



ASX Announcement

SEPTEMBER 2024 QUARTERLY ACTIVITY REPORT HIGHLIGHTS

Corporate and New Ventures

- Subsequent to quarter end, the Company appointed Mr Chris Hodge as Non-Executive Chairman with Mr David McArthur resigned from the Board of Directors
- General Meeting (GM) held 6th August 2024 to approve various resolutions including change of name from Sacgasco Limited to Australian Oil Company Limited (AOK)
- Approval received at the GM to issue Tranche 2 securities raising an additional \$325,000 before costs with balance of funds received post period end
- Operational and strategy update webinar was held during the quarter discussing future growth plans
- Progression of discussions and due diligence on previously announced exclusivity agreement with a third party regarding Australian based exploration permits prospective for natural gas
- Agreement reached to conclude the divestment of Nido

Canada

- Agreement signed to divest the Company's 30% working interest in Red Earth assets

California – Exploration and Producing and Development Properties

- Agreement signed to acquire additional pipeline infrastructure in the Sacramento Basin
- Engagement of Sanddollar Financial LLC as commercial advisor to AOK for the purposes of streamlining operating costs and identifying additional value accretive new venture opportunities in California
- The Company was actively engaged on commercial terms for monetisation of the Borba gas pool in California which could include subsequent onsite generation of electricity for 3rd party use.
- Total net production from Canadian assets (before royalty) of 16,194 BBL;
- Red Earth assets currently producing at a rate of ~600 BOPD on a gross basis during June 2024; and
- Company share of oil production in Canada was 180 BOPD for the quarter.

Australian Oil Company Limited (ASX: AOK) (AOK or the Company) is pleased to provide the Quarterly Activities Report for the calendar quarter ending 30 September 2024.

The September 2024 quarter saw the completion of the \$729,000 capital raising due to shareholder approval of the second tranche of the capital raising, advance discussions on a number of Californian and new venture projects and introduce initiatives to reduce costs and streamline the California portfolio of properties.

australianoilco.com.au

Head Office

Level 1, 31 Cliff Street, Fremantle WA 6160
T: +61 8 9435 3200
E: enquiries@australianoilco.com.au

Investors Relations

Stewart Walters
M: +61 414 644 166
E: Stewart@marketopen.com.au

Managing Director

Kane Marshall
T: +61 8 9435 3200
E: companysecretary@australianoilco.com.au



ONSHORE CANADA (Non-Operated)

On 30 August, the Company announced that it had reached an agreement with Blue Sky Resources to divest the Company's 30% working interest in the Red Earth assets, as a component of an omnibus settlement agreement (**omnibus**) that results in Australian Oil receiving \$3 million in funding.

The omnibus settles all outstanding matters between the entities pertaining to the Nido divestment agreement announced in December 2023, and provides valuable working capital for the Company to progress its future growth and development strategies.

Post period end, the parties agreed to a revision of the initial omnibus, altering the timing of payment instalments, resulting in the transaction concluding 30 December 2024, and delivering advantageous tax savings for AOK in the process.

Canada Oil and Gas Production (BBL)	September 2024 Quarter	June 2024 Quarter
AOK Production	16,194	18,333
AOK Production after Royalty	13,867	15,699

Current production rate net to AOK (before royalty) was approximately 180 BOPD during September 2024 quarter.

ONSHORE CALIFORNIA (Majority Operated)

During the quarter, AOK encountered lower production due to production variability and pipeline maintenance. As a means to boost production and add value to existing production wells, AOK's wholly owned subsidiary, PEOCO LLC (**PEOCO**), signed an agreement to acquire additional pipeline infrastructure in the Sacramento Basin onshore California (*refer ASX Announcement dated 13 August 2024*).

The purpose of this acquisition is to optimise the connection of carrying natural gas production from the 100% owned Rio Vista Gas Field wells. The Seller is Pacific Gas and Electric Company and the transaction is subject to normal California State gas pipeline regulatory submissions and approvals, with an anticipated effective date of November 2024.

The acquisition is expected to allow increased gas flow from current wells up to four times the current gas volumes from the Company's Rio Vista wells. Accordingly, the Company has set a goal of 50,000mcf of quarterly gas flows from the acquired pipeline on a gross basis.

