



ASX Announcement

AUSTRALIAN OIL REVIEWS CALIFORNIA GAS OPTIMISATION AS PRICES STRENGTHEN

KEY HIGHLIGHTS

- Australian Oil is reviewing optimisation strategies aimed at increasing gas flows and reducing operating costs across its Californian gas wells.
- Discussions have commenced with adjacent operators regarding options to tie in currently shut in gas wells.
- Assessment of the potential commercial sale of part of its pipeline infrastructure connecting the VBC wells.
- Assessment of the potential for gas to be transported through another operator's compression facilities, which may increase gas flow rates while eliminating certain field operating costs.
- Australian Oil is also assessing the purchase of compression facilities at the Stoney Creek Master Meter to eliminate rental charges currently incurred.
- Future gas contracts and transmission fees for Rec Board-7 and Rec Board-8 to be reviewed as contracts approach renewal.
- Recent legislative changes in California have supported increased permitting of work programs in Kern County.
- Corporate activity in the state has increased, including renewable natural gas infrastructure agreements, federal offshore leasing plans and the acquisition of Berry Corporation by California Resources Corporation.

Australian Oil Company (**Australian Oil** or **the Company**) (**ASX:AOK**) advises it is reviewing optimisation strategies across its operated Californian gas assets aimed at increasing gas flows and reducing operating costs across its leases. Gas from the Company's Californian operations is typically sold to CRC and other marketers and is correlated with the Henry Hub gas price.

The Company is evaluating infrastructure and operating options designed to improve the performance of its operated wells, including potential arrangements with adjacent operators to tie in its currently shut-in wells and improve compression capacity. Improved compression capacity lowers pressure for gas wells to flow against therefore increasing rate. At the same time, Australian Oil is assessing options to commercialise its Californian leases as it increases focus on oil production and exploration opportunities in the Surat Basin, Queensland.

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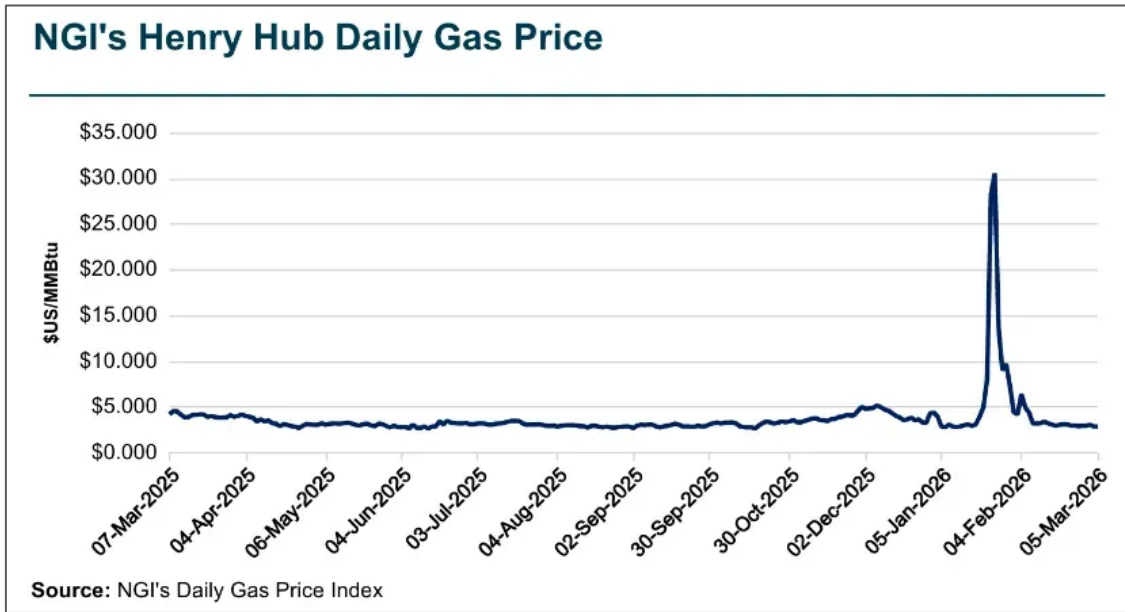


Figure 1: 12-months Henry Hub Gas prices in the United States

*Note MMBTU measures energy content (1 million British Thermal Units), MCF measures volume (1,000 cubic feet of gas). MMBTU represents the heat value of the gas, whereas MCF represents the physical quantity.

