI Achieved	% of Maximum Available STI Forfeited				
Directors	US\$			US\$	A\$		A\$
I Lusted	152,228	51%	49%	77,885	26,702	1,076,952	12,923
G Dowland	-	-	-	-	-	2,260,140	27,122
Other							
D Wasylucha	173,723	43%	57%	74,453	25,551	1,655,084	18,206
D Greene	195,103	43%	57%	83,616	28,530	2,092,165	23,014

<sup>(1)</sup> Maximum Available STI calculated on total base salary paid for 2025 by Australis

<sup>(2)</sup> See Section 4.2.2 for details.

<sup>(3)</sup> The value at the grant date of the 2025 LTI Award calculated in accordance with AASB 2 Share-based Payments of performance rights granted during the year as part of remuneration.

<sup>(4)</sup> The value at the exercise date of performance rights that were granted in prior years as part of remuneration and were exercised during the year has been determined as the intrinsic value of the performance rights (ie the Australis share price) at that date.

For personal use only

# REMUNERATION REPORT

## B) PERFORMANCE & FEE RIGHTS

The key terms and conditions of each LTI award (performance rights) and Fee Rights granted during the reporting period are set out below:

Table 8: Terms and conditions of performance and fee rights granted to KMP

Type of grant	Grant date	Tranche	Vesting Date	Expiry date	Exercise Price	Value per right at grant date <sup>(1)</sup>	Vesting condition	Vested
Performance Rights 2025 LTI Award	22 May 2025	1 <sup>(2)</sup>	31 Jan 2026	31 Jan 2028	Nil	A\$0.008	Service condition <sup>(3)</sup>	N/A
						A\$0.0061	Absolute TSR Performance hurdle <sup>(4)(5)</sup>	
		2 <sup>(2)</sup>	31 Jan 2027	31 Jan 2029	Nil	A\$0.008	Service condition <sup>(3)</sup>	N/A
						A\$0.0059	Absolute TSR Performance hurdle <sup>(4)(5)</sup>	
		3 <sup>(2)</sup>	31 Jan 2028	31 Jan 2030	Nil	A\$0.008	Service condition <sup>(3)</sup>	N/A
					A\$0.0053	Absolute TSR Performance hurdle <sup>(4)(5)</sup>		

<sup>(1)</sup> The value at grant date of performance rights granted are calculated in accordance with AASB 2 Share-Based Payments. Refer to Note 7.3 of the Financial Report for details of the assumptions used in calculating the value of each performance right as at their effective grant date.

For Executive KMP a percentage (see note 4 and 5 below) of each tranche of Performance Rights granted under the 2025 LTI Awards require both continued employment and achievement of TSR based performance hurdles.

<sup>(2)</sup> Tranche 1 – 1/7th of total performance rights awarded  
Tranche 2 – 2/7th of total performance rights awarded  
Tranche 3 – 4/7th of total performance rights awarded

<sup>(3)</sup> The following vesting conditions will be assessed for the KMP on the Vesting Date:

- Service based vesting condition: subject to the participant being employed by the Company throughout the relevant test period being the period from the grant date up to and including the Vesting Date for each tranche of an LTI Award or a Fee Right Award.

<sup>(4)</sup> The following vesting conditions will be assessed for the Executive KMP on the Vesting Dates for the 2025 LTI Awards:

- Absolute TSR Performance hurdle: up to 80% for CEO, 60% for CCO and 50% for VP Operations of the relevant tranche of award that may vest on a particular Vesting Date will vest in accordance with the vesting schedule in Table 2 above dependent on the performance of the Company's Absolute TSR performance measure, being the increase of the Company's volume weighted average price ("VWAP") for December 2024 to the VWAP of the Company for the month of December prior to the particular Vesting Date.

<sup>(5)</sup> If either of the relevant TSR performance hurdles for Tranche 1 or Tranche 2 of an award are not satisfied on the relevant Vesting Date for either of the tranches, the portion of awards eligible to vest but which do not vest on the relevant Vesting Date will be re-tested on the Tranche 3 Vesting Date in relation to the Tranche 3 Performance Targets subject to continued employment at the Tranche 3 Vesting Date.

On 30 December 2025 the Company closed on a financing transaction with EQV. As a result, all unvested performance rights held by KMP at 31 December 2025 for the 2025 Award and prior vested on 22 January 2026. Refer to Section 5.2 for details.

For personal use only

# REMUNERATION REPORT

## C) SHARES

The following ordinary fully paid shares (Shares) have been issued to key management personnel during the year ended 31 December 2025. The Shares were issued for nil consideration as part settlement of their 2024 achieved short term incentive based on the ATS 2024 volume weighted average price of A\$0.012.

	Grant date	Number of shares
David Greene – Vice President Operations	1 May 2025	939,353

## D) RECONCILIATION OF PERFORMANCE RIGHTS, FEE RIGHTS AND SHARES HELD BY KMP

The number of shares, performance rights and fee rights in the Company held during the financial year by KMP, including their personally related parties, are set out below.

Table 9: 2025 KMP shareholding and performance rights holding reconciliation

	Type of Equity	Balance at start of year	Granted	Exercised	Net other changes	Balance at end of year
<b>Non-Executive Directors</b>						
Jonathan Stewart	Shares	87,989,625	-	-	2,846,758	90,836,383
	Fee Rights A	6,169,302	-	(2,846,758)	-	3,322,544
Alan Watson	Shares	7,789,163	-	-	1,138,703	8,927,866
	Fee Rights A	2,467,713	-	(1,138,703)	-	1,329,010
Steve Scudamore	Shares	3,889,450	-	-	1,138,703	5,028,153
	Fee Rights A	2,467,713	-	(1,138,703)	-	1,329,010
<b>Executive Directors</b>						
Graham Dowland	Shares	27,510,733	-	-	2,260,140	29,770,873
	Performance Rights	16,257,971	-	(2,260,140)	(3,788,658)	10,209,173
Ian Lusted	Shares	31,740,067	-	-	1,076,952	32,817,019
	Performance Rights	18,018,516	4,400,000	(1,076,952)	(4,600,516)	16,741,048
<b>Other KMP</b>						
Darren Wasylucha	Shares	4,388,311	-	-	778,674	5,166,985
	Performance Rights	12,235,383	3,900,000	(1,655,084)	(2,126,548)	12,353,751
David Greene	Shares	6,927,150	939,353	-	1,471,839	9,338,342
	Performance Rights	12,187,177	4,200,000	(2,092,164)	(1,704,484)	12,590,529

For personal use only

# REMUNERATION REPORT

The table below sets out how many performance rights and fee rights were granted, vested and forfeited during the year.

Table10: Summary of performance rights and fee rights (as at 31 December 2025)

Name	Year granted	Number granted	Number vested	Vested %	Number retest	Retest <sup>(1)(2)</sup> %	Number forfeited	Maximum value yet to vest <sup>(4)</sup> A\$
<b>Non-Executive Directors</b>								
Jonathan Stewart	2024	-	3,322,544	100%	n/a	n/a	-	-
Alan Watson	2024	-	1,329,010	100%	n/a	n/a	-	-
Steve Scudamore	2024	-	1,329,010	100%	n/a	n/a	-	-
<b>Executive Directors</b>								
Ian Lusted	2022	-	876,289	25%	-	-	4,600,516	-
	2023	-	481,595	25%	1,444,785	75%	-	150,679
	2024	-	-	-	709,032	100%	-	40,628
	2025	4,400,000	-	-	-	-	-	26,702
Graham Dowland	2022	-	721,650	25%	-	-	3,788,658	-
	2023	-	455,000	25%	1,365,000	75%	-	142,358
	2024	-	167,469	25%	669,877	75%	-	42,855
	2025	-	-	-	-	-	-	-
<b>Other KMP</b>								
Darren Wasylucha	2022	-	810,114	40%	-	-	2,126,548	-
	2023	-	593,325	40%	889,988	60%	-	112,991
	2024	-	251,645	40%	377,468	60%	-	42,767
	2025	3,900,000	-	-	-	-	-	25,551
David Greene	2022	-	973,991	50%	-	-	1,704,484	-
	2023	-	819,431	50%	819,431	50%	-	122,607
	2024	-	298,743	50%	298,743	50%	-	42,212
	2025	4,200,000	-	-	-	-	-	28,530

<sup>(1)</sup> The performance rights that did not vest for Tranche 1 and Tranche 2 of the 2023 LTI award were to be retested along with Tranche 3 of the 2023 LTI Award at 31 January 2026 however on 30 December 2025 the Company closed on a financing transaction with EQV and as a result all unvested performance rights vested on 22 January 2026. Refer to Section 5.2 for details.

<sup>(2)</sup> The performance rights that did not vest during the year for Tranche 1 of the 2024 LTI award were to be retested along with Tranche 3 of the 2024 LTI Award at 31 January 2027 however on 30 December 2025 the Company closed on a financing transaction with EQV and as a result all unvested performance rights vested on 22 January 2026. Refer to Section 5.2 for details.

<sup>(3)</sup> Performance Rights have no exercise price, therefore no cash to be received on exercise.

<sup>(4)</sup> The maximum value of the performance rights yet to vest has been determined by independent valuer, RSM Australia Pty Ltd as the fair value at grant date of the rights that are yet to be exercised.

## E) LOANS TO AND TRANSACTIONS WITH KMP

No loans were made to KMP during 2025.

No other transactions were entered into with KMP during 2025

## F) VOTING OF SHAREHOLDERS AT THE LAST ANNUAL GENERAL MEETING

At the Company's last general meeting held on 22 May 2025, the Remuneration Report for the financial year ended 31 December 2024 was carried by a majority vote of more than 75%.