In addition to acquiring this infrastructure, Sanddollar Financial LLC has been appointed as a strategic advisor in California for the purposes of assisting in streamlining operating costs and evaluating new Californian exploration opportunities.

The Company continued commercial discussions to explore the capacity for monetisation of the Borba gas pool in California which could include subsequent onsite generation of electricity for third party utilisation.



California Gas Flows (mcf ¹)	September 2024 Quarter	June 2024 Quarter ²
Gross Gas Flows	34,505	38,389
SGC Gas Flows after Royalty	19,063	21,899
Note 1: mcf = Thousand Cubic feet gas		
Note 2: June quarter production statistics corrected from previously quarterly activities report due to errors identified in original production reports.		

In addition to maintaining the producing leases, AOK is looking at further “bolt on” opportunities that are both exploration with large upside in other leases as well as low cost infrastructure opportunities to increase Californian production. This includes both within the Sacramento Basin and in other basins in California.

CORPORATE

During and subsequent to the quarter end, the Company completed the second tranche of its \$729,000 capital raising following shareholder approval at the Company’s General Meeting (**GM**). As part of the resolutions approved at the GM, Directors became further aligned with shareholders with a component of deferred Director and Management fees being settled via equity securities on the same terms as the capital raising.

As part of the Company’s growth plans that include California and other new venture activities, the Company received approval from Shareholders for a change of name to Australian Oil Company Limited. A shareholder webinar was conducted by Managing Director Kane Marshall outlining the rationale for the Company name change and the avenues for growth the Company is seeking as an element of its short and long term strategy.

Subsequent to the quarter, AOK appointed Mr Chris Hodge as Non-Executive Chairman with Mr David McArthur resigning from the Board of Directors, whilst being retained as joint Company Secretary. The appointment of Chris as our Chairman coalesces with the strategic initiatives the Company has put in place both with current projects as well as new project due diligence.

As previously disclosed, the Company had signed a six (6) month exclusivity agreement with a third party to acquire a portfolio of exploration permits that it considers is highly prospective for natural gas in Australia. The Company has been progressing these commercial discussions during the quarter in addition to reviewing other venture opportunities in Australia as well as other gas opportunities in California.

DECEMBER 2024 QUARTER OBJECTIVES

- Complete strategic review of existing producing properties from cost and operational standpoint;
- Complete Rio Vista wells to infrastructure pipeline acquisition and connection to boost production; and
- Mature commercial terms for current new venture project opportunities subject to completing due diligence.



AOK TENEMENT TABLE (30 September 2024)

PROJECT NAME	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	WORKING INTEREST (WI)*
Dempsey Area Project	Rancho Capay, Rice Creek, East Gas Fields - HBP Leases Oil and Gas Mineral Leases	Gas Flow, Exploration, Appraisal and Rework	40-60%
Borba Project	Oil and Gas Mineral Leases	Commercialization of Gas Discovery	66.67%
Los Medanos Project	Los Medanos Gas Field HBP Leases	Gas Flow, and Rework	90%
Malton Project	Malton Gas Field HBP Leases and Oil and Gas Mineral Leases	Gas Flow, Exploration, Appraisal and Rework	45-70%
Dutch Slough Gas Project	Dutch Slough Gas Field HBP Leases	Exploration, Appraisal and Rework	70%
Rio Vista Gas Project	Rio Vista Field Wells HBP Leases	Gas flow, Development and Rework	100%
Alvares Project⁺	Alvares 1 well (P&A Re-entry)	Exploration, Appraisal	50%
Red Earth Assets (Canada)¹	Oil and gas Mineral Leases and wells and associated Infrastructure	Production	30%

* Approximate WI across the referenced Project

⁺ Sacgasco does not have a lease over Alvares but has an option to re-enter the well upon re-leasing the area

¹ The Red Earth assets are currently the subject of a settlement agreement which has not yet completed

APPENDIX 5B DISCLOSURES

ASX LR 5.4.1: Exploration expenditure during the quarter was \$nil.

ASX LR 5.4.2: Production expenditure payments were incurred in respect of Californian operations during the quarter totalling \$251k.

ASX LR 5.4.3:

- No petroleum tenements were disposed during the quarter;
- No farm-in or farm-out agreements were entered into during the quarter; and
- Existing tenements and working interests disclosed in the table above.

