ANNUAL FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 December 2025

AUSTRALIAN OIL COMPANY LIMITED

ABN 83 114 061 433

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CHAIRMAN’S REPORT

Dear Shareholder

The process of turning AOK around continues with the timely acquisition of a suite of mature Surat Basin oil and gas fields – each with the potential to significantly increase and/or re-establish production. The timing is especially fortuitous in that it coincides with a dramatically increased oil price.

Our intention now is to commence operational planning and to build on this foothold in the Surat Basin by acquiring nearby exploration acreage.

Last year I indicated that our hope and intention was to transform our Californian acreage into being cashflow positive. This aspiration has, unfortunately, proved far more challenging due to a combination of factors including infrastructure remediation, low gas volumes and prices, and a largely unsupportive government.

Given these operational and fiscal challenges, we will now focus on efficiency by maximising gas flows from the more productive wells and reducing costs wherever possible. The current adverse economics requires that we likely need to shelve plans to drill any exploration or infill wells until conditions improve.

Your Managing Director and Board have worked tirelessly to secure additional new ventures either in Australia or abroad. This is still work in progress, but we are optimistic that we can ultimately be successful.

Yours faithfully

Chris Hodge
Chairman

REVIEW OF OPERATIONS

OVERVIEW

The 2025 year, together with the subsequent events, focussed on streamlining the Californian operations and reducing costs while diversifying the Australian Oil Company group's ("Group") portfolio of interests to include its newly acquired Surat Basin oil and gas assets in Australia. This includes the acquisition of:

- Xstate Energy Limited's ("XST") Californian's interests for a consideration of US$389,217; and
- Surat Basin assets acquired from ADZ Energy (Queensland) Pty Ltd ("ADZ") and OGT Energy Pty Ltd ("OGT"). The acquisition includes three (3) petroleum leases and one (1) petroleum pipeline licence located west of the Taroom Trough (collectively, the "Assets"). The Assets are situated near the town of Surat, major gas gathering and processing infrastructure and in close proximity to acreage held by operators' Santos, Shell, Elixir and Omega, in the Taroom Trough.

HIGHLIGHTS

Exploration, Production and Development Properties

- AOK's share of Californian gas flows after royalties, inclusive of XST's share, for the year was 69,053 MCF, with gas prices continuing to improve; and
- Acquisition of the Assets and subsequent working up an inventory of development and exploration opportunities to progress during 2026, into strengthening commodity price environment.

Corporate and New Ventures

- Mr Neil Taylor was appointed East Africa New Business Manager as the Company looks to expand its portfolio into higher impact exploration opportunities; and
- Company proactively assessed a select handful of new venture opportunities in East Africa and domestically in line with the corporate strategy and objectives it has outlined to shareholders during the course of 2025.

ONSHORE SURAT BASIN, QUEENSLAND, AUSTRALIA

The Assets acquired from ADZ and OGT include (refer Figure 1):

- PL 264 including the producing Emu Apple oil field;
- PL 30 including the Riverslea oil field;
- PL 512 including the Major gas field; and
- PPL 22 being the pipeline and associated easements from PL 512 to the Silver Springs gas plant.

The consideration to each of ADZ and OGT under the Agreements is as follows:

- ADZ will receive a wellhead royalty of 2% on their 100% interest in PL 264; 90% interest in PL 30; and 84% interest in PL 512 (and any gas flowing through PPL 22), commencing 1 January 2029;
- OGT will receive $1 for their minority interests of 10% in PL 30; 16% in PL 512; and 16% in PPL 22 as incentive for AOK to develop gas in PL 512, with subsequent processing and sale through agreed terms into OGT's Silver Springs gas plant;
- Canning Australia Pty Ltd, wholly owned AOK subsidiary, will indemnify each of ADZ and OGT in respect of their equity shares in the Assets, of all liabilities associated with infrastructure and current suspended and producing wells; and
- ADZ shall transfer to Canning Australia Pty Ltd all existing Financial Assurance ("FA") and Financial Resilience ("FR") certificates relating to the Assets. The total value of the FA and FR certificates is $552,640.

ONSHORE SURAT BASIN, QUEENSLAND, AUSTRALIA (Continued)

There has been little new work incorporating new geological understandings. The Assets have no work commitments. Funding will be sourced from the Company's existing capital reserves and production from the Emu Apple oilfield, with expenditure focused on advancing drill-ready prospects and increasing production.

The Assets have:

- Undrilled prospects and leads within each of the production licenses, being close in proximity to production facilities;
- Potential to increase production in the Emu Apple oilfield from a current 15bopd materially upon completing appropriate pump and completion designs;
- The produced Riverslea and Major fields which can be brought back online in addition to new discoveries at modest cost as the facilities are in good condition;
- Strategic infrastructure and geographical significance being well placed to take advantage of nearby ground floor opportunities (majority of surrounding adjacent acreage is vacant);
- Optimal locations to address undersupplied gas markets through further gas exploration and development or gas storage opportunities in PL 512; and
- Lower capex and shorter duration to develop oil opportunities compared to other jurisdiction in Australia given existing infrastructure and proximity to the Inland Oil Refinery.

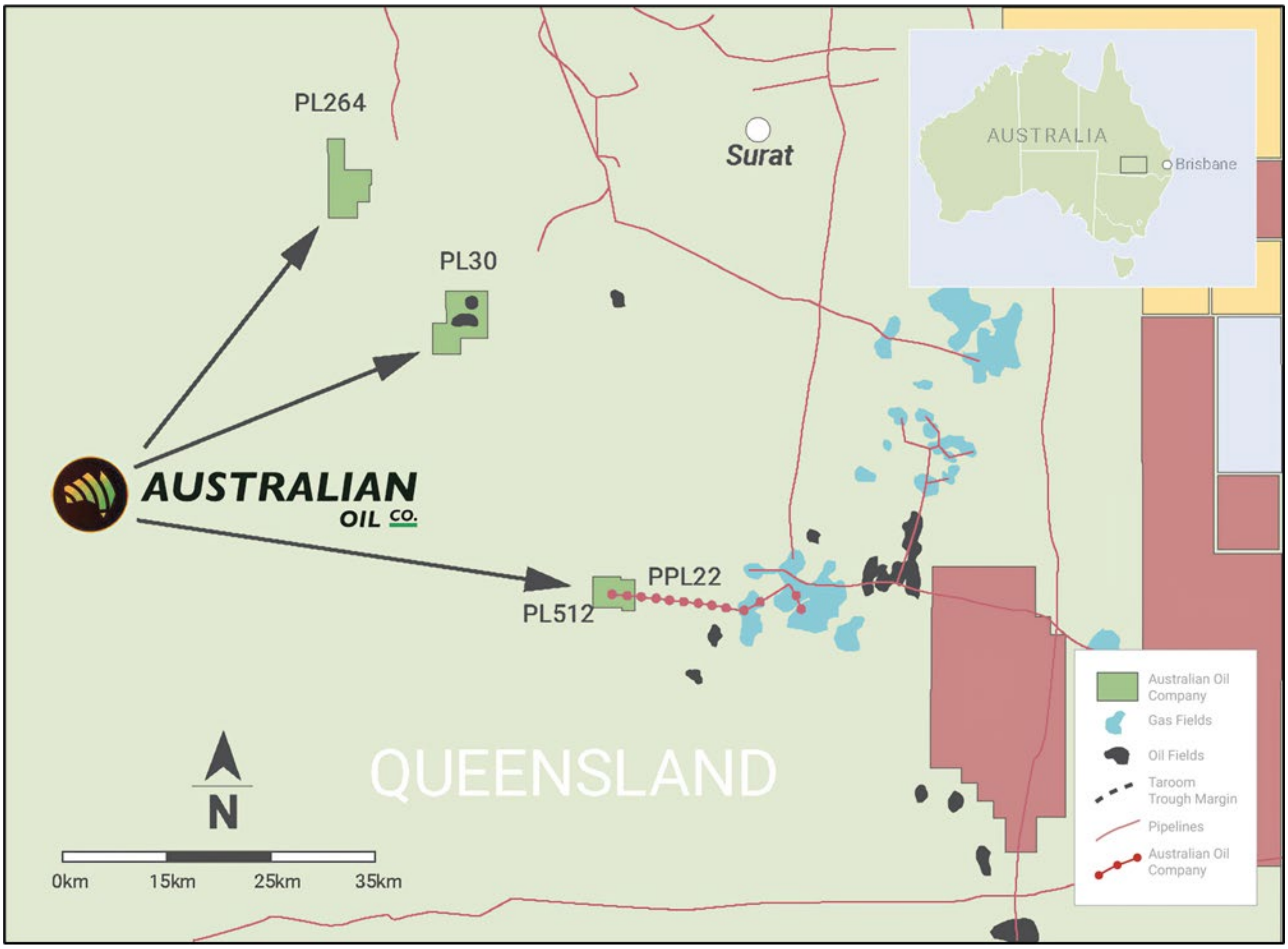

Figure 1: Overview map of Surat Basin Assets acquired from ADZ and OGT

ONSHORE SURAT BASIN, QUEENSLAND, AUSTRALIA (Continued)

The transaction was opportunistic and timely given recent volatility in oil prices and geopolitical events, together with strategic moves by power companies, including the news that APA Group will jointly develop with CS Energy the proposed Brigalow Peaking Power Plant. Other operators are progressing gas exploration programmes in the wider Surat Basin to take advantage of the infrastructure and capacity to process gas to domestic markets.

The Group is working on other new venture projects predominantly focussed on upstream gas opportunities as well as other bolt-on opportunities domestically with a clearly defined commercial and technical strategy in jurisdictions which have low perceived sovereign risk.

ONSHORE SACRAMENTO BASIN, CALIFORNIA, USA

The Company consolidated its leases position during 2025 through acquisition and streamlined costs into improving gas prices. AOK has a material working interest (WI) in various oil and gas leases in both the North and South Sacramento Basin (Figures 2 and 3).

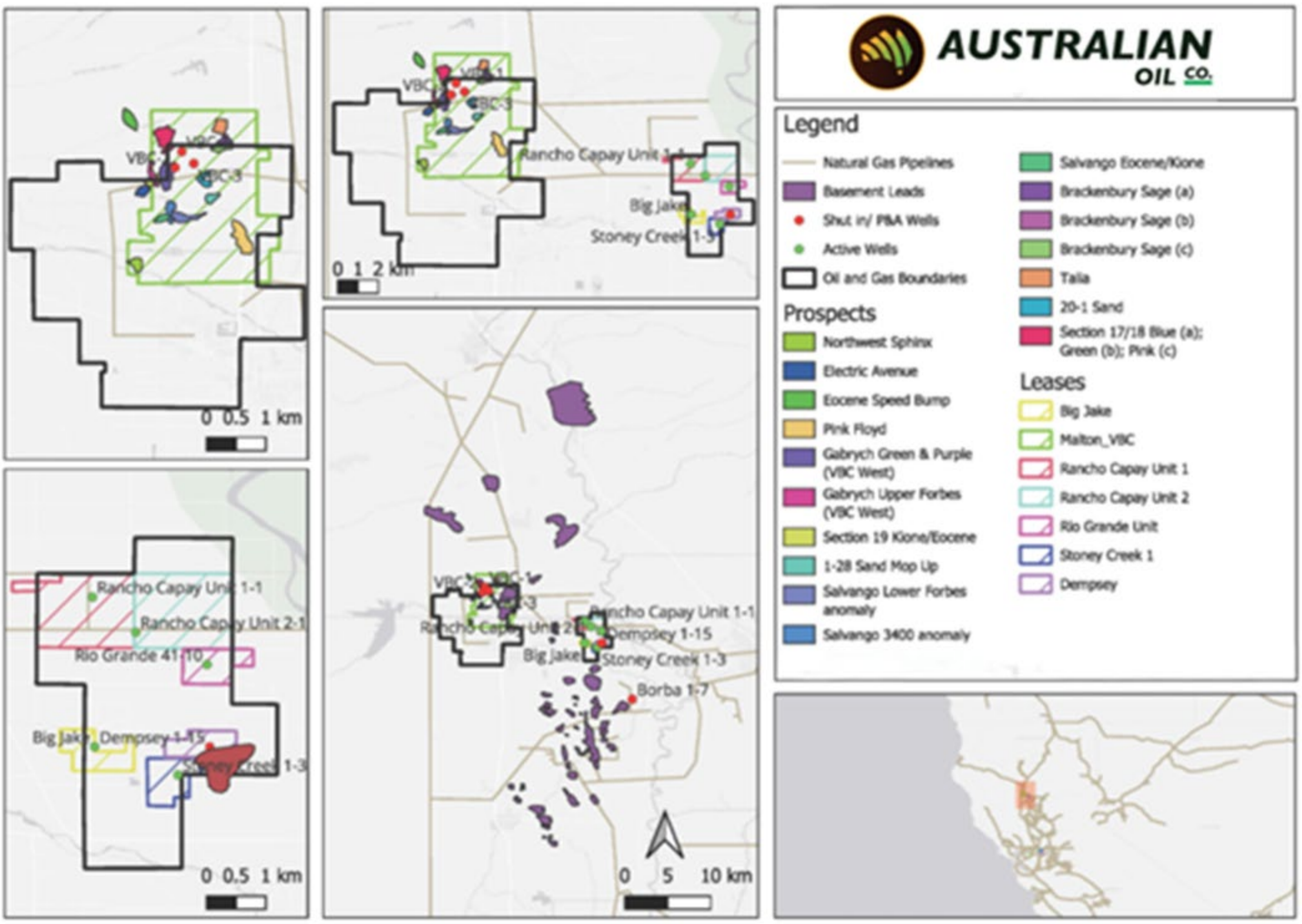

Figure 2: AOK's North Sacramento Basin lease position

ONSHORE SACRAMENTO BASIN, CALIFORNIA, USA (Continued)