For personal use only

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Revenue from continuing operations</b>	2.1	<b>14,077</b>	19,428
Cost of sales	2.2	<b>(14,052)</b>	(16,175)
<b>Gross profit</b>		<b>25</b>	3,253
Other income	2.1	<b>1,000</b>	392
Other expenses	2.2	<b>(4,554)</b>	(11,063)
Impairment expense	3.3	<b>(20,681)</b>	-
<b>Operating (loss)</b>		<b>(24,210)</b>	(7,418)
Net finance (expenses)	2.7	<b>(739)</b>	(853)
<b>(Loss) from continuing operations before income tax expense</b>		<b>(24,949)</b>	(8,271)
Income tax expense	2.8	-	-
<b>Net (loss) from continuing operations attributable to owners of the Company</b>		<b>(24,949)</b>	(8,271)
<b>Other comprehensive income / (loss)</b>			
Items that may be reclassified to profit or loss;			
Change in fair value of cash flow hedges	4.3	<b>352</b>	(90)
<b>Other comprehensive income / (loss) for the year net of tax</b>		<b>352</b>	(90)
<b>Total comprehensive (loss) for the year attributable to the owners of the Company</b>		<b>(24,597)</b>	(8,361)
<b>(Loss) per share attributable to owners of the Company</b>			
Basic (loss) per share (cents per share)	2.9	<b>(1.90)</b>	(0.64)
Diluted (loss) per share (cents per share)	2.9	<b>(1.90)</b>	(0.64)

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31 December 2025 US\$'000	31 December 2024 US\$'000
<b>Current assets</b>			
Cash and cash equivalents	4.1	14,230	6,235
Trade and other receivables	5.1	1,679	2,665
Inventories	5.2	333	787
Derivative financial instruments hedge	5.4	15	-
<b>Total current assets</b>		<b>16,257</b>	9,687
<b>Non-current assets</b>			
Oil and gas properties	3.1	12,011	50,239
Plant and equipment	3.2	465	3,641
Other receivables	5.1	190	211
<b>Total non-current assets</b>		<b>12,666</b>	54,091
<b>Total assets</b>		<b>28,923</b>	63,778
<b>Current liabilities</b>			
Trade and other payables	5.3	(6,361)	(6,110)
Provisions	5.5	(356)	(360)
Derivative financial instruments hedge	5.4	-	(239)
Borrowings	5.6	-	(4,725)
Lease liability		(117)	(64)
<b>Total current liabilities</b>		<b>(6,834)</b>	(11,498)
<b>Non-current liabilities</b>			
Provisions	5.5	(243)	(2,666)
Borrowings	5.6	-	(3,704)
Derivative financial instruments hedge	5.4	-	(99)
Lease liability		(59)	-
<b>Total non-current liabilities</b>		<b>(302)</b>	(6,469)
<b>Total liabilities</b>		<b>(7,136)</b>	(17,967)
<b>Net assets</b>		<b>21,787</b>	45,811
<b>Equity</b>			
Contributed equity	4.2	183,448	183,452
Share based payment reserve	4.3	15,700	15,123
Foreign exchange reserve	4.3	(467)	(467)
Cash flow hedge reserve	4.3	14	(338)
Accumulated losses	4.3	(176,908)	(151,959)
<b>Total equity</b>		<b>21,787</b>	45,811

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

For personal use only

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year to 31 December 2025

	Contributed Equity US\$'000	Treasury Shares US\$'000	Other Reserves US\$'000	Accumulated Losses US\$'000	Total US\$'000
<b>Balance as 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 year	-	-	-	(8,271)	(8,271)
<b>Other comprehensive (loss)</b>					
Change in fair value of cash flow hedges	-	-	(90)	-	(90)
<b>Total other comprehensive (loss)</b>	<b>-</b>	<b>-</b>	<b>(90)</b>	<b>-</b>	<b>(90)</b>
<b>Transactions with owners, in their capacity as owners</b>					
Contributed equity net of transaction costs	(2)	-	-	-	(2)
Purchase of treasury shares	-	-	-	-	-
Release of treasury shares	(248)	248	-	-	-
Share-based payments	-	-	975	-	975
<b>Balance as at 31 December 2024</b>	<b>183,452</b>	<b>-</b>	<b>14,318</b>	<b>(151,959)</b>	<b>45,811</b>
<b>Balance as at 1 January 2025</b>	<b>183,452</b>	<b>-</b>	<b>14,318</b>	<b>(151,959)</b>	<b>45,811</b>
(Loss) for the year	-	-	-	(24,949)	(24,949)
<b>Other comprehensive income</b>					
Change in fair value of cash flow hedges	-	-	352	-	352
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>352</b>	<b>-</b>	<b>352</b>
<b>Transactions with owners, in their capacity as owners</b>					
Contributed equity net of transaction costs	(4)	-	-	-	(4)
Share-based payments	-	-	577	-	577
<b>Balance as at 31 December 2025</b>	<b>183,448</b>	<b>-</b>	<b>15,247</b>	<b>(176,908)</b>	<b>21,787</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year to 31 December 2025

	Notes	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		14,542	19,187
Payments to suppliers and employees		(13,351)	(16,750)
Other revenue		1,300	392
<b>Net cash inflow from operating activities</b>	2.11	<b>2,491</b>	2,829
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(32)	-
Payment for capitalised oil and gas assets		(90)	(70)
Refund of security deposits and bonds		16	66
Interest Received		197	328
Proceeds from transaction net of costs		14,827	-
<b>Net cash inflow from investing activities</b>		<b>14,918</b>	324
<b>Cash flows from financing activities</b>			
Share issue costs		(4)	(1)
Proceeds from borrowings		-	6,001
Repayment of borrowings		(8,448)	(5,553)
Debt facility costs		(963)	(1,164)
<b>Net cash (outflow) from financing activities</b>		<b>(9,415)</b>	(717)
<b>Net increase in cash and cash equivalents</b>		<b>7,994</b>	2,436
Cash and cash equivalents at the beginning of the year		6,235	3,763
Effect of exchange rates on cash holdings in foreign currencies		1	36
<b>Cash and cash equivalents at the end of the financial year</b>	4.1	<b>14,230</b>	6,235

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

---

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## Corporate information

- 1.1 Financial report
- 1.2 Basis of preparation and compliance statement
- 1.3 Basis of consolidation
- 1.4 Foreign currency
- 1.5 Critical accounting estimates and judgements
- 1.6 Fair value measurement
- 1.7 Financial and capital risk management
- 1.8 Recently issued standards not in effect
- 2.1 Revenue and other income
- 2.2 Cost of sales & other expenses
- 2.3 Administrative expenses
- 2.4 Employee benefits expensed
- 2.5 Exploration expenditure
- 2.6 Segment reporting
- 2.7 Net finance income
- 2.8 Income tax expense
- 2.9 Earnings per share
- 2.10 Dividends
- 2.11 Reconciliation of (loss) after income tax to net inflow from operating activities
- 2.12 Reconciliation of liabilities arising from financing activities

For personal use only

---

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

- 3.1 Oil and gas properties
- 3.2 Property, plant and equipment
- 3.3 Impairment
- 4.1 Cash and cash equivalents
- 4.2 Contributed equity
- 4.3 Reserves and accumulated losses
- 5.1 Trade and other receivables
- 5.2 Inventories
- 5.3 Trade and other payables
- 5.4 Derivative financial instruments
- 5.5 Provisions
- 5.6 Borrowings
- 6.1 Controlled entities
- 6.2 Parent entity information
- 7.1 Joint arrangements
- 7.2 Oil and gas leases and concessions
- 7.3 Share based payments
- 7.4 Related party disclosures
- 7.5 Contingencies
- 7.6 Auditor's remuneration
- 7.7 Events after the reporting date

For personal use only

---

## SECTION 1: BASIS OF REPORTING

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### CORPORATE INFORMATION

The consolidated financial report for the year ended 31 December 2025 comprises the financial statements of Australis Oil & Gas Limited, the parent entity and its controlled entities (“Group” or “Consolidated Entity”). Australis Oil & Gas Limited (“Company” or “Australis”) was incorporated in Australia as a private company on the 12 November 2015 as Australis Oil & Gas Holdings Pty Limited. On 10 June 2016 the Company converted to a public company and changed its name to Australis Oil & Gas Limited.

In July 2016, the Company successfully completed an initial public offering and was admitted to the Official List of the Australian Securities Exchange (Ticker code: ATS). The Company’s shares commenced trading on the ASX 25 July 2016.

The principal activity of the Group is oil and gas exploration, development and production.

### 1.1 FINANCIAL REPORT

The notes to the consolidated financial statements are set out in the following sections:

1. **Basis of Reporting** – summarises the basis of preparation of the financial statements.
2. **Results for the Year** – sets out the performance of the Group and highlights the material accounting policies impacting on the results for the year.
3. **Invested Capital** – sets out expenditure during the year on oil & gas properties, property, plant and equipment and the commitments of the Group.
4. **Capital and Debt Structure** – provides information about the Group financing structure.
5. **Other Assets & Liabilities** – sets out the working capital balances of the Group.
6. **Group Structure** – sets out the ownership and intra-group transactions with subsidiaries.
7. **Other Notes**

For personal use only

---

## SECTION 1: BASIS OF REPORTING

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 1.2 BASIS OF PREPARATION AND COMPLIANCE STATEMENT

The consolidated financial statements of the Group are general purpose financial statements prepared in accordance with Australian Accounting Standards applicable to for profit entities, Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Australian Accounting Standards incorporate International Financial Reporting Standards (IFRS's) as issued by the International Accounting Standards Board. As such, the consolidated financial statements comply with IFRS. The accounting standards have been consistently applied to all financial years presented.

The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in US dollars and are rounded to the nearest thousand dollars (US'000) as permitted under ASIC Corporations Instrument 2016/191.

There are a number of amendments to accounting standards that were issued with an effective date of 1 January 2025 however Management do not consider that these amendments materially impact the Australis financial statements.

In addition, there are a number of additional amendments or revisions issued which are not applicable to the Group.

For personal use only

---

## SECTION 1: BASIS OF REPORTING

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 1.3 BASIS OF CONSOLIDATION

##### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of Australis and its controlled entities as at 31 December 2025 and the financial performance of the Company and its controlled entities for the year then ended.

