INTERIM FINANCIAL REPORT

For the half-year ended 30 June 2026

AUSTRALIAN OIL COMPANY LIMITED
ACN 114 061 433

CONTENTS

DIRECTORS' REPORT

Your directors submit the Interim Report of the Group comprising Australian Oil Company Limited, formerly Sacgasco Limited ("**the Company**", "**AOK**" or "**Australian Oil**") and its controlled entities ("**the Group**") for the half-year ended 30 June 2026. To comply with the provisions of the *Corporations Act 2001,* the Directors report as follows:

DIRECTORS

The names of the Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

		Appointment
J.L. Kane Marshall	Managing Director	17 July 2023
William Ashby	Non-executive Director	6 April 2022
Chris Hodge	Non-executive Chair	22 October 2024, resigned 22 May 2026
Piers Lewis	Non-executive Director	22 May 2026

REVIEW OF OPERATIONS

H1 2026 Highlights

The half year was transformational for AOK, marked by the completion of the Company's strategic entry into a second producing basin with material exploration and development upside. AOK began the period completing the unconditional acquisition of a four-permit oil and gas portfolio in the Surat Basin, Queensland, and ended the period having recorded its maiden oil revenue and secured Operator status over all of those assets.

Acquisition and Operatorship

AOK's entry into the Surat Basin, Queensland, comprises PL 264 (Emu Apple Oil Field), PL 30 (Riverslea and Yapunyah Oil Fields), PL 512 (Major Gas Field) and PPL 22 (a pipeline providing access to the Silver Springs Gas Plant). The acquisition from ADZ Energy and OGT Energy became unconditional during the December 2025 quarter, with transfer and regulatory documentation for the petroleum leases, pipeline licence and associated easements progressed throughout the half. During the June 2026 quarter, the Company's subsidiary, Canning Australia Pty Ltd, was granted Operator status by the Queensland regulator (DETSI) and now has personnel on the ground coordinating well intervention activities and oil load-out with IOR Energy Pty Ltd.