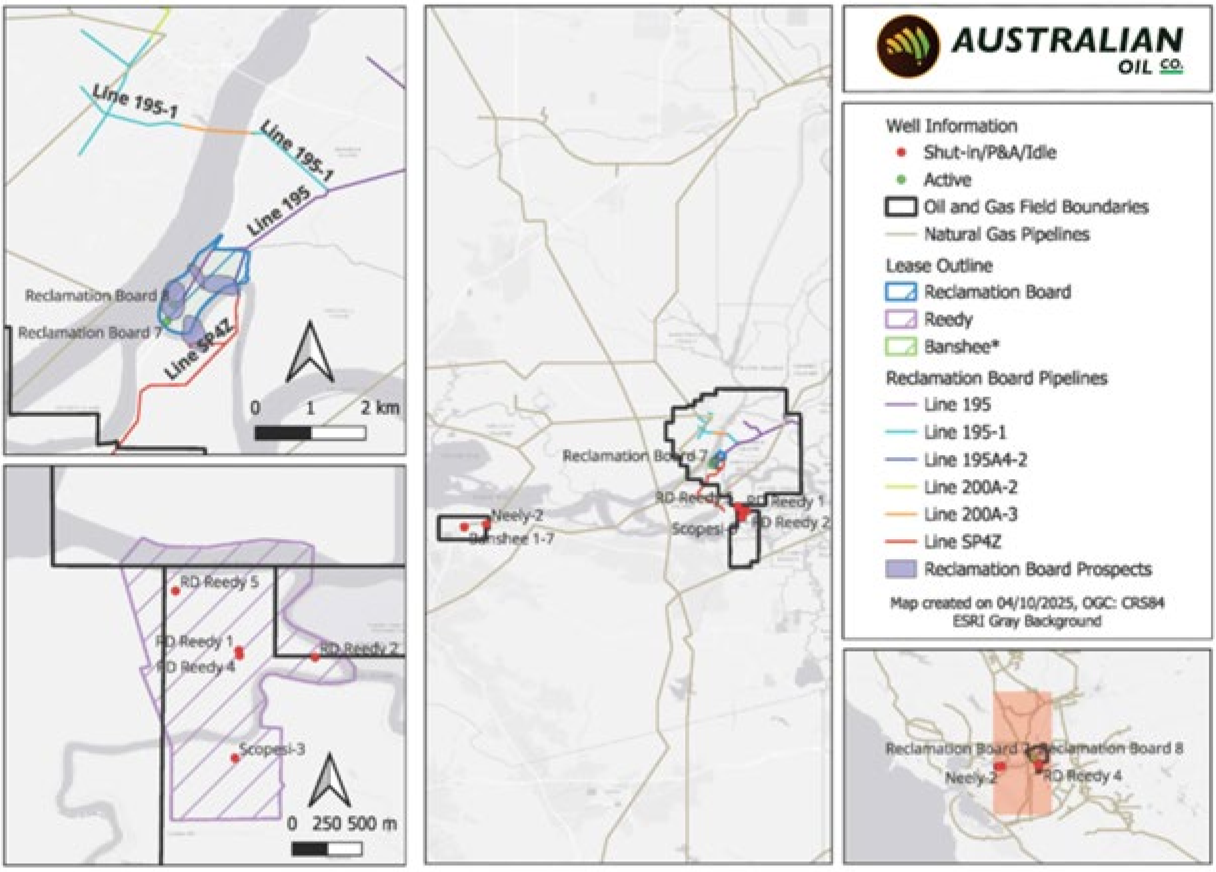

Figure 3: AOK's South Sacramento Basin lease position

Gas Flows in Sacramento Basin

Gas Flows (mcf)[1]	2025	2024
Gross Production	114,862	154,634
AOK Production after Mineral Royalty	69,053	86,578

1. mcf = Thousand cubic feet gas

ONSHORE SACRAMENTO BASIN, CALIFORNIA, USA (Continued)

The following table summarises AOK's permits as at 31 December 2025:

Project Name	Leases; Related Gas Field (HBP leases); or Key Well	Project Type	Working Interest[1]
Dempsey Area Project	Rancho Capay Unit, Big Jake, Rio Grande and Stoney Creek wells are associated with HBP leases as well as intermittent production from Dempsey 1-15	Exploration, appraisal and rework	70%
Borba Project	Borba 1-7 exploration well is associated with the Oil and Gas Mineral Leases	Exploration	100%
Los Medanos Project	Los Medanos Gas Field. The main wells are the Neely wells where shut-in royalties are being paid	Appraisal and rework	100%
Malton Project	Malton Gas Field HBP Leases are associated with the VBC producing wells	Exploration, appraisal and rework	100%
Dutch Slough Gas Project	Dutch Slough Gas Field. Scopes and Reedy wells are shut in with associated royalties being paid	Exploration, appraisal and rework	100%
Rio Vista Gas Project	Rio Vista Field Wells Rec Board 7 and 8 are producing wells associated with HBP Leases	Gas flow, development and rework	100%

1. Approximate working interest across the referenced Project

AOK is the operator of all but one of its wells and related tenements located in the Sacramento Basin. A review of leases and its operating subsidiary blanket bond has confirmed there are no leases and no well interests in Alvares and accordingly it has been removed as an interest in the tenement table.

Leases

Exploration is conducted on leases granted by mineral right owners, being primarily governments, private individuals or groups. Leases can vary in size from very small parcels (part of an acre) to large landholdings (covering a few square miles).

Leases (Continued)

Exploration leases are generally granted for a period of five years with associated rentals paid annually. There are no firm work commitments associated with the leases. Some leases are *Held by Production* and royalties are paid to mineral right owners as shut-in royalties or in lieu of rentals

COMPETENT PERSON'S STATEMENT

This document contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by many variables which could cause actual results or trends to differ materially. The technical information provided has been reviewed by Mr J L Kane Marshall. He is a qualified geologist and petroleum engineer with over 25 years' experience in commercial and management experience in exploration for, appraisal and development of oil and gas. He is a member of the American Association of Petroleum Geologists ("AAPG"), Society of Petrophysics and Well Log Analysis ("SPWLA"), Geophysical Society of Houston ("GSH"), Petroleum Exploration Society of Australia ("PESA"), Society of Petroleum Engineers ("SPE"), South-East Asia Petroleum Exploration Society ("SEAPEX") and Geoscience Energy Society of Great Britain ("GESGB"). Mr Marshall consents to the inclusion of the information in the form and context in which it appears.

The timing of future events is subject to the normal industry vagrancies of operational matters and equipment availability which are outside the control of AOK and its suppliers. Facilities depicted in images on the Company's website are not necessarily assets of Australian Oil Company Ltd. Some of the images used represent aspects of the oil and gas industry in which AOK is involved or images of equipment owned by companies providing services to AOK. Before investing it is recommended that investors conduct their own due diligence and consult financial and technical advisors and form their own opinions on future events and implications.

CORPORATE

Shares and Options

On 17 July 2025, the Company announced it had issued 36 million fully paid ordinary shares to Dungay Resources Pty Ltd, a company associated with former director, Gary Jeffery, as part of a settlement agreement.

On 1 September 2025, the Company announced it had issued 23.5 million shares in partial settlement of amounts owing for consulting services received.

On 23 October 2025, the Company announced it had raised $800,000 (before costs) via a two-tranche placement as detailed below. The issue included receipt of a one free option for every two shares received – see below for further information:

- On 30 October 2025 the Company issued 190,945,748 fully paid ordinary shares at $0.0021 each to sophisticated investors; and
- On 22 December 2025 September 2025 the Company issued 306,933,792 fully paid ordinary shares at $0.0013 each to sophisticated investors, following approval of shareholders at a general meeting held on 11 December 2025.

Shares and Options (Continued)

On 22 December 2025, the Company announced it had issued 15 million shares in partial settlement of amounts owing for consulting services received. The issue included receipt of a one free option for every two shares received – see below for further information.

On 22 December 2025, the Company announced it had issued:

- 248,939,770 options attached to a two-tranche placement issue of fully paid ordinary shares. The options were issued free attaching, and are exercisable at $0.004 on or before 22 December 2027;
- 7,500,000 options attached to a partial settlement of amounts owing for consulting services received. The options were issued free attaching, and are exercisable at $0.004 on or before 22 December 2027; and
- 40 million options to Sanlam Private Wealth in settlement of amounts owing for lead manager services to the placement. The options are exercisable at $0.004 on or before 22 December 2027.

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of Australian Oil Company Limited (referred to hereafter as the "Company") and the entities it controlled at the end of, or during, the year ended 31 December 2025.

DIRECTORS

The names of the directors who held office during the whole of the financial year and up to the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Chris Hodge	Non-executive Chairman	Appointed 22 October 2024
J L Kane Marshall	Managing Director	Appointed 17 July 2023
William Ashby	Non-executive Director	Appointed 6 April 2022

Information on directors	Experience, qualifications, and other directorships
Name:	J L Kane Marshall
Title:	Managing Director
Qualifications:	MSc. Petroleum Engineering
Experience and expertise:	Kane has over 20 years' experience in various roles as a director, geologist, engineer, and company builder. He currently advises several resource companies on new venture transactions and funding. His diverse experience base includes technical and managerial roles with private equity, junior and major oil companies. Mr Marshall holds academic qualifications which include a Master of Petroleum Engineering from Curtin University, Bachelor of Science (Petroleum Geology) from the University of Western Australia and a Bachelor of Commerce (Investment Finance and Corporate Finance) from the University of Western Australia.
Other current directorships:	Non-Executive Chairman of Consolidated Africa Limited since 26 October 2022 Non-Executive Chairman of Bounty Oil & Gas NL since 22 January 2026
Former directorships (past 3 years):	Non-Executive Chairman of IPB Petroleum Limited since 9 February 2024
Special responsibilities:	Nil
Interests in shares:	26,170,000
Interests in options:	32,857,143

DIRECTORS (Continued)

Information on directors	Experience, qualifications, and other directorships
Name: Title: Qualifications:	Chris Hodge Non-Executive Chair B.Sc. (Hons) Geology, M.Sc. Structural Geology
Experience and expertise:	Chris is a highly experienced and successful manager of oil and gas exploration and production companies. A geologist by training, he has served a director for numerous ASX listed companies. Most recently Chris served as a director at Adelphi Energy Ltd, ROC Oil Company Ltd and Horizon Oil Ltd. He has also acted as a trusted advisor to both Mitsui & Co Ltd and Mitsubishi Corporation. As Managing Director of Adelphi, Chris guided the company to being a first mover in the Eagleford shale in Texas. At ROC he was a non-executive director which was taken over by Fosun. At Horizon, Chris oversaw the transition from a troubled exploration and production company with a PNG focus, to a debt-free, dividend paying entity with strong oil production. Chris has worked extensively overseas, including Argentina, USA, Thailand, Indonesia, China and New Zealand, however he retains a deep working knowledge of the Australian oil and gas producing basins, particularly in WA and Queensland.
Other current directorships:	Nil
Former directorships (past 3 years):	Nil
Special responsibilities:	Chair of the Audit and Risk Management Committee Member of the Remuneration and Nomination Committee
Interests in shares: Interests in options:	Nil Nil
Name: Title: Qualifications:	William Ashby Non-Executive Director BAS Geophysics, GradDipAS (Honours) – Petroleum Geophysics
Experience and expertise:	Bill has over 40 years of experience in upstream oil and gas covering the disciplines of geoscience, subsurface engineering, drilling, development, and production. Over that time, he has spent 16 years within south-east Asia, including five years working within the Philippines. He has a track record of finding and developing significant discoveries, most recently in PNG, Caldita/Barossa in Australia, Gulf Coast USA (Eagleford Shale) and Madura Strait Indonesia. Bill is focussed on business outcomes that lead to upstream development and production of resources. He has small to mid-cap Australian listed company experience, complemented by major company experience (ConocoPhillips and Mobil) internationally.
Other current directorships:	Nil
Former directorships (past 3 years):	Nil
Special responsibilities:	Chair of the Remuneration and Nomination Committee Member of the Audit and Risk Management Committee
Interests in shares: Interests in options:	3,387,368 428,572

DIRECTORS (Continued)

Other current directorships stated above are current directorships for listed entities only and exclude directorships of all other types of entities.