In accordance with AASB 11, the arrangements have been classified as joint operations (whereby the jointly controlling parties have rights to the assets and obligations for the liabilities relating to the arrangement). The Group therefore recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations and have been incorporated into the consolidated financial statements under appropriate classifications. Details of joint operations can be found in Note 7.1.

#### 1.4 FOREIGN CURRENCY

(i) Functional and presentational currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The functional currency of the Company and its subsidiaries is US dollars. The Australian subsidiaries have a functional currency of US dollars. The presentational currency of the Company and its subsidiaries is US dollars.

(ii) Translation and balances

Foreign currency transactions are translated into functional currency of the Group using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into the functional currency as at the exchange rate existing at reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year and the amortised costs in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency difference arising on retranslation are generally recognised in profit or loss.

For personal use only

---

## SECTION 1: BASIS OF REPORTING

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 1.5 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 judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are consistent with previous years 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.

The other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

##### OIL AND GAS PROPERTIES

###### Future restoration costs

The Group estimates the future rehabilitation costs of production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of restoration activities and the future removal technology available and liability specific discount rates to determine the present value of these cash flows.

###### Reserve estimates

Estimation of reported recoverable quantities of Proven and Probable reserves include judgemental assumptions regarding commodity prices, exchange rates, discount rates and production and transportation costs for future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. These factors used to estimate reserves may change from period to period.

Reserve estimates are used to calculate amortisation of producing assets and to assess impairment.

###### Impairment

Oil and gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Details of the accounting estimates and judgments can be found in Note 3.3.

For personal use only

---

## SECTION 1: BASIS OF REPORTING

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 1.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS - CONTINUED

##### SHARE-BASED PAYMENT TRANSACTIONS – NOTE 7.3

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined using either a Monte Carlo simulation valuation technique.

The vesting conditions of the Absolute TSR (ATSR) Rights have been reflected in assessment of the fair value of the Rights through the use of a Monte-Carlo simulation model which determines the probability of the market conditions being fulfilled at the vesting dates and, as such, whether the Rights will vest.

In determining a valuation for the Absolute and Relative TSR conditions in addition to service conditions, the Monte Carlo simulation valuation technique has been used, each simulation entails the following steps:

1. Simulate the share price of the Company, and the companies in the peer group, as at a performance test date. The share prices are simulated such that they are consistent with the assumed distribution of, and correlation between, share price outcomes.
2. Determine whether any awards vest at the current test date, based on the simulated share price.
3. For any vesting awards calculate the value using the simulated share price. This valuation uses either an analytic or binomial tree methodology.
4. Factors in a re-test facility whereby any Rights that do not vest on the Tranche 1 and/or Tranche 2 vesting date pursuant to the RTSR performance targets, will be re-tested at the Tranche 3 vesting date.
5. Calculate the present value of the award as at the valuation date.

For personal use only

---

## SECTION 1: BASIS OF REPORTING

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 1.6 FAIR VALUE MEASUREMENT

The Group measures financial and non-financial assets at fair value at reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### 1.7 FINANCIAL AND CAPITAL RISK MANAGEMENT

The management of financial and capital risks aims to ensure that available capital, funding and cash flow are sufficient to meet the Groups financial commitments as and when they fall due and to ensure the capacity to fund its current projects is maintained.

The financial risks that arise during the normal course of Australis' operations comprise market risk, foreign currency risk, credit risk and liquidity risk (see Notes 4.1, 5.1, 5.3, 5.4) The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board of Australis is responsible for approving Australis' policies on risk oversight and management and ensuring management has developed and implemented an effective risk management and internal control system. Whilst maintaining ultimate responsibility for financial risk management, the Board has delegated responsibility for effective implementation of the Risk Management Policy and objectives to the Audit and Risk Management Committee.

Australis' Audit and Risk Management Committee oversees compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Australis. The CEO, with the assistance of senior executives as required, has responsibility for identifying, assessing, treating and monitoring risks on a day to day basis and reporting to the Audit and Risk Management Committee and the Board on risk management on a regular basis.

#### 1.8 RECENTLY ISSUED STANDARDS NOT IN EFFECT

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods.

## SECTION 2: RESULTS FOR THE YEAR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 2.1 REVENUE AND OTHER INCOME

##### RECOGNITION AND MEASUREMENT

Revenue is recognised and measured at the fair value of consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is largely generated from oil sales. Revenue from the sale of produced hydrocarbons is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. Australis enters into a contract with oil marketing groups for the sale of oil produced from its operated properties including the sale of production for and on behalf of the joint property partners. A sale is recognised upon transfer of the product to the purchaser's transportation mode, currently via truck, at the Company operated oil production facilities which is the point that title passes.

Revenue is recognised on the basis of the Group's working interest in a producing field (the entitlement method).

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Revenue from continuing operations</b>		
<i>Sales revenue</i>		
Oil sales	13,945	19,792
Realised gain / (loss) on forward commodity price contracts	132	(364)
<b>Total revenue from continuing operations</b>	<b>14,077</b>	19,428
<b>Other income</b>		
Partner fee <sup>(1)</sup>	1,000	-
Employee Retention Credit	-	392
<b>Total other income</b>	<b>1,000</b>	392

<sup>(1)</sup> As announced on the 26 November 2025, Australis entered into a development partnering transaction. In consideration for the granting of the Earn in Right the development partner paid Australis an initial non-refundable US\$1 million fee.

For personal use only

## SECTION 2: RESULTS FOR THE YEAR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 2.2 COST OF SALES & OTHER EXPENSES

	Notes	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Cost of sales</b>			
Production costs		(6,367)	(7,257)
Royalties		(2,721)	(3,820)
Production taxes		(690)	(974)
Depletion	3.1	(2,746)	(2,788)
Depreciation – production equipment	3.2	(1,266)	(1,251)
Gain on sale of equipment/inventory		-	15
Other – inventory movements		(262)	(100)
<b>Total cost of sales</b>		<b>(14,052)</b>	<b>(16,175)</b>
<b>Other expenses</b>			
Administrative expenses	2.3	(3,773)	(4,346)
Exploration costs	2.5	-	(5,672)
Depreciation	3.2	(159)	(243)
Unrealised foreign exchange gain / (loss)		11	38
Share based payments	7.3	(633)	(840)
<b>Total other expenses</b>		<b>(4,554)</b>	<b>(11,063)</b>

The administrative expenses include the following material expenses;

- Employee benefits expensed – Note 2.4.

#### 2.3 ADMINISTRATIVE EXPENSES

Administrative expenses of the Group include the following:

	Notes	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Administrative expenses</b>			
Personnel expenses	2.4	(3,606)	(3,711)
Consulting and professional expenses		(204)	(325)
Other general and administrative expenses		37	(310)
	2.2	(3,773)	(4,346)

For personal use only

## SECTION 2: RESULTS FOR THE YEAR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 2.4 EMPLOYEE BENEFITS EXPENSED

##### RECOGNITION AND MEASUREMENT

The Group's accounting policy for employee benefits other than post-retirement benefits is set out in Note 5.5. The policy for share based payments is set out in Note 7.3.

Expensed employee benefits of the Group are as follows:

	Notes	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Employee benefits</b>			
Salaries and fees		(2,311)	(2,755)
Short term incentives		(699)	(297)
Superannuation and 401k		(165)	(176)
Other payroll expenses <sup>(1)</sup>		(431)	(483)
	2.3	(3,606)	(3,711)
Share based payments	7.3	(633)	(840)
		(4,239)	(4,551)

<sup>(1)</sup> Includes medical benefits and employer on costs in the USA and the movement in annual leave provision for the year of US\$44,000 (2024: (US\$96,000)) and long service leave provision of US\$33,000 (2024: US\$33,000).

#### 2.5 EXPLORATION EXPENDITURE

Exploration expenditure of the Group includes the following:

	Notes	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Exploration expenditure</b>			
Expired lease write off <sup>(1)</sup>		-	(5,672)
	2.2	-	(5,672)

<sup>(1)</sup> During the prior reporting period costs associated with leases that had expired and for which further expenditure on renewals was not anticipated, were written off.

For personal use only

## SECTION 2: RESULTS FOR THE YEAR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 2.6 SEGMENT REPORTING

##### RECOGNITION AND MEASUREMENT

Management has determined, based on the reports reviewed by the executive directors (the chief operating decision makers) and used to make strategic decisions, that the Group has the following reportable segments:

##### Oil & Gas Production

Development and production from oil and gas assets in the United States.

##### Other

Corporate overhead. The Group's management and administration office is located in Perth, Australia and the operating office is located in Houston, Texas.

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

US\$000	Oil & Gas Production		Other		Total	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
<b>External revenues</b>	<b>14,077</b>	19,428	-	-	<b>14,077</b>	19,428
Direct operating costs	<b>(10,040)</b>	(12,136)	-	-	<b>(10,040)</b>	(12,136)
Corporate	-	-	<b>(3,773)</b>	(4,346)	<b>(3,773)</b>	(4,346)
Unrealised foreign currency gain / (loss)	-	-	<b>11</b>	38	<b>11</b>	38
Other income	<b>1,000</b>	-	-	392	<b>1,000</b>	392
Share based payments	-	-	<b>(633)</b>	(840)	<b>(633)</b>	(840)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>5,037</b>	7,292	<b>(4,395)</b>	(4,756)	<b>642</b>	2,536
Depletion	<b>(2,746)</b>	(2,788)	-	-	<b>(2,746)</b>	(2,788)
Depreciation	<b>(1,266)</b>	(1,251)	<b>(159)</b>	(243)	<b>(1,425)</b>	(1,494)
Expired lease write off	-	(5,672)	-	-	-	(5,672)
Impairment	<b>(20,681)</b>	-	-	-	<b>(20,681)</b>	-
<b>EBIT<sup>(2)</sup></b>	<b>(19,656)</b>	(2,419)	<b>(4,554)</b>	(4,999)	<b>(24,210)</b>	(7,418)
Net finance (costs) / income	<b>(932)</b>	(1,183)	<b>193</b>	330	<b>(739)</b>	(853)
<b>Segment (loss)</b>	<b>(20,588)</b>	(3,602)	<b>(4,361)</b>	(4,669)	<b>(24,949)</b>	(8,271)

<sup>(1)</sup> Adjusted EBITDA represents net profit / (loss) for the year before any income tax expense or benefit, finance costs, depreciation, depletion, impairment and expired lease write off.

