



ASX Announcement

DECEMBER 2025 QUARTERLY ACTIVITY REPORT

Highlights

- Binding agreements signed which secure (subject to Queensland government regulatory approvals) near-term oil and gas production, development and exploration options.
- Encouraging progress made with due diligence and negotiations in progress on two high impact international exploration opportunities.
- Acquired 100% of the issued capital of Xstate USA for consideration of US\$95,103 resulting in an increase in AOK's economic interests in California.
- Continued the stabilization and optimization of gas production within the Dempsey area.
- A\$800,000 two-tranche capital raising completed during the quarter

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AUSTRALIAN OIL CO.

Australian Oil Company Limited (ASX:AOK) (AOK or the Company) is pleased to provide the Quarterly Activities Report for the quarter ending 31 December 2025.

QUEENSLAND (SURAT BASIN)

During the quarter, AOK executed binding agreements to acquire a portfolio of assets in the Surat Basin, Queensland from ADZ Energy Pty Ltd (ADZ) and OGT Energy Pty Ltd (OGT) comprising:

- PL 264 including the Emu Apple Oil Field;
- PL 30 including the Riverslea Oil Field;
- PL 512 including the Major Gas Field; and
- PPL 22 providing pipeline access to the Silver Springs Gas Plant.



Figure 1 Location of Surat Basin, Queensland where AOK has made a strategic entry into during the Quarter

The assets are located in close proximity to established gathering, processing and pipeline infrastructure and are situated within a producing and development corridor operated by major domestic gas and oil producers. During the quarter, a map was included on an investor presentation dated 11 December 2025 that incorrectly showed the connecting PPL 22 to PL 512 with the correct map identified on the following page.

The acquisition provides:

- Exploration potential adjacent to discoveries and strategic infrastructure including a pipeline linking PL 512 to a processing facility;
- Exposure to existing production, low cost development and near-term restart opportunities;
- Access to domestic east coast gas and liquids markets; and
- Limited liability exposure:
 - surface restoration is covered by environmental bonds left in place by ADZ; and
 - the current well count will be utilised for several development opportunities with abandonments not required until end of the term of each PL.