Former directorships stated above are directorships held in the last three years for listed entities only and exclude directorships of all other types of entities.

COMPANY SECRETARIES

David McArthur is a Chartered Accountant and was appointed to the position of Company Secretary on 24 October 2013. Mr McArthur has over 30 years' experience in the corporate management of publicly listed companies.

Jordan McArthur is a Chartered Accountant and was appointed to the position of Joint Company Secretary on 28 February 2022. Mr McArthur has over 14 years' corporate and financial experience in Australia and the United Kingdom.

MEETINGS OF DIRECTORS

The number of meetings of the Company's board of directors ("Board") and of each Board committee held during the year ended 31 December 2025, and the number of meetings attended by each director was:

	Board		Audit & Risk Management Committee	
	Attended	Held	Attended	Held
Chris Hodge	5	5	2	2
Kane Marshall	5	5	2	2
William Ashby	5	5	2	2

The small size of the Board means that directors meet informally on a regular basis to discuss company operations, risks, strategies and, as required, formalise key actions through circular resolutions.

The audit & risk management, nominations and remuneration, finance and environmental functions are handled by the Board of the Company.

PRINCIPAL ACTIVITIES

During the financial year the principal activities of the Group were:

- Oil and gas exploration with associated natural gas flows as a by-product in California, USA;
- Finalisation of divestment of the Canadian oil exploration, production and development activities;
- Acquisition of oil and gas assets in Queensland, Australia.

The Company continues to assess potential exploration project acquisitions globally.

OPERATING RESULTS

The loss from continuing operations for the financial year ended 31 December 2025 attributable to members of Australian Oil Company Limited after income tax was $2,671,844 (2024: $2,480,492). The loss after tax on discontinued operations for the financial year ended 31 December 2025 amounted to $168,198 (2024: $8,662,796 profit).

The Group has working capital of $328,181 (2024: $330,527) and had net cash outflows of $83,180 (2024: $121,425 inflows).

DIVIDENDS

The directors recommend that no dividend be provided for the year ended 31 December 2025 (2024: Nil).

MATERIAL BUSINESS RISKS

The key risk factors affecting the Group are as follows:

Crude oil and gas price
Crude oil and gas prices are volatile and affected by numerous factors beyond the Group's control, including consumer demand, industry supply trends, international financial market conditions, uncertainty in commodity markets, OPEC actions, global economic conditions, government pricing regulations, and competing fuel sources. AOK's financial performance is influenced by gas prices, and lower gas prices can negatively impact revenues, available liquidity, or access to capital markets, resulting in funding shortfall and/or inability to service debt. This may in turn lead to revisions in medium and longer-term price assumptions for oil and gas from future production, which, in turn, may lead to a revision of the value of the Group's assets. In addition, the Group is exposed to risk in crude oil prices as fluctuations impact the commercial viability of exploration projects.

Operational interruptions
Gas production and recovery volumes may differ from the Group's assumptions and forecasts. This can be due to, but not limited to, unplanned interruptions to production arising from various factors. These events may have a material effect on the Group's financial performance. The occurrence of any event associated with these risks could result in production interruptions and/or substantial loss to the Group.

Farm-out and Joint Venture Partners
The Group may enter farm-out or joint venture agreements in relation to assets. Farm-out or joint venture partners may be unable to pay for their share of applicable costs.

MATERIAL BUSINESS RISKS (Continued)

Counterparty risks
A dispute or a breakdown between the Group and its joint venture partners, suppliers or customers, or a failure to reach a suitable agreement with joint venture partners, suppliers or customers could have an adverse effect on the reputation and/or financial performance of the Group.

Laws, regulations, and government policies
The Group's business is subject to extensive laws, regulations and government policies in the jurisdictions where it operates its assets and carries out its business. Failure to comply, including passing regular inspection and certification obligations may result in reputational harm, operations being suspended or delayed, permits, license and concessions being cancelled, and fines and penalties being imposed. Changes to laws, regulations and government policies imposed could result in immediate impacts on the Group's forecast revenues and financial position.

Climate policies
Polices related to climate and energy transition may adversely affect oil and gas demand, oil and gas prices, and oil and gas industry investment and funding behaviour.

Regulatory approvals
Regulatory approvals or required licences, including the Group's social licence to operate may not be forthcoming or may be delayed.

Weather conditions
Weather events (including those related to climate change) may result in physical damage to assets or interruptions to operations.

Abandonment and Restoration Obligations
The Group may not have accurately anticipated required decommissioning costs and obligations, which may vary due to higher standards potentially being imposed in the future. Higher decommissioning obligations may negatively impact the Group's financial position.

Environment
Oil and gas exploration, development and production activities may damage the environment. If the Group is responsible, it will be required to remediate such damage which may involve substantial expenditure and adversely affect its reputation.

Key Personnel
The ability of the Group to achieve its objections depends on the engagement of key employees, directors and contractors with appropriate experience and expertise. If the Group cannot attract, motivate and retain required personnel there is risk of additional costs and delays which may adversely affect its financial performance.

Availability of parts, labour, and logistics
Supply or availability of required infrastructure (including drill rigs when required), equipment, goods or services could be subject to interruptions, delays or increases in cost, which may impact production, the cost of running the Group's operations and the economics of future development projects.

MATERIAL BUSINESS RISKS (Continued)

Cashflow
Insufficient cashflow could result in an inability to meet contingent payment obligations, debt obligations and/or day to day operational commitments.

Insurance coverage
Insurance coverage may be insufficient to cover all risks associated with oil and gas production, development, exploration, and evaluation.

Currency risk
Changes in foreign exchange rates and interest rates may negatively impact the Group's liquidity.

Litigation risk
There is a risk the Group may have claims made against it and be the subject of litigation or be required to commence litigations, including with respect to its other contracting parties. The impact of such actions may have a material adverse impact on the Group.

Access to capital
The Group's activities may require it to obtain additional funding from equity and debt capital providers. Any material restriction on the ability of the Company to source capital may restrict its operations preventing it from acquiring new assets and taking advantage of new development opportunities or delaying the commencement or completion of projects in which the Group is involved.

Taxation risk
Changes to the rate of taxes imposed on the Group or changes in tax legislation or changing interpretations enforced by taxation authorities, whether in Australia or such other foreign jurisdictions in which the Group may operate, may lead to an increase in the Group's taxation obligations and a reduction in potential shareholder returns.

Unforeseen risks
There may be other unforeseeable circumstances beyond the control of the Group which may impact it, its operations and/or the valuation and performance of its shares. The above list of key risks ought not to be taken as exhaustive of the risks faced by the Group or by investors in the Company. The above risks and others not specifically referred to above may in the future materially affect the Group, its financial performance or the value of the Company's shares.

Each of the key risks if they were to materialise, could have a material and adverse impact on (among other things) the Group's business, reputation, growth, financial position and/or financial performance. The Company has an established risk management framework in place to identify, assess and mitigate risks in accordance with the materiality and risk tolerance parameters set by the Board.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors there were no matters that significantly affected the affairs of the Group during the financial year, other than those matters referred to in the *Review of Operations* above.

LIKELY DEVELOPMENTS

The Group is focussed on oil and gas production and exploration within its current portfolio as disclosed in the *Review of Operations* and will also continue to assess other oil and gas related opportunities which may offer value enhancing opportunities for shareholders.

ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in relation to its activities in the various regions in which it is involved. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

The Group is not aware of any significant breaches of these laws and regulations during the 2025 financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than as disclosed in note 27 of the notes to the consolidated financial statements, there have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has agreed to indemnify all directors and officers against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each director and officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of director or officer of the Company, other than conduct involving wilful breach of duty in relation to the Company. The current premium is $42,988 (2024: $38,875) to insure the directors and officers of the Company.

INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

SHARES UNDER OPTION

As at the date of this report, the following options were in issue:

- 10,000,000 unlisted options exercisable at $0.025 on or before 30 April 2029
- 10,000,000 unlisted options exercisable at $0.035 on or before 30 April 2029
- 10,000,000 unlisted options exercisable at $0.045 on or before 30 April 2029
- 125,937,937 unlisted options exercisable at $0.008 on or before 30 June 2026
- 296,439,770 unlisted options exercisable at $0.004 on or before 22 December 2027

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of the Company were issued during the year ended 31 December 2025, and up to the date of this report, on the exercise of options granted.

AUDIT AND NON-AUDIT SERVICES

No non-audit services were provided during the year from the auditor of the Group, HLB Mann Judd.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 24.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the *Corporations Act 2001*.

AUDITED REMUNERATION REPORT

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the directors of Australian Oil Company Limited for the year ended 31 December 2025. There were no other key management personnel during the year. The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001* and its Regulations.

The Remuneration Report details the remuneration arrangements for the directors who are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group, directly or indirectly, whether executive or otherwise.

Remuneration philosophy

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results achieved. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage/alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors. The performance of the Group depends on the quality of its key management personnel. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The reward framework is designed to align executive reward to shareholders' interest. The Board has considered that it should seek to enhance shareholders' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate and distinct.

<u>Non-executive directors' remuneration</u>
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed periodically by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Remuneration structure (Continued)

ASX Listing Rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Company's 2008 annual general meeting, where shareholders approved a maximum annual aggregate remuneration of $250,000.

Each non-executive director receives a fee for being a director of the Company which is inclusive of sub-committee memberships:

- Chairman $75,000 inclusive of statutory superannuation
- Non-executive directors $60,000 inclusive of statutory superannuation

In addition to their base fees, non-executive directors may also receive payment for consultancy services at the lesser of $200 per hour or $1,500 per day plus any reimbursable expenses.

Executive director's remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

There are three components to executive remuneration and reward framework:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long-service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration
Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Nomination and Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Nomination and Remuneration Committee has access to external, independent advice where necessary.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

Short-term incentive scheme
The short-term incentives ("STIs") programme is designed to align the targets of the business units with the performance hurdles of key management. STI payments are granted to executives based on specific annual targets and key performance indicators ("KPIs") being achieved. At this stage, the Group does not award any STIs.

Long-term incentive scheme
The long-term incentives ("LTIs") programme includes long-service leave and share-based payments. Share options are awarded to executives based on long-term incentive measures. These include increase in shareholder value relative to the entire market and the increase compared to similar companies.

Remuneration structure (Continued)

Long-term incentive scheme (Continued)
The Company has adopted an Employee Incentive Option Plan ("Plan"). Under the Plan, the Company may grant options to eligible employees and consultants to attract, motivate and retain key employees over a period of three years up to a maximum of 5% of the Company's total issued ordinary shares at the date of the Plan. Director options are granted at the discretion of the Board and approved by shareholders. There are currently no performance hurdles attached to vesting periods, however the Board determines appropriate vesting periods to provide rewards over time.

Group performance and link to remuneration
The remuneration of the Group's key management personnel, including any component of remuneration that consists of securities in the Company, is not formally linked to the prior performance of the Group. The rationale for this approach is that the Group is in the exploration phase, and it is currently not appropriate to link remuneration to factors such as profitability or share price.

	2025	2024	2023 *Reclassified*	2022	2021
Production income ($)	207,104	275,620	796,274	17,849,415	7,888,355
Other income ($)	1,205,876	252,657	281,591	609,394	1,017,912
Loss before income tax from continuing operations ($)	(2,671,844)	(2,480,492)	(1,087,096)	(647,589)	(10,316,883)
Net (loss)/profit attributable to equity holders ($)	(2,840,040)	6,182,304	(733,264)	(1,375,499)	(10,681,643)
Share price at year end (cents)	0.02	0.03	1.10	1.20	2.60
Number of listed ordinary shares	1,574,162,537	1,001,782,997	777,055,322	611,180,909	481,198,714
Weighted average number of shares	1,067,985,518	866,224,666	692,119,307	567,437,263	464,646,028
Basic loss per share (cents) from continuing operations	(0.25)	(0.29)	(0.16)	(0.17)	(2.30)
Unlisted options	452,377,707	155,937,937	27,250,000	27,250,000	18,000,000
Market capitalisation ($)	3,148,325	3,005,349	8,547,609	7,334,171	12,511,167
Net tangible assets/(liabilities) (NTA) ($)	(1,452,631)	405,333	(7,654,311)	(7,976,998)	(9,229,622)
NTA backing (cents)	(0.009)	0.05	(0.99)	(1.31)	(1.92)

During the financial years noted above, there were no dividends paid or other returns of capital made by the Company to shareholders.

Use of remuneration consultants
No remuneration consultants provided services during the year.

Remuneration structure (Continued)

Voting and comments made at the Company's 2025 annual general meeting
The Company received 86.48% of in-favour votes on its remuneration report for the 2024 financial report.

The Company did not receive any specific feedback at the annual general meeting or throughout the year on its remuneration practices.