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

## SECTION 2: RESULTS FOR THE YEAR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

US\$'000	Oil & Gas Production		Other		Total	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
<b>Capital expenditure</b>						
Exploration and evaluation assets	-	-	-	-	-	-
Oil and gas assets:						
Production and development						
-production	892	125	-	-	892	125
-rehabilitation provision	-	-	-	-	-	-
Other plant and equipment	-	-	215	5	215	5
	<b>892</b>	<b>125</b>	<b>215</b>	<b>5</b>	<b>1,107</b>	<b>130</b>

US\$'000	Oil & Gas Production		Other		Total	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
<b>Segment assets</b>	<b>14,038</b>	56,491	<b>14,885</b>	7,287	<b>28,923</b>	63,778
<b>Segment liabilities</b>	<b>(5,434)</b>	(16,642)	<b>(1,702)</b>	(1,325)	<b>(7,136)</b>	(17,967)

#### GEOGRAPHICAL SEGMENTS

The Group operates primarily in the United States of America but also 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 commodity markets.

US\$'000	Revenue		Non-current assets	
	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2025	Year ended 31 Dec 2024
United States of America	14,077	19,428	12,665	53,884
Australia	-	-	1	207
	<b>14,077</b>	<b>19,428</b>	<b>12,666</b>	<b>54,091</b>

For personal use only

## SECTION 2: RESULTS FOR THE YEAR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 2.7 NET FINANCE EXPENSES

##### RECOGNITION AND MEASUREMENT

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset. All borrowings were repaid in full on 30 December 2025 together with all outstanding debt finance costs.

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
Interest income	193	330
Amortised debt finance transaction costs	(20)	(59)
Interest expense on debt finance	(912)	(1,124)
	<u>(739)</u>	<u>(853)</u>

#### 2.8 INCOME TAX EXPENSE

Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income / equity are also recognised directly in other comprehensive income / equity.

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>(a) Income tax expense</b>		
Current tax	-	-
Deferred tax	-	-
Income tax expense	<u>-</u>	<u>-</u>
<b>(b) Reconciliation of income tax expense to prima facie tax payable</b>		
(Loss) from continuing operations before income tax expense	<u>(24,949)</u>	<u>(8,271)</u>
Prima facie tax expense at the Australian statutory tax rate of 30% (31 December 2023: 30%)	(7,485)	(2,481)
<b>Tax effect of amounts that are not deductible (taxable) in calculating taxable income</b>		
Share-based payment expense	72	133
Other non-allowable deductions	126	156
Income tax rate difference	(2,147)	(530)
	<u>(9,434)</u>	<u>(2,722)</u>
Movements in unrecognised temporary differences	5,113	348
Tax effect of current year tax losses for which no deferred tax asset has been recognised	4,321	2,374
<b>Income tax expense / (benefit)</b>	<u>-</u>	<u>-</u>

For personal use only

## SECTION 2: RESULTS FOR THE YEAR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 2.8 INCOME TAX EXPENSE - CONTINUED

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>(c) Deferred tax asset</b>		
<i>Arising from temporary differences attributable to</i>		
Other provisions and accruals	195	838
Unrealised foreign exchange loss	(3)	(11)
Tax losses in Australia	3,334	3,348
Tax losses in USA	30,948	28,457
<b>Total deferred tax assets</b>	<b>34,475</b>	<b>32,632</b>
<b>(d) Deferred tax liability</b>		
Oil and gas properties	21,750	21,648
<b>Total deferred tax liabilities</b>	<b>21,750</b>	<b>21,648</b>

Potential deferred tax assets have not been brought into account at 31 December 2025 (31 December 2024: Nil) as the directors do not believe that realisation of the deferred tax assets is probable at this point in time.

These benefits will only be obtained if:

- I. The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- II. The Company continues to comply with conditions for deductibility imposed by law; and
- III. No changes in tax legislation adversely affect the Company in realising the benefit.

#### TAX CONSOLIDATION

As of 1 January 2018, Australis and its 100% owned Australian resident subsidiaries are part of a tax consolidated group. As a result, from this date all members of the tax consolidated group will be taxed as a single entity. Australis is the head entity of the tax consolidated group.

Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

For personal use only

## SECTION 2: RESULTS FOR THE YEAR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 2.9 EARNINGS PER SHARE

	Year ended 31 December 2025 US cents	Year ended 31 December 2024 US cents
<b>(Loss) per share attributable to members of the Company</b>		
Basic (loss) per share	<b>(1.90)</b>	(0.64)
Diluted (loss) per share	<b>(1.90)</b>	(0.64)
<b>(Loss) used in calculation of basic / diluted (loss) per share</b>		
	US\$'000	US\$'000
Net (loss) after tax	<b>(24,949)</b>	(8,271)
<b>Weighted average number of ordinary shares used as the denominator in calculating:</b>		
	Shares	Shares
Basic (loss) per share <sup>(1)</sup>	<b>1,314,168,682</b>	1,282,746,082
Diluted (loss) per share <sup>(2)</sup>	<b>1,314,168,682</b>	1,282,746,082

<sup>(1)</sup> Performance rights on issue are not considered to be potential ordinary shares and have not been included in the calculation of basic earnings per share.

<sup>(2)</sup> As a loss has been recognised for the year, the exercise of performance rights is considered to be antidilutive as their exercise into ordinary shares would decrease the loss per share and as such they are excluded from the diluted loss per share calculation per *AASB 133 – Earnings Per Share*.

Refer to Note 7.3 for details of Performance Rights on issue.

#### 2.10 DIVIDENDS

No dividend has been paid or is proposed in respect of the year ended 31 December 2025 (2024: Nil).

For personal use only

## SECTION 2: RESULTS FOR THE YEAR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 2.11 RECONCILIATION OF (LOSS) AFTER INCOME TAX TO NET INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Net (loss) for the year</b>	<b>(24,949)</b>	<b>(8,271)</b>
<i>(i) Add / (less) non-cash items</i>		
Depreciation, depletion and amortisation	4,168	4,284
Share based payment expense	633	840
Net unrealised foreign exchange (profit) / loss	(1)	(36)
Amortisation of borrowing costs	19	56
Write-off expired leases	-	5,672
Impairment	20,681	-
<i>(ii) Add / (less) items classified as investment / financing activities:</i>		
Net interest received	(192)	(331)
Finance costs	963	
<i>(iii) Change in assets and liabilities during the financial year</i>		
Decrease / (Increase) in receivables	839	(532)
Decrease / (Increase) in inventories	327	(152)
Increase in payables	149	1,361
(Decrease) / Increase in employee provisions	(146)	(62)
<b>Net inflow from operating activities</b>	<b>2,491</b>	<b>2,829</b>

#### 2.12 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	31 December 2024 US\$'000	Cash Flows US\$'000	Non-cash Movements	31 December 2025 US\$'000
			Fair Value Changes US\$'000	
Borrowings	8,429	(8,448)	19	-
<b>Total liabilities from financing activities</b>	<b>8,429</b>	<b>(8,448)</b>	<b>19</b>	<b>-</b>

For personal use only

---

## SECTION 3: INVESTED CAPITAL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 3.1 OIL AND GAS PROPERTIES

##### RECOGNITION AND MEASUREMENT

###### Assets in development

Upon the discovery of extractable hydrocarbons, the oil and gas assets enter the development phase. The costs of oil and gas assets in development are separately accounted for and include the transfer of past exploration and evaluation costs, development drilling and other subsurface expenditure and impairment charges. When the committed development expenditure programs are completed and production commences, these costs are transferred to producing assets and become subject to amortisation.

###### Producing assets

Producing projects are stated at cost less accumulated depletion and impairment charges. Producing projects include construction, installation or completion of production and infrastructure facilities such as pipeline, the transfer of past exploration and evaluation costs and past development costs, the ongoing costs of continuing to develop reserves for production and the provision for restoration.

In the statement of cash flows, those cash flows associated with oil and gas properties are classified as cash flows used in investing activities.

###### Depletion and depreciation of producing projects

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

Capitalised producing projects costs relating to commercially producing wells are depreciated/depleted using the UOP basis once commercial quantities are being produced within an area of interest. The reserves used in these calculations are the Producing reserves and are reviewed at least annually.

An area of interest (AOI) is defined by the Group as an individual geographical area whereby the presence of hydrocarbons is considered favourable or proved to exist. The Group has established criteria to recognise and maintain an AOI.

For personal use only

---

## SECTION 3: INVESTED CAPITAL

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Future restoration costs

The Group estimates the future rehabilitation costs of production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of restoration activities and the future removal technology available and liability specific discount rates to determine the present value of these cash flows.

#### Reserve estimates

Estimation of reported recoverable quantities of Proven and Probable reserves include judgemental assumptions regarding commodity prices, exchange rates, discount rates and production and transportation costs for future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. These factors used to estimate reserves may change from period to period.

Reserve estimates are used to calculate depletion of producing assets.

#### Depletion and depreciation

In relation to the depletion of capitalised producing oil and gas assets and the depreciation of property plant and equipment related to producing oil and gas assets, the Group uses a unit of production reserve depletion model to calculate depletion and depreciation. This method of depletion and depreciation necessitates the estimation of the oil and gas reserves over which the carrying value of the relevant assets will be expensed to the profit or loss. The calculation of oil and gas reserves is extremely complex and requires management to make judgements about commodity prices, future production costs and geological structures. The nature of reserve estimation is such that reserves are not intended to be 100% accurate but rather provide a statistically probable outcome in relation to the economically recoverable reserve. As the actual reserve can only be accurately determined once production has ceased, amortisation and depreciation expensed during the production may not on a year to year basis accurately reflect the actual percentage of reserve depleted. However, over the entire life of the producing assets all capitalised costs will be expensed to the profit or loss.