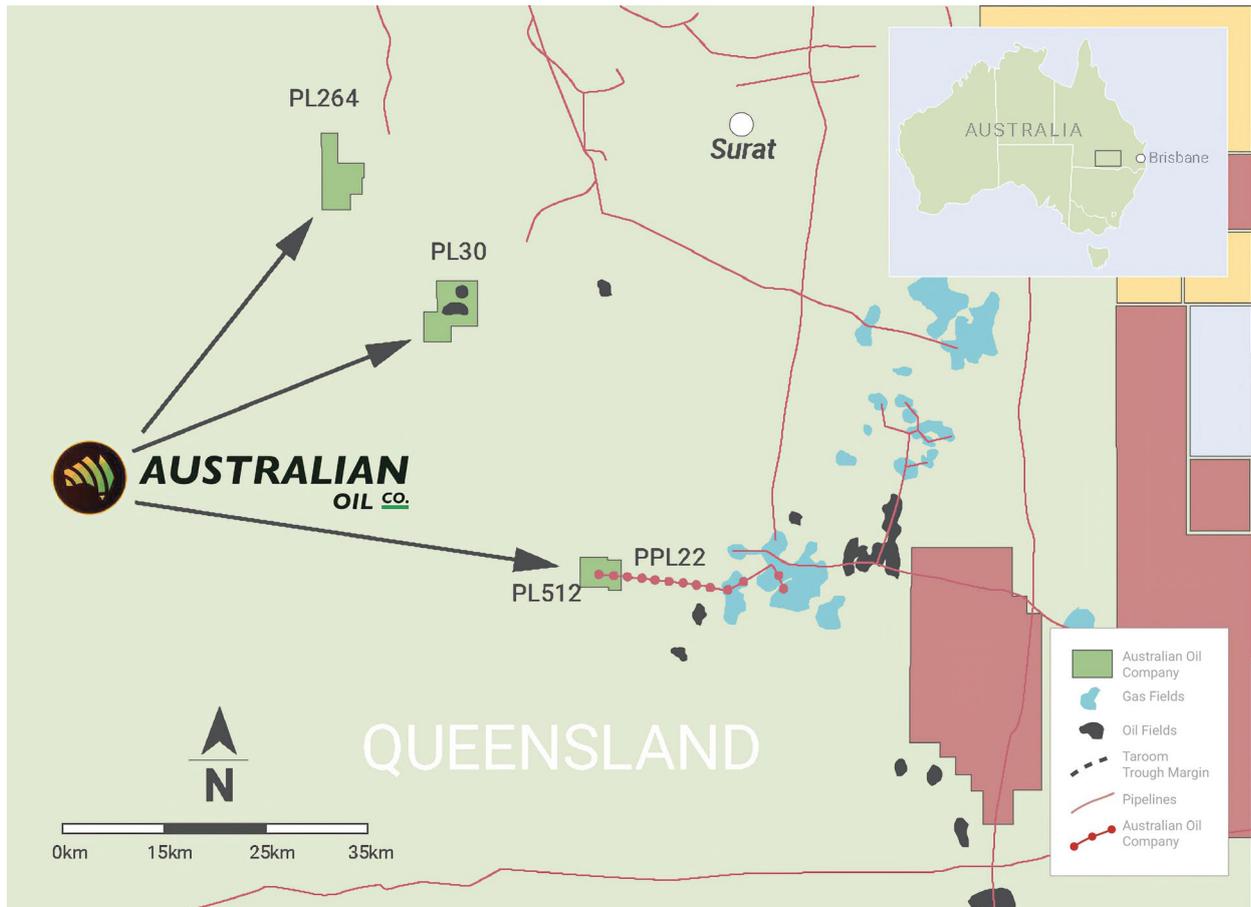


Figure 2 Location of AOK Surat Basin assets including PPL 22 pipeline connecting to Silver Springs Plant

Due diligence was completed during the quarter and all conditions precedent have now been met. The Company is now progressing transfers of easements, pipeline and petroleum leases from ADZ and OGT with the regulator.

Initial work will be focused on:

- Mapping and maturing exploration prospects adjacent to infrastructure in each license;
- Following up commercial discussions with 3rd parties on a number of exploration and development opportunities for potential participation in the licenses;
- Production restart studies at the Riverslea and Major fields;
- Production optimisation of the Emu Apple Field;
- Review of pipeline capacity, compression requirements and offtake arrangements via the Silver Springs Gas Plant; and
- Identification of near-term workover and drilling candidates capable of delivering incremental production at modest capital intensity.

The Surat Basin acquisition materially diversifies Australian Oil's geographic and regulatory exposure, introduces a second producing basin, and provides a platform for near-term cash flow **generation alongside longer-dated development and exploration optionality.**



ONSHORE CALIFORNIA (Majority Operated)

Operations during the quarter focused on stabilising production and improving deliverability across the Company’s Sacramento Basin portfolio following infrastructure remediation at the Rec Board area and the consolidation of working interests.

Gas production continued from the Capay, Big Jake, Stoney Creek and Rio Grande wells. The Dempsey 1-15 well remained on a cyclic production regime, producing for longer periods but at lower rates than the September quarter with alternating flow and shut-in periods to manage produced water, preserve reservoir pressure and optimise recovery through the Stoney Creek master meter.

Downstream maintenance and remediation work on the CRC-operated pipeline system continued during the quarter resulting in the shut-in of the Reclamation Board area wells with a target of having the wells back online in the coming quarter. This shut-in has reduced gas volumes by over 50% this quarter but increased gas prices have somewhat offset this decline in produced gas volumes.

Technical evaluation during the quarter focused on:

- Reconnection and compression access for the VBC-1, VBC-2 and VBC-3 wells regarding tie-in to existing gathering and compression networks that the Malton wells flow into; and
- Infill drilling locations adjacent to Rec Board-5 and Rec Board-6 within the Rio Vista Field, targeting incremental production close to existing infrastructure.

The completion of the Xstate USA Corporation acquisition has simplified joint venture structures, increased economic and working interests across multiple producing and exploration assets, and strengthened the Company’s ability to sequence development, production optimisation and exploration activity across the Sacramento Basin.

As a result of consolidated working interests the gas flows for the quarter are shown below:

California Gas Flows (mcf ¹)	December 2025 Quarter ³	September 2025 Quarter ²
Gross Gas Flows	13,302	34,130
AOK Gas Flows after Royalty	6,897	24,923
¹ mcf = Thousand Cubic feet gas ² gas flows restated for previous quarter in light of Xstate USA Corporation transaction ³ gas flows now included Xstate USA Corporation volumes		

CORPORATE AND NEW VENTURES

AOK continues to pursue a strategy of building a balanced portfolio of producing, development and exploration assets in established hydrocarbon provinces with existing infrastructure and access to market.

Key corporate developments during and subsequent to the quarter included:

- Execution of the Surat Basin acquisition, representing a material expansion of the Company’s asset base and entry into an Australian producing gas and liquids province.
- Completion of a two-tranche capital raising of \$800,000, strengthening the balance sheet and providing funding for production optimisation, asset integration, new venture evaluation and general working capital; and
- Completion of the acquisition of Xstate USA Corporation, consolidating ownership and operational control across core Californian assets.