Employment contracts

Remuneration and other terms of employment of the Managing Director is formalised in an employment contract. The major provisions of the agreement related to remuneration are set out below:

Employee name	Terms of agreement	Employee's notice period	Employer's notice period	Base salary[1]	Termination benefit[2]
Kane Marshall	Ongoing from 17 July 2023	Three months	Three months	$300,000	N/A

1 Base salary is exclusive of the superannuation guarantee charge rate applicable at the time
2 Termination benefits are payable upon early termination by the Company, other than for gross misconduct. They are equal to base salary for the notice period

Details of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables:

	Short-term benefits		Post-employment benefits	Share-based payments		Total
2025	**Cash salary & fees $**	**Other benefits $**	**Super-annuation $**	**Shares $**	**Options $**	**$**
Non-executive Directors						
Chris Hodge	53,707	-	6,293	-	-	**60,000**
William Ashby	42,965	-	5,035	-	-	**48,000**
Executive Director						
Kane Marshall	240,000	-	28,125	-	-	**268,125**
Total	**336,672**	**-**	**39,453**	**-**	**-**	**376,125**

Details of remuneration (Continued)

	Short-term benefits		Post-employment benefits	Share-based payments		Total
2024	**Cash salary & fees $**	**Other benefits $**	**Super-annuation $**	**Shares $**	**Options $**	**$**
Non-executive Directors						
Chris Hodge	13,019	-	1,497	-	-	**14,516**
William Ashby	44,924	-	5,719	-	-	**50,643**
David McArthur[1]	23,843	-	2,740	-	-	**26,583**
Gary Jeffery[2]	9,409	-	-	-	-	**9,409**
Andrew Childs[3]	13,333	-	-	-	-	**13,333**
Executive Director						
Kane Marshall	308,077	-	34,250	-	109,328	**451,655**
Total	**412,605**	**-**	**44,206**	**-**	**109,328**	**566,139**

1 Mr McArthur resigned on 22 October 2024
2 Mr Jeffery resigned on 3 April 2024
3 Mr Childs resigned on 30 April 2024

The proportions of fixed and variable remuneration are as follows:

	Fixed remuneration		At risk (LTI)	
Name	**2025 %**	**2024 %**	**2025 %**	**2024 %**
Non-executive Directors				
William Ashby	100	100	-	-
Chris Hodge	100	100	-	-
David McArthur	-	100	-	-
Gary Jeffery	-	100	-	-
Andrew Childs	-	100	-	-
Executive Director				
Kane Marshall	100	76	-	24

No cash bonuses were granted during the year (2024: Nil).

On 8 May 2025, the directors resolved to reduce their remuneration by 30%, effective from 1 May 2025.

Share-based compensation

Options granted as compensation
No options were issued to Managing Director, Kane Marshall (2024: 30 million).

No options were issued to non-executive directors (2024: Nil).

During the year, no options granted as compensation in prior periods were exercised or expired (2024: 20 million options expired). No options were exercised or have expired subsequent to the reporting date.

Additional disclosures relating to key management personnel

Shareholdings
The number of shares held in the Company during the year by each director, including their personally related parties, is set out below:

	Held at 1 January 2025	Additions	Disposals	Held at 31 December 2025
Chris Hodge	-	-	-	-
Kane Marshall	11,170,000	15,000,000	-	26,170,000
William Ashby	3,387,368	-	-	3,387,368
Total	**14,557,368**	**15,000,000**	**-**	**29,557,368**

Option holdings
The number of options over ordinary shares in the Company held during the year by each director, including their personally related parties, is set out below:

	Held at 1 January 2025	Granted as compensation	Exercised/ Expired	Held at 31 December 2025
Chris Hodge	-	-	-	-
Kane Marshall	32,857,143	-	-	32,857,143
William Ashby	428,572	-	-	428,572
Total	**33,285,715**	**-**	**-**	**33,285,715**

Share-based remuneration granted as compensation
Refer to notes 20 and 22 for the terms and conditions of each grant of options over ordinary shares affecting remuneration of directors in this financial year or future reporting years.

END OF AUDITED REMUNERATION REPORT

Directors' Report Declaration

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

This Directors' Report is made in accordance with a resolution of the directors.

J L Kane Marshall
Managing Director

31 March 2026
Perth, WA

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Australian Oil Company Limited for the year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**D I Buckley**
31 March 2026	**Partner**

hlb.com.au

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2025

	Note	2025 $	2024 $
Income			
Production income	6	207,104	275,620
Other income	7	1,205,876	252,657
Finance income	8	14,202	11,853
Expenses			
Other operating expenses		(2,426,641)	(1,007,651)
Marketing and business development costs		(240,220)	(40,122)
Personnel expenses	9	(389,457)	(569,043)
General and administration costs		(153,291)	(189,094)
Professional fees		(624,602)	(933,647)
Depreciation and amortisation		-	(1,153)
Exploration expenditure		(104,828)	-
Finance expenses	8	(92,927)	(104,075)
Foreign exchange gains/(losses)		(34,838)	(49,642)
Project acquisition costs	4(i)	(144,022)	-
Other gains/(losses)		134,645	-
Other expenses		(22,844)	(126,195)
Loss before income tax		**(2,671,843)**	**(2,480,492)**
Income tax expense	11	-	-
Loss for the year from continuing operations		**(2,671,843)**	**(2,480,492)**
Profit for the year from discontinued operations – Philippines		-	7,263,661
(Loss)/profit for the year from discontinued operations – Canada		(168,198)	1,399,135
(Loss)/profit from discontinued operations		**(168,198)**	**8,662,796**
(Loss)/profit for the year		**(2,840,041)**	**6,182,304**

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025

	Note	2025 $	2024 $
(Loss)/profit for the year		**(2,840,041)**	**6,182,304**
Other comprehensive income			
Foreign currency translation difference of continuing foreign operations		14,582	207,910
Foreign currency translation difference of discontinued foreign operations		23,634	(299,083)
Derecognition of foreign currency translation reserve		-	1,155,857
Total comprehensive income (loss)/profit for the year		**(2,801,825)**	**7,246,988**
(Loss)/profit for the year is attributable to:			
Continuing operations		(2,671,843)	(2,480,492)
Discontinued operations (post tax)		(168,198)	8,662,796
Total		**(2,840,041)**	**6,182,304**
Comprehensive income (loss)/profit for the year is attributable to:			
Continuing operations		(2,657,261)	(2,272,582)
Discontinued operations		(144,564)	9,519,570
Total		**(2,801,825)**	**7,246,988**
Earnings per share (cents per share)			
Basic and diluted – continuing operations	10	(0.25)	(0.29)
Basic – discontinued operations	10	(0.02)	1.00
Diluted – discontinued operations	10	(0.02)	0.79

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of 31 December 2025

	Note	2025 $	2024 $
Assets			
Cash and cash equivalents	12	803,685	895,895
Trade and other receivables	13	19,065	1,422,483
Prepayments		41,280	35,108
Current tax asset		9,423	8,994
Other financial assets		4,490	6,699
Total current assets		**877,943**	**2,369,179**
Exploration and evaluation	14	373,934	-
Trade and other receivables	15	5,572	-
Other financial assets	15	851,977	327,462
Total non-current assets		**1,231,483**	**327,462**
Total assets		**2,109,426**	**2,696,641**
Current Liabilities			
Trade and other payables	16	(411,960)	(680,679)
Borrowings	17	-	(1,220,566)
Employee benefits	9	(27,296)	(137,407)
Current tax liabilities		(16,013)	-
Site restoration provision	18	(94,493)	-
Total current liabilities		**(549,762)**	**(2,038,652)**
Non-current Liabilities			
Site restoration provision	18	(3,012,295)	(226,785)
Total non-current liabilities		**(3,012,295)**	**(226,785)**
Total liabilities		**(3,562,057)**	**(2,265,437)**
Net (liabilities)/assets		**(1,452,631)**	**431,204**
Equity			
Share capital	19	35,830,197	34,942,074
Reserves		579,353	511,271
Accumulated losses		(37,862,182)	(35,022,141)
Total equity attributable to equity holders of the Company		**(1,452,631)**	**431,204**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	Share capital $	Foreign currency translation reserve $	Options reserve $	Share-based payments reserve $	Accumulated losses $	Total equity $
Balance on 1 January 2024	**34,218,663**	**(684,368)**	**160,775**	**15,971**	**(41,365,220)**	**(7,654,179)**
Profit/(loss) for the year	-	-	-	-	6,182,304	6,182,304
Foreign exchange translation difference on continuing foreign operations	-	207,910	-	-	-	207,910
Foreign exchange translation difference on discontinued foreign operations	-	(299,083)	-	-	-	(299,083)
Derecognition of foreign currency translation reserve	-	1,155,857	-	-	-	1,155,857
Total comprehensive profit for the year	**-**	**1,064,684**	**-**	**-**	**6,182,304**	**7,246,988**
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	723,411	-	-	(15,971)	-	707,440
Transfer of expired options to accumulated losses	-	-	(160,775)	-	160,775	-
Share-based payments	-	-	130,955	-	-	130,955
Balance on 31 December 2024	**34,942,074**	**380,316**	**130,955**	**-**	**(35,022,141)**	**431,204**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the year ended 31 December 2025

	Share capital $	Foreign currency translation reserve $	Options reserve $	Share-based payments reserve $	Accumulated losses $	Total equity $
Balance on 1 January 2025	**34,942,074**	**380,316**	**130,955**	**-**	**(35,022,141)**	**431,204**
Loss for the year	-	-	-	-	(2,840,041)	(2,840,041)
Foreign exchange translation difference on continuing foreign operations	-	14,582	-	-	-	14,582
Foreign exchange translation difference on discontinued foreign operations	-	23,634	-	-	-	23,634
Total comprehensive loss for the year	**-**	**38,216**	**-**	**-**	**(2,840,041)**	**(2,370,621)**
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	888,123	-	-	-	-	888,123
Share-based payments	-	-	29,866	-	-	29,866
Balance on 31 December 2025	**35,830,197**	**418,532**	**160,821**	**-**	**(37,862,182)**	**(1,452,631)**

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 ended 31 December 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers		359,296	551,088
Cash paid to suppliers and employers		(2,315,210)	(2,630,842)
Payments for exploration and evaluation		(121,061)	-
Interest paid		(52,009)	(3,801)
Interest received		27,157	12,246
Income taxes refunded/(paid)		2,108	(339,579)
Net cash used in operating activities	**12(b)**	**(2,099,719)**	**(2,410,888)**
Cash flows from investing activities			
Proceeds from sale of producing assets		-	520,325
Funds utilised during continuing Filipino operations post effective sale date		-	(402,561)
Cash held in subsidiaries at disposal		-	(88,267)
Cash held in subsidiaries at acquisition		612	-
Proceeds from sale of subsidiaries		1,308,256	1,858,619
Net cash from investing activities		**1,308,868**	**1,888,116**
Cash flows from financing activities			
Proceeds from issue of shares and options		800,000	734,334
Repayment of premium funding facility		(25,319)	(41,868)
Payment of capital raising costs		(67,010)	(48,269)
Net cash from financing activities	**12(c)**	**707,671**	**644,197**
Net (decrease)/increase in cash and cash equivalents		(83,180)	121,425
Cash and cash equivalents on 1 January		895,895	741,338
Effect of exchange rate fluctuations on cash held		(9,030)	33,132
Cash and cash equivalents on 31 December	**12(a)**	**803,685**	**895,895**

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

NOTES TO THE CONSOLIDATED FINANCIAL REPORT
For the year ended 31 December 2025

1 GENERAL INFORMATION

The consolidated financial statements cover Australian Oil Company Limited as a Group consisting of Australian Oil Company Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Australian Oil Company Limited's functional and presentation currency.

Australian Oil Company Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered and principal places of business are:

Registered & principal place of business
Level 1
31 Cliff Street
Fremantle WA 6160

A description of the nature of the Group's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issued, in accordance with a resolution of directors, on 31 March 2026.

2 MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current year. No change to accounting policies was required.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 31 December 2025. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2.2 BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for, for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, certain classes of property, plant, and equipment and derivative financial instruments, as disclosed in the notes to the consolidated financial report.

2.2 BASIS OF PREPARATION (Continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

2.3 PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 26.

2.4 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian Oil Company Limited ("Company" or "Parent Entity") as of 31 December 2025 and the results of all subsidiaries for the year then ended. Australian Oil Company Limited and its subsidiaries together are referred to in these financial statements as the "Group".

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired, is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and statement of other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

When the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

2.5 FOREIGN CURRENCY TRANSLATION

The financial statements are translated into Australian dollars, which is Australian Oil Company Limited's functional and presentation currency.

2.5 FOREIGN CURRENCY TRANSLATION (Continued)

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity.

The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

2.6 CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting date, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. All other assets are classified as non-current.

A liability is classified as current when it is either expected to be settled in the Group's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settle within 12 months after the reporting date, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

2.7 GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 31 December 2025, the Group recorded a loss of $2,840,040 and had net cash outflows amounting to $83,180. At 31 December 2025, the Group had a net asset deficiency of $1,452,631, working capital of $328,181 and total cash on hand of $803,685.