#### Impairment

Oil and gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Refer to Note 3.3.

For personal use only

## SECTION 3: INVESTED CAPITAL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
At cost	137,056	151,856
Accumulated depletion and impairment <sup>(1)</sup>	(125,045)	(101,617)
	<b>12,011</b>	50,239

	Producing Projects US\$'000	Development Projects US\$'000	Total US\$'000
<b>2025</b>			
Balance at 1 January 2025	35,158	15,081	50,239
Additions	732	90	822
Disposals	(15,623)	-	(15,623)
Depletion charge	(2,746)	-	(2,746)
Impairment <sup>(1)</sup>	(15,082)	(5,599)	(20,681)
<b>Balance at 31 December 2025</b>	<b>2,439</b>	<b>9,572</b>	<b>12,011</b>
	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 leases	-	(5,672)	(5,672)
Depletion / Depreciation charge	(2,788)	-	(2,788)
<b>Balance at 31 December 2024</b>	<b>35,158</b>	<b>15,081</b>	<b>50,239</b>

<sup>(1)</sup> See Note 3.3 Impairment

For personal use only

## SECTION 3: INVESTED CAPITAL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 3.2 PROPERTY, PLANT AND EQUIPMENT

##### RECOGNITION AND MEASUREMENT

Property, plant and equipment is stated at cost less accumulated depreciation and impairment.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a reducing balance basis so as to write down the net cost or fair value of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting year.

The estimated useful lives of fixtures and fittings used in the calculation of depreciation is 2 to 10 years.

	Office Equipment US\$'000	Production Equipment US\$'000	Motor Vehicles US\$'000	Right of Use Asset US\$'000	Total US\$'000
<b>2025</b>					
Opening net book amount	17	3,357	180	87	3,641
Additions	-	160	-	215	375
Disposals	-	(2,026)	(100)	-	(2,126)
Depreciation charge	(16)	(1,266)	(36)	(107)	(1,425)
<b>Closing net book amount</b>	<b>1</b>	<b>225</b>	<b>44</b>	<b>195</b>	<b>465</b>
<b>2025</b>					
At cost	614	1,459	141	1,215	3,429
Accumulated depreciation	(613)	(1,234)	(97)	(1,020)	(2,964)
<b>Closing net book amount</b>	<b>1</b>	<b>225</b>	<b>44</b>	<b>195</b>	<b>465</b>
	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
Addition	5	125	-	-	130
Disposals	-	-	-	-	-
Depreciation charge	(58)	(1,251)	(48)	(138)	(1,495)
<b>Closing net book amount</b>	<b>17</b>	<b>3,357</b>	<b>180</b>	<b>87</b>	<b>3,641</b>
<b>2024</b>					
At cost	614	14,433	367	1,001	16,415
Accumulated depreciation	(597)	(11,076)	(187)	(914)	(12,774)
<b>Closing net book amount</b>	<b>17</b>	<b>3,357</b>	<b>180</b>	<b>87</b>	<b>3,641</b>

For personal use only

## SECTION 3: INVESTED CAPITAL

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3.3 IMPAIRMENT

#### TMS CGU

In accordance with the accounting standards the Group must assess at the end of every reporting period whether there is any indication that an asset may be impaired. The Group has one identified Cash Generating Unit (“CGU”) being the TMS CGU. At 31 December 2025 the carrying value of the assets within the TMS cash generating unit primarily comprised of oil & gas properties (producing and development), and associated production plant and equipment. An impairment loss of \$20.7 million was recognised in the profit and loss for the year ending 31 December 2025 regarding the TMS CGU as detailed below.

#### Oil and gas properties - Producing

On 30 December 2025 the Group closed on a Financing Transaction with an affiliate of the EQV Group to sell 90% of its interest in the producing wellbores for \$16.9 million before closing adjustments. As a result, the Board assessed the recoverable value (fair value less costs of disposal) of the producing assets prior to transaction close based on the implied transaction value and an impairment loss of \$15.1 million was recognised in the profit and loss for the year ending 31 December 2025. The Directors consider the transaction provided a quoted price for an identical asset for the purposes of the impairment.

#### Oil and gas properties - Developing

On 26 November 2025 the Group closed on a transaction with an established US listed independent oil and gas company. The Development Partner has the right to deploy up to US\$46.25 million of development capital for new wells in the TMS, carrying Australis for a 20% working interest, to earn an 80% working interest in Australis’s undeveloped TMS Core acreage.

As at the 31 December 2025, the Board assessed the recoverable amount for the development assets based on the fair value less cost of disposal of the undeveloped acreage based on the discounted value rate of 15% of the Carry Program’s estimated capital expenditure over the earn in period (approximately 4 years) excluding any allocation for either the value of Australis’ working interest in the carried wells nor the uplift in the development value of the retained acreage after a successful Carry Program for the HBP development units and future development units. The Directors consider the transaction provided a quoted price for an identical asset for the purposes of the impairment.

An impairment loss of \$5.6 million was recognised in the profit and loss for the year ending 31 December 2025.

In future periods as the Carry Program is implemented, the Board intends to revise inputs for a “Value in Use” model assessment of the oil and gas properties and this may result in changes to the assessed value of the asset for impairment purposes.

For personal use only

## SECTION 4: CAPITAL AND DEBT STRUCTURE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 4.1 CASH AND CASH EQUIVALENTS

##### CASH AND CASH EQUIVALENTS

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<i>Held with Australian banks and financial institutions</i>		
Cash at bank and in hand	1,853	3,637
<i>Held with US banks and financial institutions</i>		
Cash at bank and in hand	12,377	2,598
	14,230	6,235
<b>Cash and cash equivalents in the Cash Flow Statement comprises the following Statement of Financial Position amounts:</b>		
Cash on hand and balances at bank	14,230	6,235
<b>Cash and cash equivalents</b>	<b>14,230</b>	<b>6,235</b>

For personal use only

## SECTION 4: CAPITAL AND DEBT STRUCTURE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### CASH & CASH EQUIVALENTS HELD IN FOREIGN CURRENCY

	31 December 2025 Amount in Currency \$'000	31 December 2025 Amount in USD US \$'000	31 December 2024 Amount in Currency \$'000	31 December 2024 Amount in USD US \$'000
<b>Cash &amp; cash equivalents</b>				
AUD Dollars	394	265	132	82
Euro	4	5	4	4
		<b>270</b>		<b>86</b>

#### Credit risk

The maximum exposure to credit risk with respect to cash and cash equivalents and the bank guarantee at the end of the reporting year is the carrying amount of each class of cash and cash equivalents set out above. The Group limits its counterparty credit risk on these assets by dealing only with financial institutions with credit ratings of at least A or equivalent.

#### Interest rate risk

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits earn interest at the respective short-term deposit rate.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at and during the year ended 31 December 2025, the Group's interest-bearing assets consisted of cash and cash equivalents which earned interest at 4.37% floating rate (31 December 2024: 3.26%). As such the impact on the Group's income and operating cash flows from movements in market interest rates is not considered material.

#### Liquidity risk

Prudent liquidity management involves the maintenance of sufficient cash and access to capital markets. It is the policy of the Board to ensure the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities by ensuring the Group has sufficient working capital and the preserving or resetting of the 15% share issue limit available to the Company under the ASX Listing Rules.

#### Capital risk management

The Group manages its capital to ensure entities in the Group will be able to continue as a going concern while maximising the potential return to shareholders. The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and potential investment opportunities.

For personal use only

## SECTION 4: CAPITAL AND DEBT STRUCTURE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 4.2 CONTRIBUTED EQUITY

	31 December 2025 Securities	31 December 2024 Securities	31 December 2025 US\$'000	31 December 2024 US\$'000
<b>Share capital</b>				
Ordinary shares	<b>1,333,764,411</b>	1,289,009,750	<b>183,448</b>	183,452
<b>Total contributed equity</b>	<b>1,333,764,411</b>	1,289,009,750	<b>183,448</b>	183,452

#### (A) ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and any 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.

#### B) MOVEMENTS IN CONTRIBUTED EQUITY

	Date	Number of Securities	Issue Price A\$	US\$'000
<b>Balance at 1 January 2024</b>		1,276,865,539		183,702
Issue to Employees (excluding Executive Directors (settlement of 2023 achieved STI))	17-Jun-24	9,104,582	-	-
Issue to Non-Executive Directors (exercise of Fee Rights)	4-Sep-24	3,039,629	-	-
Treasury share release <sup>(1)</sup>		-	Various	(248)
Issue costs		-		(2)
<b>Balance at 31 December 2024</b>		<b>1,289,009,750</b>		<b>183,452</b>
<b>Balance at 1 January 2025</b>		1,289,009,750		183,452
Issue to Employees (exercise vested performance rights) <sup>(1)</sup>	06-Feb-25	11,496,851	-	-
Issue to Employees – part settlement of 2024 STI <sup>(2)</sup>	01-May-25	17,555,844	-	-
Issue to Non-Executive Directors (exercise of Fee Rights)	05-Sep-25	5,124,164	-	-
Issue to Employees (exercise vested performance rights) <sup>(1)</sup>	11-Nov-25	10,577,802	-	-
Issue costs		-	-	(4)
<b>Balance at 31 December 2025</b>		<b>1,333,764,411</b>		<b>183,448</b>

<sup>(1)</sup> During the prior reporting periods, employees of the Company exercised their vested performance rights resulting in the release of the treasury shares to the employees from the Australis Oil & Gas Limited Employee Share Trust (Trust). The Trust was dissolved during the year ended 31 December 2024 with all future exercise of vested performance rights to be satisfied by the issue of ordinary shares direct to employees. During the year ended 31 December 2025, 22,074,653 ordinary shares were issued directly to employees in relation to the exercise of vested performance rights.