Broadly, 1 MCF is equivalent to 1 MMBTU, although this varies based on the gas quality.

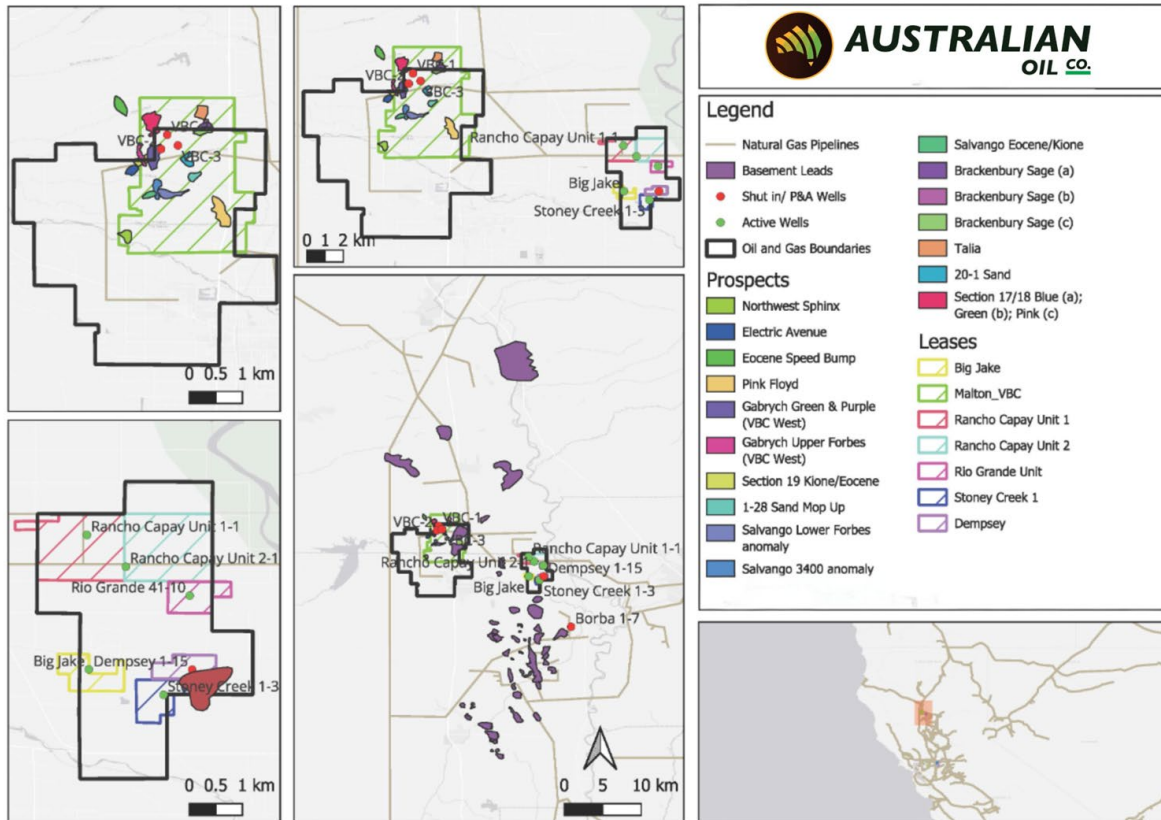


Figure 2: Northern Californian lease position with VBC wells top left

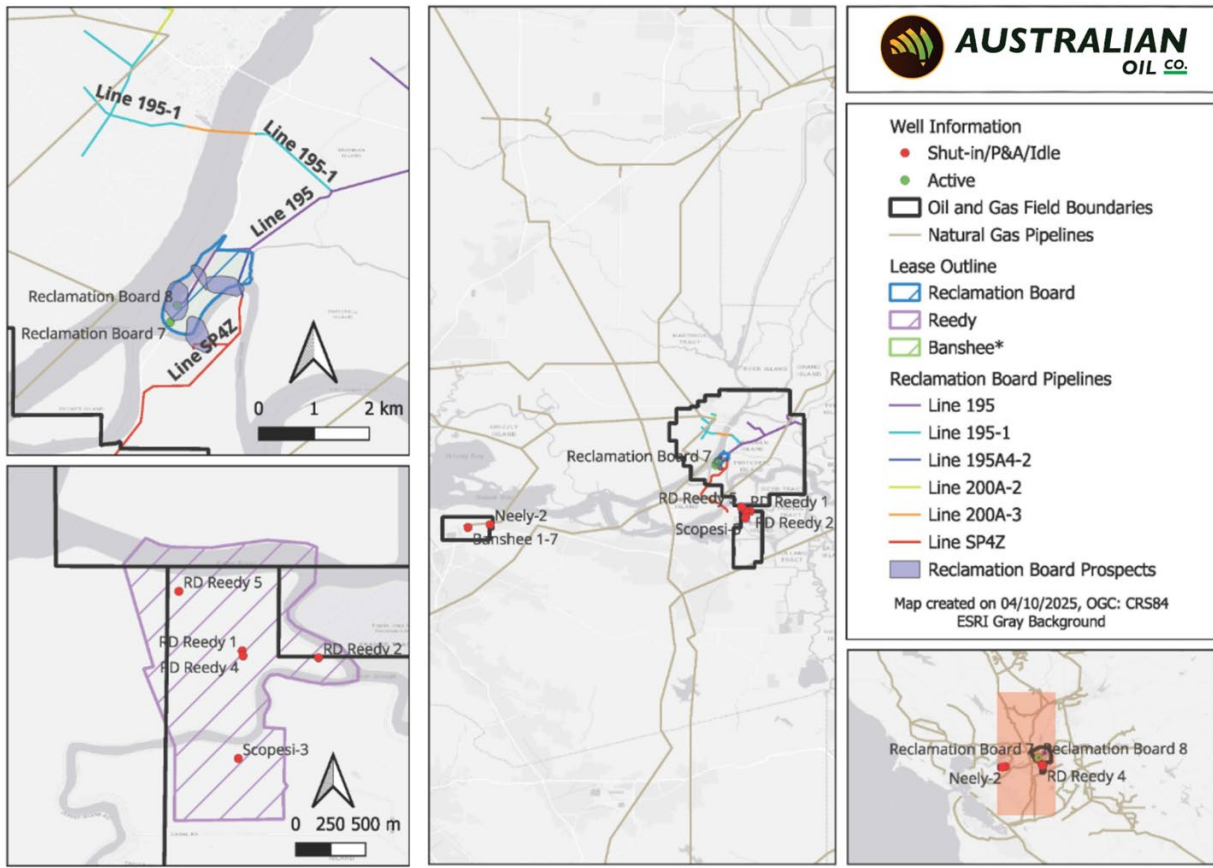


Figure 3: Southern California lease position with Rec Board wells top left

Managing Director Kane Marshall said:



The Company continues to assess all operational options, not only to take advantage of increasing oil and gas prices, but to also improve its operated gas business in California while concurrently implementing measures to accelerate the inventory of oil opportunities here in Australia.



– ENDS –

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



AUSTRALIAN OIL CO.

About Australian Oil Co

Australian Oil is an Australian-based energy company focused on under-explored, high-quality oil and gas opportunities near under-supplied markets.

The Company is currently focused on conventional oil and gas exploration and production opportunities in the Surat Basin in Australia. Australian Oil also has a portfolio of natural gas and oil producing wells, in California.

Australian Oil is currently evaluating the acquisition of additional global producing and exploration assets aligned with its strategic objectives and commitment to delivering shareholder value.

Australian Oil Company Limited

ACN: 114 061 433

ASX Code: AOK

Shares on Issue

1,574,162,537

Unlisted Options

10,000,000 ex \$0.025 on or before 30-Apr-2029

10,000,000 ex \$0.035 on or before 30-Apr-2029

10,000,000 ex \$0.045 on or before 30-Apr-2029

125,937,937 ex \$0.008 on or before 30-Jun-2026

296,439,770 ex \$0.004 on or before 22-Dec-2027