2.7 GOING CONCERN (Continued)

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the Group to continue as a going concern is dependent on a combination of:

- ability to raise capital from existing shareholders or a placement to sophisticated investors;
- ability to negotiate deferred settlement of outstanding liabilities; and/or
- sale of rights to exploration assets held by the Group.

The directors are confident that a combination of these strategies will sufficiently fund operations in the foreseeable future.

Whilst these factors give rise to a material uncertainty regarding the outcome of funding alternatives, and therefore may cast significant doubt as to whether or not the Group will be able to continue as a going concern and realise its assets at carrying values, given the Group's ability to raise cash when required, the directors are of the opinion the Group can carry on operations for the foreseeable future, and that it will be able to realise its debts and discharge its liabilities in the normal course of business. If necessary, the Group has the capacity to delay or cancel expenses that are discretionary in nature, including administrative costs and exploration expenditure that are not contractually binding. The timing of raising additional capital will depend on the investment markets and current and future planned exploration activities.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets and liabilities that might be necessary if the Group does not continue as a going concern.

2.8 DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations or is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately on the face of the consolidated statement of profit or loss and statement of other comprehensive income.

3 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue, and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. Judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

3 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees, or those where the fair value of goods or services is not readily determinable, 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 model, using the assumptions detailed in note 20.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss and makes assumptions to allocate an overall expected credit loss rate for each Group entity. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available. The allowance for expected credit loss, as disclosed in note 13, is calculated based on the information available at the time of preparation. The actual credit loss in future years may be higher or lower.

Restoration obligations

Where restoration obligations exist, the Group estimates the future removal costs of oil and gas platforms, production facilities, wells and pipelines at the time of installation of the assets. In most instances, removal of assets occurs many years into the future. This requires judgmental assumptions regarding, but not limited to removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, and future removal technologies in determining the removal cost and liability, and specific discount rates that should be used to determine the present value of estimated cash flows. Refer to note 18 for further information.

4 ACQUISITIONS

(i) Sacramento Basin, California, USA

On 8 December 2025, Australian Oil Co announced it had, through its wholly owned subsidiary, Sacgasco CA, Inc, acquired 100% of the shares of Xstate USA Corporation ("XUSA"), a wholly owned subsidiary of Xstate Resources Ltd (ASX: XST).

XUSA owns XGas LLC, which holds working interests in several Californian oil and gas projects, including:

- oil and gas leases
- producing wells
- exploration prospects
- infrastructure
- technical data
- joint operating agreements.

The total consideration recognised for the acquisition was determined as follows:

	Amount ($)
Forgiveness of outstanding cash calls	145,152
Fair value of site abandonment and rehabilitation obligations assumed	440,194
Net liabilities assumed	(441,324)
Total consideration recognised in profit & loss	**144,022**

Management assessed the transaction under AASB 3 *Business Combinations* and determined that, as the acquisition does not include employees, systems or substantive processes, it does not constitute a business. Accordingly, the transaction has been accounted for as an asset acquisition.

The total cost of acquisition has been expensed to profit & loss, in accordance with the Company's exploration expenditure policy, for the Sacramento Basin area of interest.

4 ACQUISITIONS (Continued)

(ii) Surat Basin, Queensland, Australia

On 10 December 2025, Australian Oil Co announced it had, through its wholly owned subsidiary, Canning Australia Pty Ltd (“Canning”), acquired the following petroleum assets from ADZ Energy (Queensland) Pty Ltd (“ADZ”) and OGT Energy Pty Ltd (“OGT”):

- Petroleum Lease PL 264, including the Emu Apple oil field
- Petroleum Lease PL 30, including the Riverslea oil field
- Petroleum Lease PL 512, including the Major gas field
- Petroleum Pipeline Licence PPL 22, comprising the pipeline and associated easements connecting PL 512 to the Silver Springs gas plant.

The existing cash-backed Financial Assurance and Financial Resilience Certificates (“FACs”) currently in place and held by the Queensland Government (with a value of $552,640) will transfer to Canning. The FACs relate to surface infrastructure only.

No upfront cash was paid by the AOK Group. Consideration for the acquisition comprised:

1. Assumption of existing obligations associated with the permits, including rehabilitation, abandonment and other contractual liabilities
2. Recognition of the existing Financial Assurance and Financial Resilience Certificates
3. Grant to ADZ of a 2% overriding royalty interest, payable over gross production commencing from 1 January 2029 for the remaining life of the fields, as follows:
   - PL 264 100%
   - PL 30 90%
   - PL 512 84%
4. Payment to OGT of $1.00 for their minority interests of: (i) 10% in PL 30; (ii) 16% in PL 512; and (iii) 16% in PPL 22. The payment provides incentive for the AOK Group to develop gas in PL 512 with subsequent processing and sale through OGT’s Silver Springs gas plant.

The acquisition provides the AOK Group with oil and gas assets and associated transportation infrastructure in the Surat Basin.

The total consideration recognised for the acquisition was determined as follows:

	Amount ($)
Fair value of site abandonment and rehabilitation obligations assumed	926,574
Less: Fair value of existing Financial Assurance and Financial Resilience Certificates transferred	552,640
Fair value of overriding royal payment obligation to ADZ Energy (Queensland) Pty Ltd	-
Total consideration recognised as exploration and evaluation – refer note 14	**373,934**

4 ACQUISITIONS (Continued)

Management assessed the transaction under AASB 3 *Business Combinations* and determined that, as the acquisition does not include employees, systems or substantive processes, it does not constitute a business. Accordingly, the transaction has been accounted for as an asset acquisition. Further, the acquired asset has been recorded as an *exploration and evaluation asset*.

5 OPERATING SEGMENTS

Accounting Policy

Operating segments are presented using the *management approach*, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors of Australian Oil Company Limited.

The Group is organised into three operating segments based on geographical region, as follows:

- Australia;
- Canada; and
- USA.

These operating segments are based on the internal reports that are reviewed and used by the Company's directors (who are identified as the CODM) in assessing performance and determining the allocation of resources. There is no aggregation of operating segments. Any amounts that fall outside of these segments are categorised as "Corporate".

Segment profit or loss

	Segment revenue		Segment (loss)/profit	
	2025	2024	2025	2024
	$	$	$	$
Australia	1,198,805	103,279	(440,836)	(461,407)
Canada	8,292	3,243,047	(205,980)	1,421,103
USA	389,450	515,807	(3,430,103)	(45,885)
Total	**1,596,547**	**3,862,133**	**(4,076,919)**	**913,811**
Eliminations	(169,365)	(3,322,003)	1,236,879	5,268,493
Total	**1,427,182**	**540,130**	**(2,840,040)**	**6,182,304**

5 OPERATING SEGMENTS (Continued)

Segment profit or loss represents the loss before tax earned by each segment without allocation of central administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Assets		Liabilities	
	2025	2024	2025	2024
	$	$	$	$
Australia	(763,914)	(657,791)	1,249,754	1,833,032
Canada	2,673,814	2,929,963	30,209	6,314
USA	(11,767,870)	(11,364,280)	2,375,516	459,680
	(9,857,970)	**(9,092,108)**	**3,655,479**	**2,299,026**
Eliminations	11,967,396	11,788,749	(93,422)	(33,589)
Total	**2,109,426**	**2,696,641**	**3,562,057**	**2,265,437**

For monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments.

The CODM monitors cash, receivables, and payables position. This is the information that the CODM receives and reviews to make decisions.

The Group has two customers that each contribute more than 10% of revenue.

6 PRODUCTION INCOME

Accounting Policy

Revenue recognition

Revenue associated with the sale of natural gas, which the Group has rights to, is recognised when the operator satisfies its contractual performance obligations by transferring title of specified goods based on contracts entered with customers. Revenue is based upon volumes sold to customers under these contracts.

The transfer of control ordinarily occurs when the product is physically transferred at the delivery point agreed in the contract and legal title to the product passes to the customer (often via connected pipelines).

Revenue is measure at the fair value of the consideration received or receivable. Revenue from the sale of natural gas is recognised when all the following conditions have been satisfied:

- The operator has transferred control of the goods to the buyer and the revenue is recognised at that time,
- The operator retains no continuing managerial involvement to the degree usually associated with ownership or effective control over the goods sold,
- The amount of revenue can be reliably measured,
- It is probable that the economic benefits associated with the transaction will flow to the operator, and thereby a proportional interest to the Group, and
- The costs incurred or to be incurred in respect of the transaction can be reliably measured.

Revenue for the year ended 31 December 2025, relates to contracts executed for the sale of natural gas. All performance obligations have been met within the period. There is no variable consideration requiring estimation for the year ended 31 December 2025.

The Group did not have contracts that were executed in the current or prior period, whereby the performance obligations were partially met at the beginning of the period.

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	2025 $	2024 $
Goods transferred at a point in time		
Sales of natural gas – Sacramento Basin, USA	207,104	275,620
Total	**207,104**	**275,620**

7 OTHER INCOME

Accounting Policy

Other income is recognised when the amount can be reliably measured and control of the right to receive the income be passed to the Group.

	2025 $	2024 $
Loan settlement credit – Dungay Resources Pty Ltd[1]	1,184,603	-
Other operating income – California[2]	12,991	252,657
Other income	8,282	-
Total	**1,205,876**	**252,657**

1. In July the Company settled the outstanding loan payable to Dungay Resources Pty Ltd, an entity associated with former director, Gary Jeffery – refer note 17
2. The Group charges an overhead charge to the JOA partners for the ongoing management of the exploration assets which have gas production as a by-product which is sold as production income

8 FINANCE INCOME AND COSTS

Accounting Policy

Interest income
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

	Note	2025 $	2024 $
Finance income			
Interest income on deposits		14,202	11,853
Total		**14,202**	**11,853**
Finance expenses			
Interest expense on loans		49,589	100,273
Interest expense on premium funding facilities	17	2,420	3,802
Unwinding of discount on site restoration provisions		40,918	-
Total		**92,927**	**104,075**

9 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

Accounting Policy

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual and long service leave, not expected to settle within 12 months of the reporting date, are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

The table below sets out personnel costs expensed during the year:

	Note	2025 $	2024 $
Directors' remuneration	22	376,125	566,139
Other wages, salaries and contract labour		11,379	600
Contributions to defined contribution plans		-	66
Other associated personnel expenses		1,953	2,238
Total personnel expenses		**389,457**	**569,043**

The table below sets out employee benefits at the reporting date:

	2025 $	2024 $
Current Liabilities		
Salary accrual[1]	-	40,161
Statutory superannuation contributions	-	81,329
Annual leave provision	27,296	15,917
Total employee benefits	**27,296**	**137,407**

1. In view of the need to preserve cash and considering the current financial climate and market conditions, the directors elected to defer a component of their salaries during the fourth quarter of 2024

On 8 May 2025, the directors resolved to reduce their remuneration by 30%, effective from 1 May 2025.

10 EARNINGS PER SHARE

Accounting Policy

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to the owners of Australian Oil Company Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to accounts for the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Basic and diluted loss per share from continuing operations

	2025 $	2024 $
Loss after income tax attributable to owners of Australian Oil Company Limited	(2,657,261)	(2,480,492)

	Cents	Cents
Basic and diluted loss per share	0.25	0.29

Basic and diluted earnings per share from discontinued operations

	2025 $	2024 $
(Loss)/profit after income tax attributable to owners of Australian Oil Company Limited	(168,198)	8,662,796

	Cents	Cents
Basic earnings per share	0.02	1.00
Diluted earnings per share	0.02	0.79

10 EARNINGS PER SHARE (Continued)

Basic and diluted loss per share from continuing and discontinued operations

	2025 $	2024 $
(Loss)/profit after income tax attributable to owners of AOK	(2,840,041)	6,182,304

	Cents	Cents
Basic (loss)/profit per share	(0.27)	0.71
Diluted (loss)/profit per share	(0.27)	0.67

	2025	2024
Weighted average number of ordinary shares		
Issued ordinary shares on 1 January	1,001,782,997	777,055,322
Effect of shares issued	66,202,521	89,169,344
Weighted average number of ordinary shares on issue at 31 December	**1,067,985,518**	**866,224,666**

11 INCOME TAX EXPENSE

Accounting Policy

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in as transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits, or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probably that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities, and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Australian Oil Company Limited ("head entity") and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the *separate taxpayer within group* approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

11 INCOME TAX EXPENSE (Continued)

(a) Tax Expense Breakdown

	Continuing operations		Discontinued operations		Totals	
	2025	2024	2025	2024	2025	2024
	$	$	$	$	$	$
Current tax expense/(benefit)	-	-	13,501	(14,257)	13,501	(14,257)
Other taxes paid	-	-	-	-	-	-
Deferred tax expense	-	-	-	-	-	-
Income tax expense	**-**	**-**	**13,501**	**(14,257)**	**13,501**	**(14,257)**