<sup>(2)</sup> On 1st May 2025 17,555,844 ordinary shares were issued to employees as part settlement of their achieved 2024 short term incentive.

For personal use only

## SECTION 4: CAPITAL AND DEBT STRUCTURE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 4.3 RESERVES AND ACCUMULATED LOSSES

	Year ended 31 December 2025 US \$'000	Year ended 31 December 2024 US \$'000
<b>(a) Share-based payment reserve</b>		
Balance at the beginning of the financial year	15,123	14,148
Share-based payment expense arising during the year	577	975
<b>Balance at end of the year</b>	<b>15,700</b>	15,123
<b>(b) Foreign exchange reserve</b>		
Balance at the beginning of the financial year	(467)	(467)
Currency translations differences arising during the year	-	-
<b>Balance at end of the year</b>	<b>(467)</b>	(467)
<b>(c) Cash flow hedge reserve</b>		
Balance at the beginning of the financial year	(338)	(248)
Change in derivatives financial instruments at fair value through comprehensive income	352	(90)
<b>Balance at end of the year</b>	<b>14</b>	(338)
<b>(d) Accumulated losses</b>		
Balance at the beginning of the financial year	(151,959)	(143,688)
Net (loss) for the year	(24,949)	(8,271)
<b>Balance at end of the year</b>	<b>(176,908)</b>	(151,959)

For personal use only

## SECTION 5: OTHER ASSETS AND LIABILITIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 5.1 TRADE AND OTHER RECEIVABLES

##### IMPAIRMENT

In determining the recoverability of a trade or other receivable, the Group performs a risk analysis considering the type and age of the outstanding receivable and the credit worthiness of the counterparties. As prescribed under AASB 9, the simplified approach has been to provide for expected credit losses, which requires the use of the lifetime expected loss provision for all trade receivables. There are no expected credit losses.

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Current assets</b>		
Trade receivables	1,346	2,001
Other receivables	333	664
	1,679	2,665
<b>Non-current assets</b>		
Other receivables	190	211
	190	211

##### TRADE AND OTHER RECEIVABLES HELD IN FOREIGN CURRENCY

	31 December 2025 Currency Amount in \$'000	31 December 2025 Amount in USD US\$'000	31 December 2024 Amount in Currency \$'000	31 December 2024 Amount in USD US\$'000
<b>Trade and other receivables</b>				
AUD Dollars	209	140	280	175
		140		175

##### RISKS

###### Liquidity Risk

All amounts recognised as trade and other receivables are non-interest bearing and are expected to be received within the next 12 months.

###### Credit Risk

Trade and other receivables are non-interest bearing and are generally due for settlement within 30-60 days and therefore classified as current. No Group receivables were past due or impaired as at 31 December 2025 (2024: Nil) and there is no indication that amounts recognised as other receivables will not be recoverable in the normal course of business.

At 31 December 2025, other receivables consisted of letters of credit, security deposits and government tax refunds. Accordingly, the Group's exposure to credit risk arising from the default of third party debtors at 31 December 2025 is considered immaterial.

For personal use only

## SECTION 5: OTHER ASSETS AND LIABILITIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 5.2 INVENTORIES

##### RECOGNITION AND MEASUREMENT

Inventories include hydrocarbon stocks, consumable supplies and maintenance spares. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes direct costs and an appropriate portion of fixed and variable production overheads where applicable. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
Oil inventory	13	102
Warehouse stores and inventory	320	685
	333	787

#### 5.3 TRADE AND OTHER PAYABLES

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
Trade payables	5,476	5,709
Other payables	885	401
	6,361	6,110

	31 December 2025 Amount in Currency \$'000	31 December 2025 Amount in USD US\$'000	31 December 2024 Amount in Currency \$'000	31 December 2024 Amount in USD US\$'000
<b>Trade and other payables</b>				
Australian Dollars	332	223	204	128
		223		128

##### RISKS

###### Liquidity risk

Trade and other payables are non-interest bearing and normally settled within 30 to 60 day terms except US\$4,177,000 (2024: US\$4,011,000) held by the Group on behalf of royalty owners. This relates to royalty payments due to owners that is held by the Group as operator until certain requirements for release of funds to the owner(s) are met. Once satisfied the payment is immediately due. All other amounts recognised as trade and other payables are non-interest bearing and are expected to be settled within the next 12 months.

For personal use only

## SECTION 5: OTHER ASSETS AND LIABILITIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 5.4 DERIVATIVE FINANCIAL INSTRUMENTS

##### RECOGNITION AND MEASUREMENT

Derivatives are initially recognised at their fair value when the Group becomes a party to the contract. Oil price commodity contracts measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of forecast sales.

##### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve while any ineffective portion is recognised immediately in the statement of profit or loss. The Group uses oil price commodity contracts as hedges of its exposure to commodity price risk in forecast transactions. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss usually when the hedge instrument is settled. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in equity until the transaction settlement.

The outstanding oil price hedge contracts held by the Group at 31 December 2025 are as follows:

Period of Deliver	Subject of Contract	Reference	Option Traded	Barrels	Range Put Price \$US/bbl	Range Call Price \$US/bbl	Fair Value US\$'000
Jan 2026 - Apr 2026	Oil	Nymex WTI	Collar	4,000	60.00	66.71 – 70.84	15
<b>Total</b>				<b>4,000</b>			<b>15</b>

For personal use only

## SECTION 5: OTHER ASSETS AND LIABILITIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### FAIR VALUE

The derivative financial instruments relate to the Group's hedging activities to hedge against cash flow risks from movements in oil price, for which hedge accounting has been applied. The fair value of the derivative financial instruments are level 2 of the fair value hierarchy and are obtained from third party valuation reports. The fair value is determined using valuation techniques which maximise the use of observable market data.

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
Forward commodity contracts – cash flow hedges:		
Current <sup>(1)</sup>	15	(239)
Non-Current	-	(99)
	<b>15</b>	<b>(338)</b>

<sup>(1)</sup> To be settled in 2026

#### RISKS

##### Commodity price and liquidity risk

The Group uses oil price commodity contract to manage some of its transaction exposures and reduce the variability of cash flows arising from oil sales during the year. These contracts are designated as cash flow hedges and are entered into for periods consistent with oil price exposure of the underlying transactions, generally from 1 to 36 months with volumes generally weighted to earlier periods.

Commodity price risk arises from the sale of oil denominated in US dollars. Revenue from oil and gas sales for the year ended 31 December 2025 is \$13,945,000 (2024: \$19,792,000). Impact on profit after tax based on a +/- 10% change in average oil price based on the oil volumes translated would be as follows;

Impact on profit after tax	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
If the WTI + LLS average differential price was 10% (2024: 10%) higher <sup>(1)</sup>	<b>1,394</b>	1,979
If the WTI + LLS average differential price was 10% (2024: 10%) lower <sup>(1)</sup>	<b>(1,394)</b>	(1,979)

<sup>(1)</sup> WTI is defined as West Texas Intermediate and LLS is defined as Louisiana Light Sweet.

For personal use only

## SECTION 5: OTHER ASSETS AND LIABILITIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 5.5 PROVISIONS

Notes	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Current</b>		
Employee benefit provision	356	360
	<b>356</b>	360
<b>Non-current</b>		
Employee benefit provision	-	86
Rehabilitation provision	243	2,580
	<b>243</b>	2,666

#### 5.5 (a) PROVISIONS - EMPLOYEE BENEFIT

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Employee benefit provision</b>	<b>356</b>	446
<b>Reconciliation of movement in employee benefit provision</b>		
Balance at beginning of year	446	508
Annual leave provision arising during the year	207	292
Long service leave arising during the year	5	34
Utilisation	(302)	(388)
<b>Balance at end of year</b>	<b>356</b>	446

A breakdown of employee benefits and charges included in the income statement can be found in Note 2.4.

For personal use only

## SECTION 5: OTHER ASSETS AND LIABILITIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 5.5 (b) PROVISIONS – REHABILITATION

##### RECOGNITION AND MEASUREMENT

Provision for future removal and restoration costs are recognised where there is a present obligation as a result of exploration, development, production, transportation or storage activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas.

	Notes	31 December 2025 US\$'000	31 December 2024 US\$'000
Rehabilitation provision		243	2,580
		243	2,580
<b>Reconciliation of movement in restoration provision</b>			
Balance at beginning of year		2,580	2,580
Increase to provision		-	-
Divesture of producing wells <sup>(i)</sup>		(2,337)	-
<b>Balance at end of year</b>		<b>243</b>	<b>2,580</b>

<sup>(i)</sup> Upon close of the Financing Transaction to sell 90% of Australis interest in producing wellbores to EQV the rehabilitation provision was reduced to reflect Australis revised interest in producing wells.

#### 5.6 BORROWINGS

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Interest bearing loans and borrowings</b>		
Borrowings Current	-	4,725
Borrowings Non Current	-	3,704
<b>Total interest bearing loans and borrowings</b>	<b>-</b>	<b>8,429</b>

At balance date all outstanding Facility A and Facility C debt and interest has been repaid and all credit facilities held with Macquarie Bank Limited were terminated and the associated security on the Australis assets released.