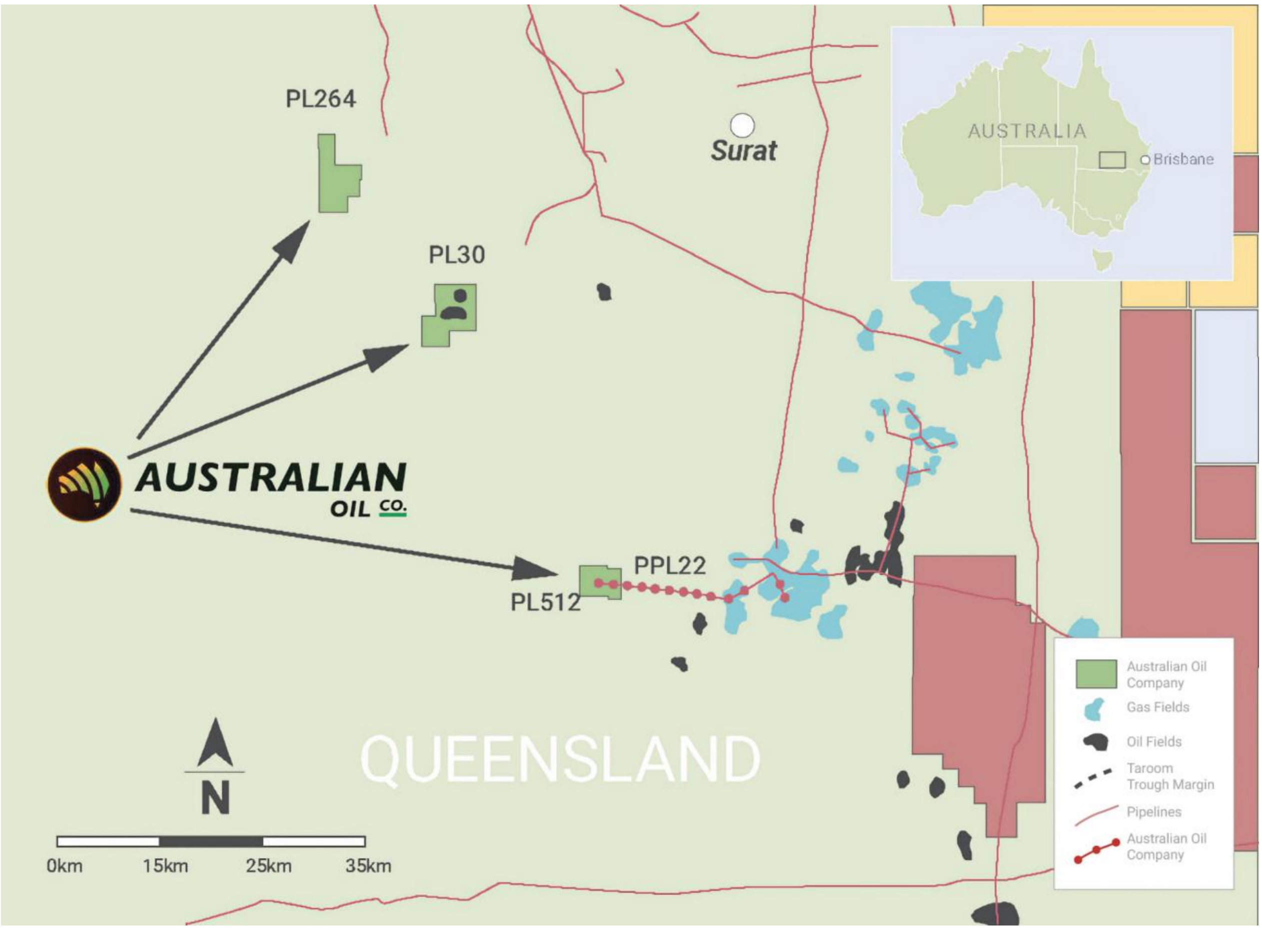

Figure 1: Location of AOK's Surat Basin assets, Queensland

PL 264 – Emu Apple Oil Field

Emu Apple-1 produced consistently across the half at approximately 15-20 bbl/d of 35° API oil at around 30% water cut via a hydraulic pumping unit, from a field that has produced over 186,000 barrels since its 2006 discovery. The Company's first crude oil revenue was received during the June 2026 quarter from two liftings of 422 barrels each under its 12-month crude oil and condensate offtake agreement with IOR Energy Pty Ltd - the maiden lifting (31 March) generated approximately $63,700, with a second lifting completed on 2 April.

A well intervention programme comprising condensate and acid washing to remove paraffin build-up was completed shortly after period end, with early indications of improved reservoir communication and pump rates being progressively increased as the well cleans up. Emu Apple-2 and Emu Apple-3, both suspended in good condition, remain candidates for workover and reactivation, and the Company is progressing acquisition of pumpjack (nodding-donkey) and other artificial lift infrastructure for a Phase 2 development.

Geological mapping commenced across the field, identifying bypassed oil pay at Emu Apple-4 and a potential southern extension and larger eastern closure, while airborne electromagnetic (AEM-PTP) and historical geochemical iodine surveys identified further anomalies in the northern part of the permit warranting investigation.