11 INCOME TAX EXPENSE (Continued)

(b) Reconciliation of Effective Tax Rate

	Continuing operations		Discontinued operations - Philippines		Discontinued operations - Canada		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	$	$	$	$	$	$	$	$
Profit/(loss) for the year	**(2,671,843)**	**(2,480,493)**	**-**	**7,263,661**	**(154,696)**	**1,384,878**	**(2,826,538)**	**6,168,046**
Tax at the Australian tax rate of 30% (2024: 30%)	(801,553)	(744,148)	-	2,179,098	(46,409)	415,464	(847,962)	1,850,414
Non-deductible expenses	-	48,617	-	346,757	-	43,932	-	439,306
Non-assessable income	-	(27,428)	-	(1,951,999)	-	-	-	(1,979,427)
Tax rate differential on non-Australian income	-	-	-	-	10,829	(96,942)	10,829	(96,942)
Non-assessable non-exempt Australian expenses	316,020	100,287	-	-	-	-	316,020	100,287
Non-assessable non-exempt overseas subsidiaries expenses	607,868	(57,113)	-	-	38,127	-	645,995	(57,113)
Penalties and other taxes	-	-	-	-	-	8,441	-	8,441
Adjustment for prior periods	407,182	615,282	-	-	(5,285)	(31,855)	401,897	583,427
Timing differences	(8,881)	13,003	-	-	16,239	(353,297)	7,358	(340,294)
Tax losses utilised	-	-	-	(573,856)	-	-	-	(573,856)
Tax losses not brought to account	(520,636)	51,500	-	-	-	-	(520,636)	51,500
Income tax expense/(benefit)	**-**	**-**	**-**	**-**	**13,501**	**(14,257)**	**13,501**	**(14,257)**

11 INCOME TAX EXPENSE (Continued)

(b) Reconciliation of Effective Tax Rate (Continued)

	2025 $	2024 $
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	4,766,194	4,077,630
Potential tax benefit at 30% (2024: 30%)	**1,429,858**	**1,223,289**

Potential future income tax benefits of up to $1,030,614 (2024: $1,223,289) attributed to carry forward tax losses have not been brought to account because the directors do not believe it is appropriate to regard realisation of future income tax benefits as probable. The benefit of these tax losses will only be obtained if:

(i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(ii) the conditions for deductibility imposed by tax legislation continue to be complied with;
(iii) no changes in tax legislation adversely affect the Group in realising the benefit; and
(iv) the Group can satisfy either the continuity of ownership or same business tests required to utilise the carry forward losses against any income derived.

Until the Company is in a position of profitable operations, it is not considered a prudent use of resources to make a formal assessment of the ability to satisfy the continuity of ownership or same business tests that would be required to utilise the losses disclosed above. On an annual basis, the Company has tax returns prepared and lodged in accordance with relevant governmental authority requirements for the jurisdictions in which it operates, at which time the losses not brought to account are verified by the Group's advisers.

(c) Unrecognised deferred tax assets and liabilities

Deferred tax liabilities have not been recognised in respect of the following items:

	2025 $	2024 $
Deferred tax liabilities		
Prepayments	(5,851)	(6,247)
Total	**(5,851)**	**(6,247)**
Deferred tax assets		
Capital raising costs – s40-880	-	348
Trade and other payables	18,240	18,008
Employee benefits	8,189	41,222
Carry forward tax losses	1,429,858	1,223,289
Total	**1,456,287**	**1,282,867**
Net unrecognised deferred tax assets	**1,450,436**	**1,276,620**

12 CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalent also includes, bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(a) Reconciliation of cash recorded in Statement of Financial Position to Statement of Cash Flows

	2025 $	2024 $
Cash on hand	803,685	895,895
Balance as per statement of cash flows	**803,685**	**895,895**

12 CASH AND CASH EQUIVALENTS

(b) Reconciliation of cash flows from operating activities

		2025 $	2024 $
Cash flows from operating activities			
(Loss)/profit for the year		(2,840,041)	6,182,304
Adjustments for:			
Equity-settled share-based payment transactions	20	107,223	152,328
Depreciation and amortisation		-	240,469
Gain on sale of asset		43,824	(2,357,886)
Gain on disposal of subsidiary		-	(7,263,661)
Reversal of provision for doubtful debts		(124,787)	-
Debt forgiveness		(1,193,624)	30,263
Other income		40,918	(10,046)
Net loss on foreign exchange translations		72,255	31,776
Goodwill expensed		144,022	-
Unwind of discount on provisions		-	183,249
Changes in operating assets and liabilities			
Change in trade and other receivables		(77,874)	430,200
Change in prepayments and deposits		(7,510)	(4,024)
Change in other operating assets		(501)	(295,489)
Change in other financial assets		-	(6,699)
Change in trade and other payables		(152,481)	(30,908)
Change in interest bearing liabilities		(10,794)	142,652
Change in contract liabilities		-	(677)
Change in current tax liabilities		15,609	(318,515)
Change in employee benefits provision		(110,112)	39,902
Change in site restoration provision		1,994,154	443,874
Net cash used in operating activities		**(2,099,719)**	**(2,410,888)**

12 CASH AND CASH EQUIVALENTS (Continued)

(c) Changes in liabilities arising from financing activities

	Current borrowings $	Right-of-use assets $	Other short-term loans $	Premium funding $	Total $
Balance on 1 January 2024	**1,112,740**	**-**	**-**	**7,043**	**1,119,783**
Net cash used in financing activities	-	-	-	(41,869)	(41,869)
Interest on current borrowings – expensed	100,273	-	-	-	100,273
Premium funding facility	-	-	-	42,379	42,379
Balance on 31 December 2024	**1,213,013**	**-**	**-**	**7,553**	**1,220,566**
Net cash used in financing activities	-	-	-	(25,319)	(25,319)
Additions to financial liabilities	-	-	-	16,501	16,501
Interest on current borrowings – expensed	49,589	-	-	1,265	50,854
Loan principal forgiveness	(1,000,000)	-	-	-	(1,000,000)
Loan interest forgiveness	(184,603)	-	-	-	(184,603)
Shares issued to settle loan	(82,223)	-	-	-	(82,223)
Other	4,224	-	-	-	4,224
Balance on 31 December 2025	**-**	**-**	**-**	**-**	**-**

13 TRADE AND OTHER RECEIVABLES

Accounting Policy

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	2025 $	2024 $
Current		
Trade debtors	19,281	169,473
Provision for expected credit losses[1]	(19,281)	(159,860)
Total	**-**	**9,613**
Omnibus Settlement Agreement funds receivable	-	1,334,663
Interest receivable – Omnibus Settlement Agreement	-	4,709
Authorised government agencies	19,065	73,498
Total	**19,065**	**1,422,483**
Movement in provision for expected credit losses		
Opening balance	159,860	25,147
Additional provisions recognised	-	126,195
Reversal of provisions recognised	(133,782)	-
Effects of foreign exchange	(6,797)	8,518
Total	**19,281**	**159,860**

Other receivables are non-interest bearing. Note 21 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

14 EXPLORATION AND EVALUATION

Accounting Policy

Sacramento Basin, California, USA

The Group's exploration and evaluation accounting policy is to expense all exploration and evaluation expenditure as incurred.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure prior to securing legal rights to explore an area, is expensed to profit or loss.

Surat Basin, Queensland, Australia

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- The rights to tenure of the area of interest are current; and
- At least one of the following conditions is met:
  - Exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - Exploration and evaluation activities in the area of interest have not at reporting date reached a stage that enables a reasonable assessment of the existence of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost, which includes the following expenditures: *acquisition of rights to explore topographical, geological, geochemical and geophysical studies; exploration drilling, trenching and sampling and associated activities*. An allocation of depreciation and amortisation of assets used in exploration and evaluation activities is also permitted. General and administrative costs are only included in the measurement of exploration and evaluation assets where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss, if any.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, and the balance is then reclassified to development.

During the year, the Group expensed exploration and evaluation expenditure for its US operations and capitalised exploration and evaluation expenditure for its Australian operations.

14 EXPLORATION AND EVALUATION (Continued)

	Note	Total
Balance on 31 December 2024		**-**
Acquired on acquisition of the Surat Basin assets	4(ii)	373,934
Balance on 31 December 2025		**373,934**

Acquisition of Surat Basin Assets

On 10 December 2025, the Company announced it had, through its wholly owned subsidiary, Canning Australia Pty Ltd, acquired a number of petroleum assets, located in the Surat Basin, Queensland, from ADZ Energy (Queensland) Pty Ltd and OGT Energy Pty Ltd. Refer to note 4(ii) for further information.

15 OTHER FINANCIAL ASSETS

Accounting Policy

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part, or all, of a financial asset, the carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increase significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, as 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired, or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measure on the probably weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

15 OTHER FINANCIAL ASSETS (Continued)

	2025 $	2024 $
Deposits and bonds	857,549	327,462

Reconciliation

Reconciliation of the carrying amount at the beginning and end of the current and previous financial year are set out below:

	FA & FE Certificates[1] $	CalGEM Bond[2] $	ANZ Term Deposit $	Total $
Balance on 1 January 2024	-	293,880	5,072	298,952
Effects of foreign exchange	-	28,510	-	28,510
Balance on 31 December 2024	**-**	**322,390**	**5,072**	**327,462**
Additions	552,640	-	500	553,140
Effects of foreign exchange	-	(23,053)	-	(23,054)
Balance on 31 December 2025	**552,640**	**299,337**	**5,572**	**857,549**

1. Cash-backed financial assurance and financial resilience certificates held by the Queensland Government, obtained as part of the Surat Basin acquisition – refer note 4(ii) for further information
2. US$200,000 CalGEM bond required to work within the regulations of the Californian authorities with regards to the planning and timing of site rehabilitation

Refer to note 21 for further information on fair value measurement.

16 TRADE AND OTHER PAYABLES

Accounting Policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

	2025 $	2024 $
Current		
Trade payables	136,924	386,408
Accrued expenses	60,800	60,178
Other payables – oil and gas assets	214,236	142,692
Authorised government agencies	-	91,401
Total	**411,960**	**680,679**

Refer to note 21 for further information on financial instruments.

17 BORROWINGS

Accounting Policy

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

	Book value 2025 $	Fair value 2025 $	Book value 2024 $	Fair value 2024 $
Current				
Loans outstanding – Dungay Resources Pty Ltd[1]	-	-	1,213,014	1,213,014
Premium funding	-	-	7,551	7,551
Total	**-**	**-**	**1,220,565**	**1,220,565**

1. On 3 July 2025 the Company announced it had settled the outstanding loan payable to Dungay Resources Pty Ltd, an entity associated with former director, Gary Jeffery

	Premium funding $	Loans from director $	Total $
Balance on 31 December 2023	**7,043**	**1,112,740**	**1,119,783**
Financing of premium funding facility	42,379	-	42,379
Interest charged	3,802	100,273	104,075
Interest paid	(3,802)	-	(3,802)
Principal repaid	(41,869)	-	(41,869)
Balance on 31 December 2024	**7,553**	**1,213,013**	**1,220,566**
Loan settlement – Dungay Resources Pty Ltd[1]	-	(1,262,602)	(1,262,602)
Interest charged	2,420	49,589	52,009
Interest paid	(2,420)	-	(2,420)
Principal repaid	(7,553)	-	(7,553)
Balance on 31 December 2025	**-**	**-**	**-**

1. In July the Company settled the outstanding loan payable to Dungay Resources Pty Ltd, an entity associated with former director, Gary Jeffery. The loan, inclusive of interest and director's fees ($53,777), were settled through the issue of 36 million shares and payment of $28,000 in cash, with the remaining amount being forgiven.

18 SITE RESTORATION PROVISION

Accounting Policy

Provisions for the costs of rehabilitation, decommissioning and restoration of the area disturbed during oil and gas exploration and development activities depends on the legal requirements at the date of decommissioning, the costs and timing of work and the discount rate applied.

At each reporting date, the site restoration provision is reassessed and adjusted to reflect the changes in discount rates and timing or amounts of the costs to be incurred. Such changes in the estimated liability are accounted for prospectively from the date of the change and either added to, or deducted from, the related asset where it is possible that future economic benefits will flow to the entity.

The timing of rehabilitation expenditure is dependent on the life of the gas field which may vary in the future. The nature of restoration activities includes plugging gas wells, restoration, reclamation, and revegetation of affected areas.

California, USA (Sacramento Basin)

During the period, the Company performed a technical review of its Californian operations following the divestment of the Group's Filipino and Canadian focussed assets during 2024. As a component of the review of operations, the Company has created and implemented an idle well management plan with California Geologic Energy Management Division ("CalGEM").

Accordingly, the Company has revised its estimates of rehabilitation obligations for flowing gas wells and surface infrastructure associated with Californian operations. The Company continues to hold a bond with the Department of Conservation and Division of Oil, Gas and Geothermal Resources ("DoGGR") of US$200,000 for up to fifty wells.

In December the Company acquired, through its wholly owned subsidiary, Sacgasco CA, Inc, 100% of the shares of Xstate USA Corporation, a wholly owned subsidiary of Xstate Resources Ltd (ASX: XST) – refer to note 4(i) for further information.