For personal use only

## SECTION 6: GROUP STRUCTURE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 6.1 CONTROLLED ENTITIES

The consolidated financial statements of the Group include the following subsidiary companies:

	Principal activities	Country of Incorporation	% Equity interest 31 December	
			2025	2024
Australis Europe Pty Limited	Oil & gas exploration	Australia	100%	100%
Australis USA 1 Pty Limited	Oil & gas exploration	Australia	100%	100%
Australis TMS Inc	Oil & gas exploration	United States	100%	100%
Australis Services Inc	Oil & gas exploration	United States	100%	100%

For personal use only

## SECTION 6: GROUP STRUCTURE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 6.2 PARENT ENTITY INFORMATION

Select financial information of the parent entity, Australis Oil & Gas Limited, is set out below:

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Summary financial information</b>		
Current assets	4,334	4,533
Non-current assets	18,221	41,753
<b>Total assets</b>	<b>22,555</b>	46,286
Current liabilities	(768)	(288)
Non-current liabilities	-	(187)
<b>Total liabilities</b>	<b>(768)</b>	(475)
<b>Net assets</b>	<b>21,787</b>	45,811
Contributed equity	183,448	183,452
Share-based payment reserve	15,700	15,123
Foreign currency translation reserve	10	10
Accumulated losses	(177,371)	(152,774)
<b>Total equity</b>	<b>21,787</b>	45,811
<b>(Loss) for the year</b>	<b>(24,597)</b>	(8,361)
<b>Total comprehensive (loss) for the year</b>	<b>(24,597)</b>	(8,361)

Australis Oil & Gas Limited had no contingent liabilities or contractual obligations as at 31 December 2025 (31 December 2024: Nil).

For personal use only

## SECTION 7: OTHER NOTES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 7.1 JOINT ARRANGEMENTS

Australis holds through an indirect wholly owned subsidiary approximately an average 6.64% working interest in 42 currently producing wells in the TMS, onshore USA.

#### 7.2 OIL AND GAS LEASES AND CONCESSIONS

At 31 December 2025 Australis holds approximately 47,200 net acres in the TMS core (31 December 2024: 48,000 net acres).

#### 7.3 SHARE BASED PAYMENTS

The Group provides benefits to its employees (including Key Management Personnel) in the form of share-based payments whereby employees render services for shares (equity-settled transactions).

##### PERFORMANCE RIGHTS

An employee incentive plan (LTI Plan) operates to provide incentives to employees. Participation in the plan is for invited employees of the Group.

Performance Rights were issued during the year at nil consideration as part of the annual long term incentive awards (LTI Awards). These rights vest subject to meeting certain performance hurdles in annual tranches over a three year period and upon vesting, each Performance Right can either be exercised, within two years (for Australian residents) or is automatically exercised (for North American residents), for no additional cost into an ordinary share in the parent entity.

Testing of the Performance Rights will occur at the conclusion of each annual performance period and any Performance Rights remaining unvested (i.e. not meeting a performance hurdle) from either the first or second annual performance period may be retested at and in accordance with the performance requirements of the third performance period.

The performance period is each calendar year. The Performance Rights granted are tested for vesting on the basis of 1/7th for the year of grant, and 2/7th and 4/7ths each following year respectively. For 2024 and 2025 grants, the performance hurdles for vesting of Performance Rights is continued employment and based on seniority an increasing portion is subject to additional hurdles relating to the total shareholder return (TSR) on an "absolute" basis as follows:

- Absolute TSR – at the vesting date of a particular tranche of Performance Rights that are subject to the Absolute TSR hurdle the following occurs. The Australis volume weighted average share price (VWAP) for the month of December prior to the vesting date is compared to the Performance Right issue price, the outcome of which is measured to a pre-set range of outcomes that stipulate the percentage of Performance Rights that vest.

The Performance Rights are not listed and carry no dividend or voting rights. Upon exercise, each Performance Right is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

For personal use only

## SECTION 7: OTHER NOTES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

Upon close of the Financing Transaction with EQV on 30 December 2025, a total of approximately 83.2 million performance rights granted to employees, excluding KMP, vested pursuant to the LTI Plan terms relating to material asset disposals. A further 50.5 million performance rights held by KMP, including those granted in 2025, vested on 22 January 2026 after shareholder approval was obtained for the provision of a benefit to KMP, pursuant to sections 200C and 200E of the Corporations Act. The LTI Plan has been a critical and successful retention component for the Company over the past few years whilst staff have agreed to part-time roles, salary reductions and sacrificed bonus payments as needed to reduce costs whilst maintaining capability.

AASB 2 – *Share Based Payments* requires the fair value at grant date of the performance rights granted be expensed over the vesting periods. For employees, excluding KMP, the fair value of performance rights that had not previously been expensed were expensed to the profit and loss on the close of the EQV Financing Transaction.

For KMP the fair value of unvested performance rights that had not been expensed at 31 December 2025 will be recognised in the profit and loss in 2026. Refer to Remuneration Report for more detail.

For 2025 non-executive directors were paid in cash and no fee rights were issued to settle their fees.

For 2024 non-executive directors agreed to the settlement of a portion of their base fees in performance rights (Fee Rights A). The Fee Rights A were issued for nil consideration and vested on 31 January 2025. The performance rights were not issued under the EI Plan. The number of performance rights granted was based on the amount of fees agreed to be settled in equity and a deemed issue price of 2.72 cents which was based on the Company's volume weighted average price for the year to 31 December 2023. The fair value of services received in return for the performance rights granted were measured by reference to the fair value of performance rights granted. The estimate of the fair value of the services received was measured through the use of a Monte-Carlo simulation model which determines the probability of the market conditions being fulfilled at the vesting dates and, as such, whether rights will vest.

The movement of Performance and Fee Rights in the year is set out below:

	Year ended 31 December 2025 Number	Year ended 31 December 2024 Number
<b>Balance at beginning of year</b>	<b>147,379,222</b>	121,168,091
- Granted <sup>(1)</sup>	<b>46,850,000</b>	58,230,259
- Exercised <sup>(2)</sup>	<b>(88,822,346)</b>	(17,549,107)
- Forfeited <sup>(3)</sup>	<b>(17,932,244)</b>	(9,577,249)
- Lapsed <sup>(3)</sup>	<b>(2,844,480)</b>	(4,892,772)
<b>Balance at end of year</b>	<b>84,630,152</b>	147,379,222
<b>Vested at end of the year</b>	<b>34,093,535</b>	11,354,329

<sup>(1)</sup> During the year ended 31 December 2025 Australis issued 46,850,000 performance rights (2024: 52,249,695) to certain employees and executive directors under the EI plan.

<sup>(2)</sup> During the year ended 31 December 2025 88,822,346 (2024: 17,549,107) vested performance rights were exercised by employees.

<sup>(3)</sup> During the year ended 31 December 2024 17,932,244 (2024: 9,577,249) unvested performance rights were forfeited by employees and 2,844,480 (2024: 4,892,772) unvested performance rights lapsed due to non-achievement of vesting conditions.

## SECTION 7: OTHER NOTES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### RECOGNITION AND MEASUREMENT

The fair value of services received in return for the performance rights granted are measured by reference to the fair value of performance rights granted. The estimate of the fair value of the services received is measured through the use of a Monte-Carlo simulation model which determines the probability of the market conditions being fulfilled at the vesting dates and, as such, whether rights will vest.

#### PERFORMANCE RIGHTS FAIR VALUE ASSUMPTIONS

Grant Dates	22 May 2025	14 May 2024
- Share price	A\$0.008	A\$0.014
- Expected volatility <sup>(2)</sup>	100%	80%
- Risk free rate <sup>(3)</sup>	3.71%	4.01%
- Dividend yield	0%	0%

<sup>(1)</sup> Share price represents the share price at close of trade prior to the date of grant.

<sup>(2)</sup> Expected price volatility is based on the historical volatility from the first date of trading to the valuation date and adjusted for any future impacts on volatility.

<sup>(3)</sup> Risk free rate of securities with comparable terms to maturity.

#### EXPENSE ARISING FROM SHARE BASED PAYMENT TRANSACTIONS

The total expense arising from share based payment transactions recognised during the reporting year as part of employee benefit expense were as follows:

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
Performance rights expense	633	840
	<b>633</b>	840

#### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes Option Pricing Model.

The Performance Rights are valued using the Monte-Carlo Simulation model for the Absolute TSR Performance Rights and the Hoadley's model for the Relative TSR Performance Rights.

The expense is apportioned pro-rata to reporting periods where vesting periods apply.

For personal use only

## SECTION 7: OTHER NOTES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 7.4 RELATED PARTY DISCLOSURES

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no transactions with related parties during the year (2024: Nil).

#### KEY MANAGEMENT PERSONNEL

Further detailed disclosures relating to the 7 key management personnel (2024: 7) are set out in the Remuneration Report section.

	Year ended 31 December 2025 US\$	Year ended 31 December 2024 US\$
Base remuneration, short-term incentives and benefits (including annual leave provision)	1,118,319	1,020,270
Post-employment benefits	70,207	75,434
Share-based payments	153,821	327,260
	<b>1,342,347</b>	<b>1,422,964</b>

#### SUBSIDIARIES

Interests in subsidiaries are set out in Note 6.1.

#### TRANSACTIONS WITH WHOLLY-OWNED CONTROLLED ENTITIES

Australis subscribed for shares in its wholly owned controlled entities to fund working capital contributions. In addition to this advances that were previously made to other related entities were converted to equity.

#### TRANSACTIONS WITH OTHER RELATED PARTIES

No transactions with other related parties have been entered into in respect of the year ended 31 December 2025 (2024: Nil).

For personal use only

## SECTION 7: OTHER NOTES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 7.5 CONTINGENCIES

The company had no contingent liabilities as at 31 December 2025 (31 December 2024: Nil).

#### 7.6 AUDITOR'S REMUNERATION

The Auditor of Australis Oil & Gas Limited is BDO Audit Pty Ltd. During the year the following fees were paid for services provided by the auditor of the Group.

	Year ended 31 December 2025 US\$'000	Year ended 31 December 2024 US\$'000
<b>Auditors of the Group – BDO and related network firms</b>		
<b>BDO Audit Pty Ltd for</b>		
Audit and assurance services:		
Audit and review of financial statements	73	90
<b>Total remuneration of BDO Audit Pty Ltd</b>	<b>73</b>	<b>90</b>
<b>Total auditor's remuneration</b>	<b>73</b>	<b>90</b>

#### 7.7 EVENTS AFTER REPORTING DATE

No events have occurred since 31 December 2025 that would materially affect the operations of the Group, the results of the Group or the state of the affairs of the Group not otherwise disclosed in the Group Financial Statements other than as set out below.