ASX LR 5.4.4: Not applicable

ASX LR 5.4.5: Payments to related parties totalled \$28k in respect of Director's salary and superannuation.

– ENDS –

This announcement has been authorised by the Board of Directors of the Company.



AUSTRALIAN OIL CO.

About Australian Oil Co

Australian Oil is an Australian-based energy company focused on under-explored, recently overlooked, world class oil and gas opportunities near under-supplied markets.

The Company is currently focused on conventional oil and gas exploration and production in the Sacramento Basin in California. Australian Oil has a portfolio of natural gas and oil producing wells, in addition to prospects and discoveries at various exploration and appraisal stages.

AOK is in process of evaluating the acquisition of oil and gas producing and exploration assets to enhance the Company's strategic needs and delivering shareholder value.

Australian Oil Co.

ACN: 114 061 433
ASX Code: AOK

Shares on Issue

1,001,782,997

Unlisted Options

10,000,000 exercisable \$0.025 on or before 30-Apr-2029
10,000,000 exercisable \$0.035 on or before 30-Apr-2029
10,000,000 exercisable \$0.045 on or before 30-Apr-2029
125,937,937 exercisable \$0.008 on or before 30-Jun-2026

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Australian Oil Company Limited

ABN

83 114 061 433

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	95	406
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(251)	(712)
	(d) staff costs	(59)	(161)
	(e) administration and corporate costs *	(465)	(870)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	8
1.5	Interest and other costs of finance paid	(1)	(3)
1.6	Income taxes paid	(306)	(306)
1.7	Government grants and tax incentives	-	-
1.8	Other (JV Receipts)	32	84
1.9	Net cash from / (used in) operating activities	(952)	(1,554)

* Includes \$166,050 project assessment costs

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) investments *	750	1,280
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other ^:	-	-
	Cash received to fund operations from Blue Sky Resources Ltd as incoming parent entity	-	90
	Cash consumed during continuing Filipino operations	-	(492)
	Cash held by Filipino entities at date of loss of control	-	(89)
2.6	Net cash from / (used in) investing activities	750	789

* A\$750,000 deposit received from Blue Sky Resources on execution of an agreement to sell its Red Earth assets and settle the outstanding Nido divestment transaction.

US\$350,000 (A\$ 530,000) received in March 2024 from Blue Sky Resources under the terms of the original divestment agreement.

^ Nido entities were approved for divestment in January 2024. Transfer of ownership to Blue Sky Resources Ltd completed on 13-Mar-24 and accordingly, all cash movements have been recorded in section 2.5 under accounting standards requirements. Cash on hand as at 31 December 2023 is noted as \$475,613 per the Company's 2023 Annual Report. The difference between this opening balance, the transactions reported above and the closing cash is the result of foreign exchange movements.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	125	534
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(34)	(34)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(10)	(30)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Right of Use Lease Liability)	-	-
3.10	Net cash from / (used in) financing activities	81	470

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	581	741
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(952)	(1,554)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	750	789
4.4	Net cash from / (used in) financing activities (item 3.10 above)	81	470
4.5	Effect of movement in exchange rates on cash held	(3)	11
4.6	Cash and cash equivalents at end of period	457	581

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	457	581
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (petty cash)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	457	581

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amounts of payments to related parties and their associates included in item 1	28
6.2	Aggregate amounts of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amounts at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	1,000	1,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,000	1,000
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Parent entity debt facility Unsecured loan facility with Dungay Resources Pty Ltd, dated 1 May 2024 for \$1,000,000, earning interest at 10% p.a., extended until 1 February 2025		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(952)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(952)
8.4	Cash and cash equivalents at quarter end (item 4.6)	457
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	457
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.48
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. Operating cash flows incurred in the September quarter included significant outflows in relation to FY'23 Income Tax for the entity's Canadian subsidiary, in addition to costs incurred for assessment of operations. The entity anticipates the outflow from operations to decrease substantially in the December quarter.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, as advised to the market on 11 October 2024, the Company is due to receive A\$750,000 on or before 31 October 2024 as a result of the Omnibus Settlement Agreement reached with Blue Sky Resources Ltd., with a final A\$1,500,000 due by 30 December 2024. Furthermore, the Company retains the capacity to raise capital via issuance of shares if it is so required.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, based on the responses in 8.8.1 and 8.8.2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2024

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.