Queensland, Australia (Surat Basin)

In December the Company acquired, through its wholly owned subsidiary, Canning Australia Pty Ltd ("Canning"), acquired a number of petroleum assets from ADZ Energy (Queensland) Pty Ltd and OGT Energy Pty Ltd) – refer to note 4(ii) for further information.

A number of existing cash-backed Financial Assurance and Financial Resilience Certificates ("FACs") currently in place and held over the petroleum assets by the Queensland Government (with a value of $552,640) will transfer to Canning. The FACs relate to surface infrastructure only.

18 SITE RESTORATION PROVISION (Continued)

	2025 $	2024 $
Current		
USA	94,493	-
	94,493	-
Non-current		
USA	2,085,721	226,785
Australia	926,574	-
	3,012,295	226,785
Total Site Restoration Provision	**3,106,788**	**226,785**

Reconciliation of movements in site restoration provision:

	Australia $	USA $	Total $
Balance on 1 January 2025	**-**	**226,785**	**226,785**
Acquired on acquisition of Xstate USA	-	440,194	440,194
Acquired on acquisition of the Surat Basin assets	926,574	-	926,574
Accretion expense	-	40,918	40,918
Change in site restoration estimates	-	1,489,996	1,489,996
Effects of foreign exchange	-	(17,679)	(17,679)
Balance on 31 December 2025	**926,574**	**2,180,214**	**3,106,788**

	USA $	Canada $	Total $
Balance on 1 January 2024	**206,729**	**11,881,241**	**12,087,970**
Amounts utilised or extinguished	-	(253,132)	(253,132)
Accretion expense	-	183,290	183,290
Change in site restoration estimates	-	(431,747)	(431,747)
Amounts extinguished on sale of assets	-	(11,244,563)	(11,244,563)
Effects of foreign exchange	20,056	(135,089)	(115,033)
Balance on 31 December 2024	**226,785**	**-**	**226,785**

19 CAPITAL AND RESERVES

Accounting Policy

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Issued capital

	Number of shares		Amount ($)	
	2025	2024	2025	2024
Balance on 1 January	**1,001,782,997**	**777,055,322**	**34,942,074**	**34,218,663**
Issue of fully paid shares for cash	497,879,540	209,810,204	800,000	734,336
Issue of shares in lieu of directors' fees	-	1,694,256	-	8,471
Shares issued on settlement of director's debt, valued on the date of issue	36,000,000	6,571,429	108,000	23,000
Issue of shares in satisfaction of service provider fees	38,500,000	6,651,786	77,000	27,500
Capital raising costs	-	-	(96,877)	(69,896)
Balance on 31 December	**1,574,162,537**	**1,001,782,997**	**35,830,197**	**34,942,074**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value, and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There is no current on-market share buy-back programme in place.

Options on Issue

	Number of options		Amount ($)	
	2025	2024	2025	2024
Balance on 1 January	**155,937,937**	**27,250,000**	**130,955**	**160,775**
Issue of options to directors	-	30,000,000	-	109,330
Issue of options to consultants	40,000,000	14,889,975	29,866	21,625
Issue of free-attaching options on capital raising	256,439,770	111,047,962	-	-
Expiry of unlisted options	-	(27,250,000)	-	(160,775)
Balance on 31 December	**452,377,707**	**155,937,937**	**160,821**	**130,955**

During the year, no shares were issued as a result of the exercise of options (2024: nil). Since the end of the reporting period, no shares have been issued as a result of the exercise of options.

During the year, no options expired (2024: 27,250,000). Since the end of the year, no options have expired.

19 CAPITAL AND RESERVES (Continued)

Share-based payments reserve

The share-based payments reserve represents the fair value of shares to be issued to directors, consultants and employees. Reserve amounts are transferred to issued capital once shares are issued.

Options reserve

The options reserve represents the fair value of shares to be issued to directors, consultants and employees. Reserve amounts are transferred to issued capital once the shares are issued or reversed through retained earnings, if the options expire or are cancelled.

Foreign currency translation reserve

Foreign exchange differences relating to the translation of the financial results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (ie: Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are classified to profit or loss on the disposal of the foreign operations.

20 SHARE-BASED PAYMENTS

Accounting Policy

The Company has an active incentive share and option plan for employees and contractors to the Group, implemented following shareholder approval at the Company's 2023 AGM, whereby employees and contractors may receive rights to acquire shares of the Company as remuneration or incentivisation. The grant date fair value of share-based payment awards granted to employees and contractors is recognised as a personnel expense, with a corresponding increase in equity, over the period that the employees and contractors become unconditionally entitled to the awards. No such share-based payment transactions were entered into during the year.

The Group additionally has the capacity to issue equity securities to suppliers under the ASX Listing Rules as an alternate method of payment for goods or services provided. The grant date fair value of share-based payments awards granted to suppliers is recognised as a separate expense, *share-based payments expense*, with a corresponding increase in equity over the period that the supplier provides the service or becomes unconditionally entitled to the award. The Group entered into such a share-based payment transaction during the year via the issuance of options to Sanlam Private Wealth Pty Ltd, as approved by shareholders at a general meeting held on 11 December 2025.

The amounts recognised as an expense are adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-market vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for difference between expected and actual outcomes.

The share-based payment expense included within profit & loss is summarised as follows:

	2025 $	2024 $
Expensed in personnel expenses		
Options issued to directors	-	109,330
Recognised as a reduction in issued capital		
Options issued to consultants of the Company	29,866	21,625

20 SHARE-BASED PAYMENTS (Continued)

Options

As at 31 December 2025, a summary of the Group options issued and not exercised under the share-based payment programme are as follows. Options are settled by physical delivery of shares:

Grant date	Vesting date	Expiry date	Exercise price (cents)	Balance at the start of the year	Granted during the year	Exercised during the year	Expired/ forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
29-May-24	29-May-24	30-Apr-29	2.5	10,000,000		-	-	10,000,000	10,000,000
29-May-24	29-May-24	30-Apr-29	3.5	10,000,000		-	-	10,000,000	10,000,000
29-May-24	29-May-24	30-Apr-29	4.5	10,000,000		-	-	10,000,000	10,000,000
6-Aug-24	23-Oct-24	30-Jun-26	0.8	10,000,000		-	-	10,000,000	10,000,000
23-Oct-24	23-Oct-24	30-Jun-26	0.8	4,889,975		-	-	4,889,975	4,889,975
22-Dec-25	22-Dec-25	22-Dec-27	0.4	-	40,000,000	-	-	40,000,000	40,000,000
Total				**44,889,975**	**40,000,000**	**-**	**-**	**84,889,975**	**84,889,975**
Weighted average exercise price (cents)				2.6	0.4	-	-	1.6	1.6

At the reporting date, the weighted average remaining contractual life of options outstanding at year end was 2.2 years.

20 SHARE-BASED PAYMENTS (Continued)

Key valuation assumptions made at valuation date under the Black & Scholes option pricing model are summarised below:

Issue	Number of options	Exercise price (cents)	Grant date	Expiry date	Option life (years)	Volatility	Risk-free rate	Fair value at grant date (cents)	Share price at grant date (cents)
Tranche 1	10,000,000	2.5	29-May-24	30-Apr-29	4.92	100.00	4.02%	0.400	0.007
Tranche 2	10,000,000	3.5	29-May-24	30-Apr-29	4.92	100.00	4.02%	0.360	0.007
Tranche 3	10,000,000	4.5	29-May-24	30-Apr-29	4.92	100.00	4.02%	0.330	0.007
Tranche 4	10,000,000	0.8	6-Aug-24	30-Jun-26	1.90	112.50	3.65%	0.169	0.004
Tranche 5	4,889,975	0.8	23-Oct-24	30-Jun-26	1.68	112.50	3.65%	0.097	0.004
Tranche 6	40,000,000	0.4	22-Dec-25	22-Dec-27	2.00	100.00	4.01%	0.075	0.002

21 FINANCIAL INSTRUMENTS

Accounting Policy

Recognition and derecognition

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15 *Revenue from Contracts with Customers*, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL);
- equity instruments at fair value through other comprehensive income (FVOCI);
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

Subsequent remeasurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised costs using the effective interest method.

21 FINANCIAL INSTRUMENTS (Continued)

Accounting Policy (Continued)

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under AASB 139 *Financial Instruments: Recognition and Measurement*.

Impairment of financial assets

The impairment requirements of AASB 9 *Financial Instruments* use more forward-looking information to recognise expected credit losses – the expected credit loss (ECL) model. This replaced AASB 139's incurred loss model.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and fair value through other comprehensive income ("FVOCI"), trade receivables, contract assets recognised and measured under AASB 15 and loan commitments that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (*Level 1*);
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (*Level 2*); and
- *Level 3* covers financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognised for the first category whilst *lifetime expected credit losses* are recognised for the second category. The Group does not have any material expected credit losses.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

21 FINANCIAL INSTRUMENTS (Continued)

Accounting Policy (Continued)

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are initially measured at amortised cost using the effective interest method except for derivatives and financial liabilities designation at fair value through profit or loss ("FVTPL"), which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2024.

The capital structure of the Group consists of cash and cash equivalents, borrowings, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Financial risk management objectives

The Group is exposed to market risk (including foreign currency exchange rate risk and interest rate risk), credit risk and liquidity risk.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed on a continuous basis to reflect changes in market conditions and the Group's activities. The Group does not trade financial instruments, including derivative financial instruments, for speculative purposes.

21 FINANCIAL INSTRUMENTS (Continued)

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to market risks or the manner it manages and measures the risk from the previous period.

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the balance date.

The Group's sensitivity to interest rates is immaterial.

Foreign currency exchange rate risk management

Foreign exchange risk arises when individual Group entities enter transactions denominated in a currency other than their functional currency. The Group's policy is to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency, cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The Group is predominantly exposed to US dollars and Canadian dollars.

As at 31 December 2025, the Group's net exposure to foreign exchange risk was as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	$	$	$	$
Canadian dollar	189,638	1,718,838	(27,667)	(15,308)
US dollar	318,361	601,190	(130,513)	(367,733)

21 FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Foreign currency exchange rate risk management (Continued)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 2% (2024: 2%) increase and decrease in the Australian dollar against the relevant foreign currencies and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 2% (2024: 2%) change in foreign currency rates. A positive number indicates an increase in profit or loss where the Australian dollar strengthens against the respective currency.

	Impact on profit or loss	
	2025	2024
	$	$
If AUD strengthens by 2% (2024: 2%)		
Canadian dollars	(3,793)	(30,376)
US dollars	(701)	(2,896)
If AUD weakens by 2% (2024: 2%)		
Canadian dollars	3,793	30,376
US dollars	701	2,896

Fluctuations in foreign currencies during the current financial year compared with the prior year are as follows:

	2025	2024
	%	%
Canadian dollars	(2.65)	(1.10)
US dollars	(7.15)	(8.84)

Credit risk management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

The Group has adopted a policy of only dealing with creditworthy counterparties.
The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its customers.

21 FINANCIAL INSTRUMENTS (Continued)

Credit risk management (Continued)

The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks or government agencies with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, represents the Group's maximum exposure to credit risk. Credit risk is not considered material at balance date.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Company's directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate banking and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities, excluding liabilities associated with discontinued operations.

Non-derivative financial liabilities

The following table details the Group's expected contractual maturities for its non-derivative financial liabilities.

These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay.

The table includes both interest and principal cash flows.

	Weighted average interest rate %	Less than 6 months $	6 months to 1 year $	1 – 5 years $
31 December 2025				
Trade and other payables	N/A	411,960	-	-
Total		**411,960**	**-**	**-**
31 December 2024				
Trade and other payables	N/A	680,674	-	-
Borrowings	10.0	57,522	1,163,014	-
Total		**738,201**	**1,163,014**	**-**

21 FINANCIAL INSTRUMENTS (Continued)

Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers

There have been no transfers between the levels of the fair value hierarchy during the year ended 31 December 2025.

Not measured at fair value

The Group has various financial instruments which are not measured at fair value on a recurring basis in the statement of financial position.

The directors consider that the carrying amounts of current receivables, current payables and current borrowings are a reasonable approximation to their fair values.

The methods and valuation techniques used for the purposes of measuring fair values are unchanged compared to the previous reporting period.

22 RELATED PARTIES

Accounting Policy

Key management personnel compensation

Directors' remuneration is expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

(a) Key management personnel compensation

Key management personnel compensation comprises the following:

	2025 $	2024 $
Short-term employee benefits	336,672	412,605
Post-employment benefits	39,453	44,206
Share-based payments – options	-	109,328
Total	**376,125**	**566,139**

On 8 May 2025, the directors resolved to reduce their remuneration by 30%, effective from 1 May 2025.

(b) Other key management personnel transactions

There were no other transactions completed with key management personnel during the year.