On 22 January 2026 Shareholder approval was obtained for the provision of a benefit to KMP, pursuant to sections 200C and 200E of the Corporations Act. Upon approval 50.5 million performance rights held by KMP vested pursuant to the LTI Plan terms relating to material asset disposals.

*AASB 2 – Share Based Payments* requires the fair value at grant date of the performance rights granted be expensed over the vesting periods. The fair value of unvested performance rights for KMP that had not been expensed at 31 December 2025 will be recognised in the profit and loss in 2026.

For personal use only

---

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of entity	Type of Entity	% of share capital	Place of incorporation	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
Australis Oil & Gas Limited	Body corporate	100%	Australia	Australian	n/a
Australis TMS Inc	Body corporate	100%	USA	Foreign	USA
Australis Europe Pty Limited	Body corporate	100%	Australia	Australian	n/a
Australis USA 1 Pty Limited	Body corporate	100%	Australia	Australian	n/a
Australis Services Inc	Body corporate	100%	USA	Foreign	USA

### BASIS OF PREPARATION

The consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

For personal use only

---

## DIRECTORS' DECLARATION

In the Director's opinion:

- a. The financial statements and accompanying notes set out on pages 62 to 105 are in accordance with the *Corporations Act 2001*, including:
  - i. Complying with Accounting Standards, 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 31 December 2025 and of its performance for the financial 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;
- c. The consolidated entity disclosure statement on page 105 is true and correct, and
- d. The financial statements and accompanying notes are presented in compliance with IFRS and interpretations adopted by the International Accounting Standards Board; and

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 31 December 2025.

For and on behalf of the Board



**Jonathan Stewart**  
Chairman

Perth, Western Australia  
26 February 2026

For personal use only

# AUDITOR'S INDEPENDENCE DECLARATION



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000  
PO Box 700 West Perth WA 6872  
Australia

## DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF AUSTRALIS OIL & GAS LIMITED

As lead auditor of Australis Oil & Gas Limited for the year ended 31 December 2025, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Glyn O'Brien  
Director

BDO Audit Pty Ltd  
Perth  
26 February 2026

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

# INDEPENDENT AUDIT REPORT



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000  
PO Box 700 West Perth WA 6872  
Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of Australis Oil & Gas Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australis Oil & Gas Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group 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 audits of the financial report of public interest entities 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

# INDEPENDENT AUDIT REPORT



**Carrying Value of Tuscaloosa Marine Shale (TMS) Cash Generating Unit (CGU)**

Key audit matter	How the matter was addressed in our audit
<p>The Group’s operations include the Tuscaloosa Marine Shale (“TMS”) operations located in the United States of America and include Oil and Gas Properties and Production Equipment as disclosed in Notes 3.1 and 3.2.</p> <p>As disclosed in Note 3.3 the Group entered two transactions regarding the TMS assets, being the Financing Transaction and the Development Partnering Transaction.</p> <p>Due to the significant impact on the TMS assets and liabilities arising from the Agreements and the complexity in accounting for the impacts of the Agreements we have considered this to be a key audit matter.</p>	<p>Our work included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> <li>• Reviewing the executed agreements to understand the key terms and conditions of the transactions;</li> <li>• Reviewing Management’s assessment of the accounting implications for assets and liabilities of the Group arising from the agreements;</li> <li>• Reviewing Management’s assessment of impairment of the Producing Oil and Gas properties following the completion of the Financing Transaction Agreement;</li> <li>• Reviewing Management’s assessment of impairment of the TMS CGU following completion of the Development Partner Agreement;</li> <li>• Assessing the fair value calculations and methodology applied by management in determining the valuation of the TMS CGU;</li> <li>• Performing tests over the mathematical accuracy of the valuation and the underlying calculations;</li> <li>• Performing sensitivity analysis on the key financial assumptions in the model; and</li> <li>• Assessing the adequacy of the related disclosures within Notes 3.1 and 3.3 within the financial report.</li> </ul>

For personal use only

# INDEPENDENT AUDIT REPORT



## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf)

For personal use only

# INDEPENDENT AUDIT REPORT



This description forms part of our auditor’s report.

### Report on the Remuneration Report

#### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 44 to 61 of the directors’ report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Australis Oil & Gas Limited, for the year ended 31 December 2025, complies with section 300A of the *Corporations Act 2001*.

#### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

Glyn O’Brien  
Director

Perth, 26 February 2026

For personal use only

# ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 2 February 2026.

## 1. TWENTY LARGEST SHAREHOLDERS

Ordinary shares	Number	Percentage
ZERO NOMINEES PTY LTD <5063463 A/C>	60,000,000	4.32%
CITICORP NOMINEES PTY LIMITED	40,452,468	2.91%
GILMOUR SUPERANNUATION PTY LTD <GILMOUR SUPER FUND A/C>	37,044,523	2.67%
MR ANDREW MCKENZIE + MRS CATHERINE MCKENZIE <A W MCKENZIE SUPER FUND A/C>	35,500,000	2.56%
EPICURE SUPERANNUATION PTY LTD <EPICURE SUPERANNUATION A/C>	34,077,459	2.45%
JK STEWART INVESTMENTS PTY LTD <THE STEWART INVESTMENT A/C>	33,392,858	2.40%
SAMBOLD PTY LTD <SUNSHINE SUPER FUND A/C>	32,000,000	2.30%
INKESE PTY LTD	30,000,000	2.16%
BARRELL ENERGY INC	27,129,666	1.95%
MR JAY HUGHES + MRS LINDA HUGHES <INKESE SUPER A/C>	25,000,000	1.80%
MR JAY EVAN DALE HUGHES <INKESE FAMILY A/C>	25,000,000	1.80%
NEWPARK INVESTMENTS PTY LTD	20,750,000	1.49%
I G LUSTED PTY LTD <LUSTED FAMILY SUPER FUND A/C>	19,785,181	1.42%
MR DAVID GREENE	18,195,779	1.31%
MR JOHN MICHAEL ROSS	15,013,497	1.08%
JK STEWART INVESTMENTS PTY LTD <THE LEAKE STREET INVESTMENT A/C>	14,573,923	1.05%
ICE COLD INVESTMENTS PTY LTD <G & J BROWN SUPER FUND A/C>	13,369,387	0.96%
MR RAUL BENAVIDEZ	13,067,544	0.94%
EVERZEN HOLDINGS PTY LTD <LUSTED FAMILY A/C>	13,031,838	0.94%
MS CAROL ANN COOLEY	12,908,622	0.93%
<b>Total top 20</b>	<b>520,292,745</b>	<b>37.47%</b>
Other	868,400,023	62.53%
<b>Total ordinary shares on issue as at 2 February 2026</b>	<b>1,388,692,768</b>	<b>100%</b>

For personal use only

## ASX ADDITIONAL INFORMATION

### 2. SUBSTANTIAL SHAREHOLDERS

Set out below are the names of the substantial holders and the number of equity securities held by those substantial holders (including those equity securities held by their associates), as disclosed in the substantial holding notices given to the company:

Shareholder	Date lodged	As at date of lodgment	
		Number of shares	Percentage
Mr Jay Evan Dale Hughes	28 January 2026	80,000,000	5.82%
Jon Stewart, Carolyn Stewart, Epicure Superannuation Pty Ltd and JK Stewart Holdings Pty Ltd	14 March 2019	62,977,859	6.43%

### 3. DISTRIBUTION OF EQUITY SECURITIES

	Ordinary shares	Shares %	Ordinary Shares No of Holders	Performance Rights	Fee Rights	Unlisted securities %	Unlisted securities No of Holders
1 - 1,000	8,894	-	75				
1001 - 5000	306,367	0.02%	108				
5,001 – 10,000	1,826,049	0.13%	213				
10,001 - 100,000	41,138,460	2.96%	978				
100,001 and Over	1,345,412,998	96.88%	695	53,705,308	5,980,564	100%	8
	<b>1,388,692,768</b>	<b>100%</b>	<b>2,299</b>	<b>53,705,308</b>	<b>5,980,564</b>	<b>100%</b>	<b>8</b>
Unmarketable parcels	9,328,675		802				

### 4. VOTING RIGHTS

See section 4.2 and 7.3.

### 5. ON-MARKET BUY BACK

There is currently no on-market buy back program for any of Australis's listed securities.

### 6. COMPANY SECRETARY, REGISTERED AND PRINCIPAL ADMINISTRATIVE OFFICE AND SHARE REGISTRY

Details can be found in the Corporate Directory of the Annual Report.

### 7. LIST OF INTERESTS IN MINING TENEMENTS AND PETROLEUM LEASES

LOCATION	TENEMENT	NET ACRES
Mississippi / Louisiana	Tuscaloosa Marine Shale	47,200
<b>US TOTAL</b>		<b>47,200</b>

For personal use only

---

# CORPORATE DIRECTORY

## DIRECTORS

**Mr Jonathan Stewart**

Non-executive Chairman

**Mr Alan Watson**

Independent non-executive Director

**Mr Steve Scudamore**

Independent non-executive Director

**Mr Ian Lusted**

Chief Executive Officer and Managing Director

**Mr Graham Dowland**

Chief Financial Officer and Finance Director

## COMPANY SECRETARY

**Ms Julie Foster**

## REGISTERED AND PRINCIPAL OFFICE

Level 2, 215 Hay Street  
Subiaco, Western Australia 6008  
Telephone: +61 8 9220 8700  
Facsimilie: +61 8 9220 8799

## OFFICE IN NORTH AMERICA

**Australis TMS Inc.**

333 Clay Street, Suite 3680  
Houston, Texas, USA 77002-4107  
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  
Facsimilie: +61 8 9323 2033

## SOLICITOR

**Gilbert & Tobin**

Level 16, Brookfield Place Tower 2  
123 St Georges Terrace, Perth, WA 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

[www.australisoil.com](http://www.australisoil.com)  
[contact@australisoil.com](mailto:contact@australisoil.com)

For personal use only

For personal use only



For personal use only



Australis Oil & Gas Limited  
ABN 34 609 262 937