The Company continues to assess additional new venture opportunities in Australia and internationally, with a focus on assets that:

- Are located in established producing basins or are large resource high risk exploration plays with a pathway to commercialisation;
- Have existing infrastructure or clear development pathways;
- Offer near-term cash flow with longer-term exploration or expansion potential; and
- Can be advanced within the Company's capital and technical capacity.

The appointment of Neil Taylor as New Business Manager East Africa continues to support the Company's frontier exploration screening and commercial evaluation capability. The focus on frontier opportunities are primarily large gas opportunities with access to markets in favourable jurisdictions to complement the lower to medium risk opportunities recently acquired in the Surat Basin.

MARCH 2026 QUARTER OBJECTIVES

For the March 2026 quarter, the Company's key objectives are to:

- Progress completion and integration of the Surat Basin asset acquisition and progress maturation of exploration prospects in conjunction with production restart planning and optimisation efforts;
- Finish due diligence and secure high impact exploration project to complement new acquisitions and strategic plan; and
- Maintain disciplined capital management and funding runway visibility.

AOK TENEMENT TABLE (31 December 2025)

PROJECT NAMES	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	WORKING INTEREST (WI)*
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	HBP* leases. Dempsey 1-15 is flowing cyclically. A reconciliation of royalty payments versus revenues and costs are being assessed to determine tenure.	70-90%
Borba Project	Borba 1-7 exploration well	Not a commercial discovery and leases have expired.	100%
Los Medanos Project	Los Medanos Gas Field. The main Neely wells are shut-in.	Shut-in royalties are being paid to hold the leases until gas flows can be reinstated requiring commerciality assessments.	100%
Malton Project	Malton Gas Field HBP Leases are associated with the VBC producing wells.	Shut-in royalties being paid while Company assesses the potential to tie wells to alternative meter.	75-100%
Dutch Slough Gas Project	Dutch Slough Gas Field. Scopes and Reedy wells are shut in.	Shut-in royalties being paid due to lack of market and infrastructure.	100%
Rio Vista Gas Project	Rio Vista Field Wells Rec Board 7 and 8 are producing wells associated with HBP Leases.	Leases are HBP*.	100%

* Approximate WI across the referenced Project and HBP is held by production



LISTING RULE 5 DISCLOSURES

LR 5.4.1: Exploration expenditure payments during the quarter totalled \$65k.

LR 5.4.2: Production expenditure payments during the quarter totalled \$116k.

LR 5.4.3:

- Xstate USA Corporation lease interests in California were acquired during the quarter. Petroleum leases and pipeline license were acquired from ADZ/OGT during the quarter, with transfers expected to be completed during the March 2026 quarter;
- Petroleum tenements including those acquired from Xstate USA Corporation are included in the working interests in in the table above;
- No farm-in or farm-out agreements entered into during the quarter; and
- No farm-in or farm-out agreements current in earn-in stage to report.

LR 5.4.4: Not applicable

LR 5.4.5: Payments to related parties totalled \$73k. These were in respected of Directors' salaries and superannuation payments.

- 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.

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

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")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	70	397
1.2 Payments for		
(a) exploration & evaluation	(65)	(142)
(b) development	-	-
(c) production	(116)	(723)
(d) staff costs	(93)	(369)
(e) administration and corporate costs	(258)	(1,169)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	21
1.5 Interest and other costs of finance paid	-	(80)
1.6 Income taxes paid	-	6
1.7 Government grants and tax incentives	-	-
1.8 Other (JV Receipts)	-	-
1.9 Net cash from / (used in) operating activities	(459)	(2,059)

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	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	97	1,312
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	97	1,312
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	738	738
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	(5)	(6)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(14)	(54)
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	719	678
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	450	896
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(459)	(2,059)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	97	1,312

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	719	678
4.5	Effect of movement in exchange rates on cash held	9	(11)
4.6	Cash and cash equivalents at end of period	816	816

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	816	450
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)	816	450

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	73
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	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(459)
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)	(459)
8.4 Cash and cash equivalents at quarter end (item 4.6)	816
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	816
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.78
<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. The Company anticipates operational outflows to be comparable to this quarter but anticipates inflows to marginally improve dependent upon timing of the Rec Board wells being reinstated to flowing gas.

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: No. AOK retains the capacity to raise capital via the issuance of shares to fund operations dependent on the requirements of exploration and operational commitments and continuously assesses the funding requirements of the Group.

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: 30 January 2026

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.