23 CONTINGENT LIABILITIES

Dempsey 1-15

Pursuant to the acquisition of Peregrine Limited, a cash bonus totalling in aggregate $3,000,000 may be payable out of the net proceeds of sales of gas (after deducting operating costs) from any reservoir below the Forbes Zone and attributable to a 17.5% working interest in the Dempsey 1-15 well.

There is no completion in the Below Forbes Zone; in fact, there is a plug in the well above that zone; and hence there is no expectation of this liability being realised.

Surat Basin, Queensland

As part of its acquisition of a number of petroleum assets from ADZ Energy (Queensland) Pty Ltd ("ADZ") and OGT Energy Pty Ltd (refer to note 4(ii) for further information), the Company granted ADZ a 2% overriding royalty interest ("ORRI") over gross production from the following permits:

- PL 264 100%
- PL 30 90%
- PL 512 84%

The royalty is payable commencing from 1 January 2029 for the remaining life of the fields.

24 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities, and results of the following wholly owned subsidiary in accordance with the accounting policy described in note 1.4:

Name of subsidiary	Place of incorporation	Equity Interests	
		2025	2024
		%	%
Sacgasco CA Inc.	United States of America	100	100
PEOCO LLC	United States of America	100	100
Sacgasco AB Ltd	Canada	100	100
Canning Australia Pty Ltd	Australia	100	100
CalX SELA, LLC[1]	United States of America	100	-
Xstate (USA) Corporation[1]	United States of America	100	-
Xgas, LLC[1]	United States of America	100	-

1. Companies acquired on 8 December 2025 – refer to note 4(i) for further information

25 AUDITOR'S REMUNERATION

	2025	2024
	$	$
HLB Mann Judd		
Audit and other assurance services		
Audit and review of financial reports	60,000	92,558
Total	**60,000**	**92,558**

26 PARENT COMPANY DISCLOSURES

Accounting Policy

The accounting policies of the parent entity, which has been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

As at, and throughout the financial year ended 31 December 2025, the parent entity of the Group was Australian Oil Company Limited.

	2025 $	2024 $
Result of the parent entity		
Loss for the year	(440,102)	(461,407)
Financial position of parent entity at year end		
Current assets	587,185	548,262
Total assets	592,757	553,334
Current liabilities	(2,605,692)	(3,044,157)
Total liabilities	(2,605,692)	(3,044,157)
Total equity of the parent entity comprising of:		
Share capital	35,830,197	34,942,074
Options reserve	160,821	130,954
Accumulated losses	(38,003,953)	(37,563,851)
Total equity deficiency	**(2,012,935)**	**(2,490,823)**

27 MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 26 March 2026, the Company announced it had entered into a one-year crude oil and condensate lifting agreement with IOR Energy Pty Ltd for the sale of crude oil production from the Emu Apple Oil Field on 13 March 2026.

Other than the matters identified above, there have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Basis of preparation

This consolidated entity disclosure statement has been prepared in accordance with s295(3A)(a) of the *Corporations Act 2001* ("Act") and includes the required information for Australian Oil Company Limited and the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

Tax Residency

S295(3A)(vi) of the Act defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency may involve judgement as there are different interpretations that could be adopted, which could give rise to different conclusions regarding residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency
Current legislation and judicial precedent have been applied, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency
Where appropriate, independent tax advisers have been engaged to assist in the determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Name of subsidiary	Entity type	Country of incorporation	Share capital held (%)	Australian or foreign tax resident	Foreign jurisdiction of foreign resident
Sacgasco CA, Inc.	Body Corporate	USA	100	Foreign[1]	USA
PEOCO, LLC	Body Corporate	USA	100	Foreign[1]	USA
CalX SELA, LLC	Body Corporate	USA	100	Foreign[1]	USA
Xstate (USA) Corporation	Body Corporate	USA	100	Foreign[1]	USA
Xgas, LLC	Body Corporate	USA	100	Foreign[1]	USA
Canning Australia Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Sacgasco AB Ltd	Body Corporate	Canada	100	Foreign[1]	Canada

1. Australian Oil's USA and Canadian based subsidiaries are considered to also be Australian Tax Resident on the basis that central management and control of the entities reside in Australia. Under Australian financial reporting standards, an entity cannot be classified as dual resident until year ends commencing after 1 January 2025

DIRECTORS' DECLARATION

1. In the opinion of the directors of Australian Oil Company Limited (**the Company**):
   (a) the accompanying financial statements and notes are 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 performance for the year then ended; and
      (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
   (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. 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 financial year ended 31 December 2025.
3. The Consolidated Entity Disclosure Statement is true and correct.

This declaration is signed in accordance with a resolution of the directors.

J.L. Kane Marshall
Managing Director

31 March 2026
Perth

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the Members of Australian Oil Company Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, 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:

(a) 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 then ended; and

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.7 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

In addition to the matter described in the *Material Uncertainty Related to Going Concern*, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Rehabilitation provision Refer to Note 18	
At 31 December 2025, the Group had a provision for rehabilitation of $3,106,788. The Group has obligations to rehabilitate oil and gas wells, pipelines and associated infrastructure arising from its operations, including obligations assumed as part of the Surat Basin acquisition. During the year, management also reassessed the rehabilitation provision associated with the Group's Californian assets following changes in asset ownership, regulatory requirements and expected timing of rehabilitation activities. The provision rehabilitation is a reflection of the expected future costs associated with the rehabilitation activities. The rehabilitation provision represents management's estimate of the present value of future costs required to decommission and restore affected sites. The estimation of this provision involves significant judgement, including assumptions regarding the scope of rehabilitation activities, unit cost estimates, the timing of rehabilitation, future regulatory requirements, and the selection of appropriate discount and inflation rates. We considered this matter to be a key audit matter due to the materiality of the balance, the degree of judgement and estimation uncertainty involved, and its importance to users' understanding of the Group's financial position.	Our procedures included but were not limited to the following: - We obtained an understanding of management's process for estimating the provision, including the methodology applied and the key judgements and assumptions used; - We assessed whether the methodology applied was consistent with the requirements of the applicable accounting standards and industry practice; - We evaluated the key assumptions underpinning the estimate, by comparing them to historical information, external data where available, and our understanding of the relevant operating environment; - We reviewed supporting documentation used by management in developing the estimate, including underlying schedules and calculations, and tested the mathematical accuracy of the model; - Where management used an expert, we evaluated the competence, capabilities and objectivity of that expert and assessed the relevance and reasonableness of the expert's work for audit purposes; - We performed sensitivity analysis over key assumptions to assess the potential impact of changes in those assumptions on the provision recognised; and - We assessed the adequacy of the related disclosures in the financial report, including whether they appropriately described the estimation uncertainty and key judgements involved.
Acquisition of oil and gas properties during the year Refer to Note 4	
During the period, the Group completed the acquisition of 100% of the share capital of Xstate USA Corporation for consideration of US$95,103, satisfied through the forgiveness of outstanding cash call receivables, and acquired the Surat Basin petroleum assets from ADZ Energy (Queensland) Pty Ltd and OGT Energy Pty Ltd for nil consideration, subject to a future perpetual royalty arrangement. These transactions were accounted for as asset acquisitions, as the activities acquired did not constitute a business in accordance with AASB 3 *Business Combinations*. We considered this matter to be a Key Audit Matter due to the size of the acquisitions, the judgement involved in determining the appropriate accounting treatment, and the importance of the transactions to users of the financial statements.	- Our procedures included but were not limited to the following: - We obtained an understanding of the key processes and controls associated with the acquisition of the tenements and associated infrastructure; - We considered whether the accounting for the acquisitions was within the scope of AASB 3 *Business Combinations*, including an assessment of whether the activities acquired met the definition of a business: - We reviewed the sale and purchase agreements to understand key terms and conditions; - We agreed the fair value of the consideration paid to supporting information; - We obtained audit evidence to assess whether the identifiable assets acquired and liabilities assumed at the acquisition date were fairly stated. - We considered the allocation of any excess of the consideration over the net identifiable assets acquired to exploration and evaluation expenditure, including whether amounts were appropriately expensed or capitalised; - We assessed the appropriateness of the recognition of any resultant exploration and evaluation assets at balance date; and - We assessed the adequacy of the Group's disclosures in the financial report with respect to this asset acquisition.

Other Information

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

Our opinion on the financial report does not cover the other information and accordingly 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 (other than the consolidated entity disclosure statement) 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:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free from material 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 have 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Australian Oil Company 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
31 March 2026

DBuckley

D I Buckley
Partner

SECURITIES EXCHANGE INFORMATION

The shareholder information set out below was applicable on 18 March 2026:

1. Distribution of ordinary shares

Range	Total holders	Ordinary shares	% of issued capital
1 – 1,000	100	10,954	-
1,001 – 5,000	64	267,254	0.02
5,001 – 10,000	196	1,572,791	0.10
10,001 – 100,000	676	29,359,359	1.87
100,001 and over	744	1,542,952,179	98.02
Total	**1,780**	**1,574,162,537**	**100.00**

There were 1,084 shareholders holding less than a marketable parcel of ordinary shares.

2. Substantial shareholders

The substantial shareholders are set out below:

	Number of shares	Percentage held
BERNE NO 132 NOMINEES PTY LTD <791994 A/C>	127,712,423	8.11%
MR LEO THOMAS LOVE & MRS TERRI MAREE LOVE <LOVE SUPER FUND A/C>	108,360,065	6.88%

3. Voting rights

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll, every member present or by proxy shall have one vote for every share held.

Options and rights

No voting rights.

4. Unlisted options

Grant Date	Number	Number of holders	Expiry date	Exercise price (cents)
6-Aug-24	10,000,000	1	30-Apr-29	2.5
6-Aug-24	10,000,000	1	30-Apr-29	3.5
6-Aug-24	10,000,000	1	30-Apr-29	4.5
6-Aug-24	125,937,937	26	30-Jun-26	0.8
22-Dec-25	296,439,770	18	22-Dec-27	0.4

5. Twenty largest shareholders on 18 March 2026

Shareholders	Ordinary shares	
	Number held	% of issued shares
BERNE NO 132 NOMINEES PTY LTD <791994 A/C>	127,712,423	8.11
MR LEO THOMAS LOVE & MRS TERRI MAREE LOVE <LOVE SUPER FUND A/C>	108,360,065	6.88
MS CHUNYAN NIU	72,700,874	4.62
MORSEC NOMINEES PTY LTD <ACCUMULATION ACCOUNT>	41,423,569	2.63
DUNGAY RESOURCES PTY LTD <DUNGAY CONSULTING A/C>	40,000,000	2.54
MR ROBERT CAMERON GALBRAITH	36,789,000	2.34
MR STEVEN DAVID DAHL & MRS LOUISA YVETTE DAHL <S & L DAHL FAMILY A/C>	32,148,338	2.04
NGATI WHAKAUE PTY LTD	31,542,103	2.00
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	31,117,471	1.98
SCRATCHING AROUND 4 RETURNS PTY LTD <BLUE COLLAR A/C>	30,769,230	1.95
BOND STREET CUSTODIANS LIMITED <PACORK - D00089 A/C>	30,725,358	1.95
A R HOOD SUPER PTY LTD <HOOD SUPER A/C>	24,600,000	1.56
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	24,337,050	1.55
ECLIPSE WHITE NOISE PTY LTD <DM A/C>	24,300,000	1.54
MR NEIL CATTO TAYLOR	23,500,000	1.49
MR AARON PAUL HOWELL	18,131,627	1.15
LUNA ROSSA NO 2 PTY LTD	17,700,000	1.12
MR MARK JEFFREY HARRIS	16,644,957	1.06
KJM CONSULTANTS PTY LTD <THE KANE MARSHALL S/F A/C>	16,000,000	1.02
BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	21,932,454	1.02
ANDREW DUNCAN MURDOCH	14,375,309	0.91

5. Table of permits held at 12 March 2026

Project Name	Leases; Related Gas Field (HBP leases); or Key Well	Project Type	Working Interest[1]
Dempsey Area Project	Rancho Capay Unit, Big Jake, Rio Grande and Stoney Creek wells are associated with HBP leases as well as intermittent production from Dempsey 1-15	Exploration, appraisal and rework	70%
Borba Project	Borba 1-7 exploration well is associated with the Oil and Gas Mineral Leases	Exploration	100%
Los Medanos Project	Los Medanos Gas Field. The main wells are the Neely wells where shut-in royalties are being paid	Appraisal and rework	100%
Malton Project	Malton Gas Field HBP Leases are associated with the VBC producing wells	Exploration, appraisal and rework	100%
Dutch Slough Gas Project	Dutch Slough Gas Field. Scopes and Reedy wells are shut in with associated royalties being paid	Exploration, appraisal and rework	100%
Rio Vista Gas Project	Rio Vista Field Wells Rec Board 7 and 8 are producing wells associated with HBP Leases	Gas flow, development and rework	100%

1. Approximate WI across the referenced Project

CORPORATE DIRECTORY

Directors

Mr Chris Hodge
Mr J.L. Kane Marshall
Mr William Ashby

Joint Secretaries

Mr David McArthur
Mr Jordan McArthur

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