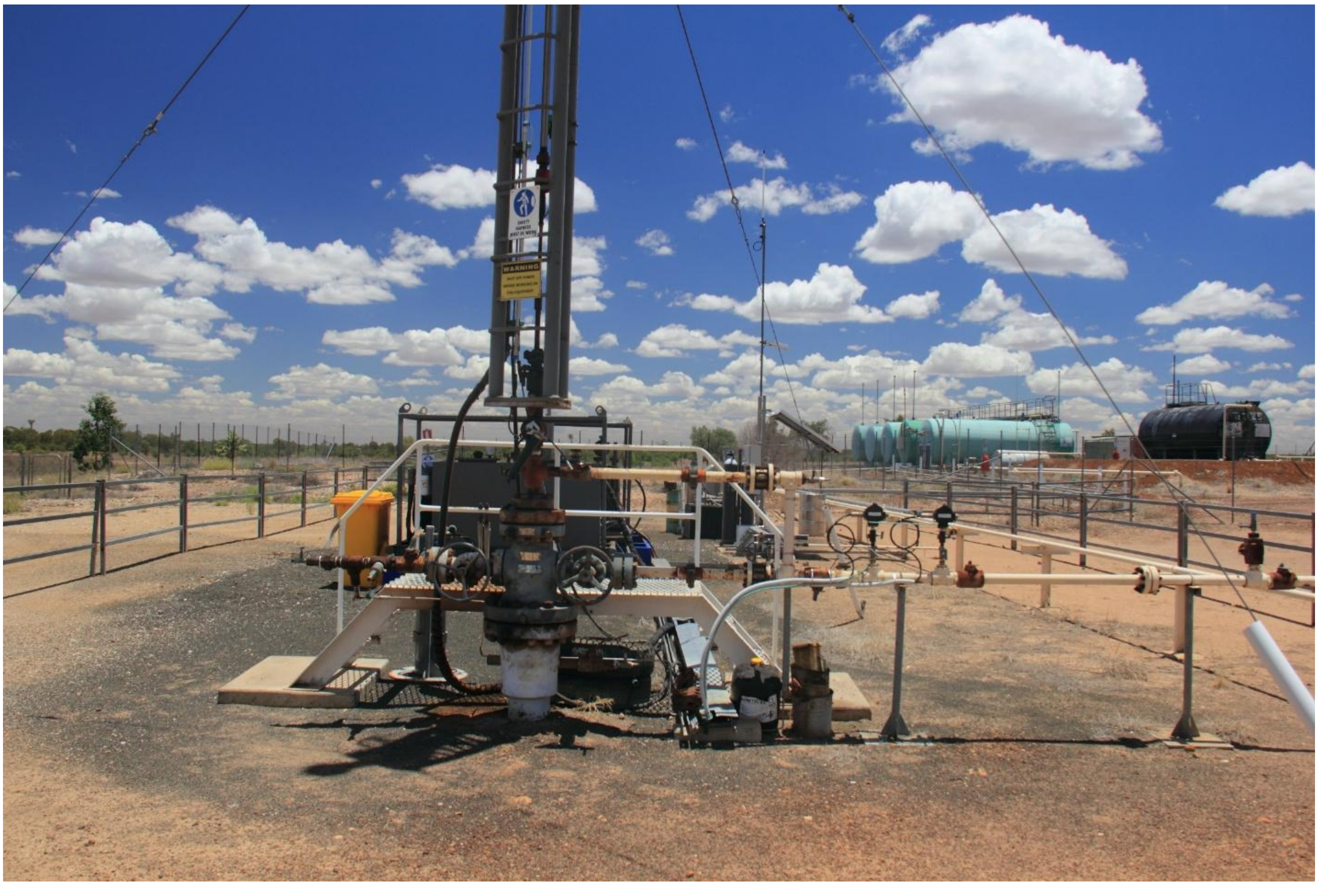

Figure 2: Wellhead and storage infrastructure at Emu Apple-1, PL 264

PL 30 – Riverslea and Yapunyah

Technical and assay work progressed across the half to support a restart of the Riverslea Oil Field, which together with Emu Apple has produced over 750,000 barrels historically from eight wells drilled across the permit. Riverslea-1 and Riverslea-3 remain in good condition and available for reinstatement to production, with Riverslea-3 having tested at 15-17 bbl/d unassisted at approximately 90% water cut; evaporation pond remediation, estimated at $100,000-200,000, and pump installation are being progressed ahead of a planned restart via free flow.

A revised Later Development Plan was submitted to the Queensland Department of Natural Resources and Mines incorporating the reinstatement of Riverslea-3 and Riverslea-1, step-out drilling at Riverslea and Yapunyah, assessing the exploration upside and at a time of favourable commodity pricing. Crude oil samples from Riverslea-3 were collected and sent to Intertek for assay to underpin a dedicated Riverslea offtake agreement with IOR, with additional samples taken subsequent to period end to validate these results, and costing and tendering for rig mobilisation and coil tubing services was progressed for both Riverslea-3 and Riverslea-1 interventions.

At Yapunyah, 3D seismic interpretation indicates the original 1982 well was drilled near the oil-water contact, with a larger up-dip accumulation identified approximately 25 metres up-dip and potentially similar in size to Riverslea.

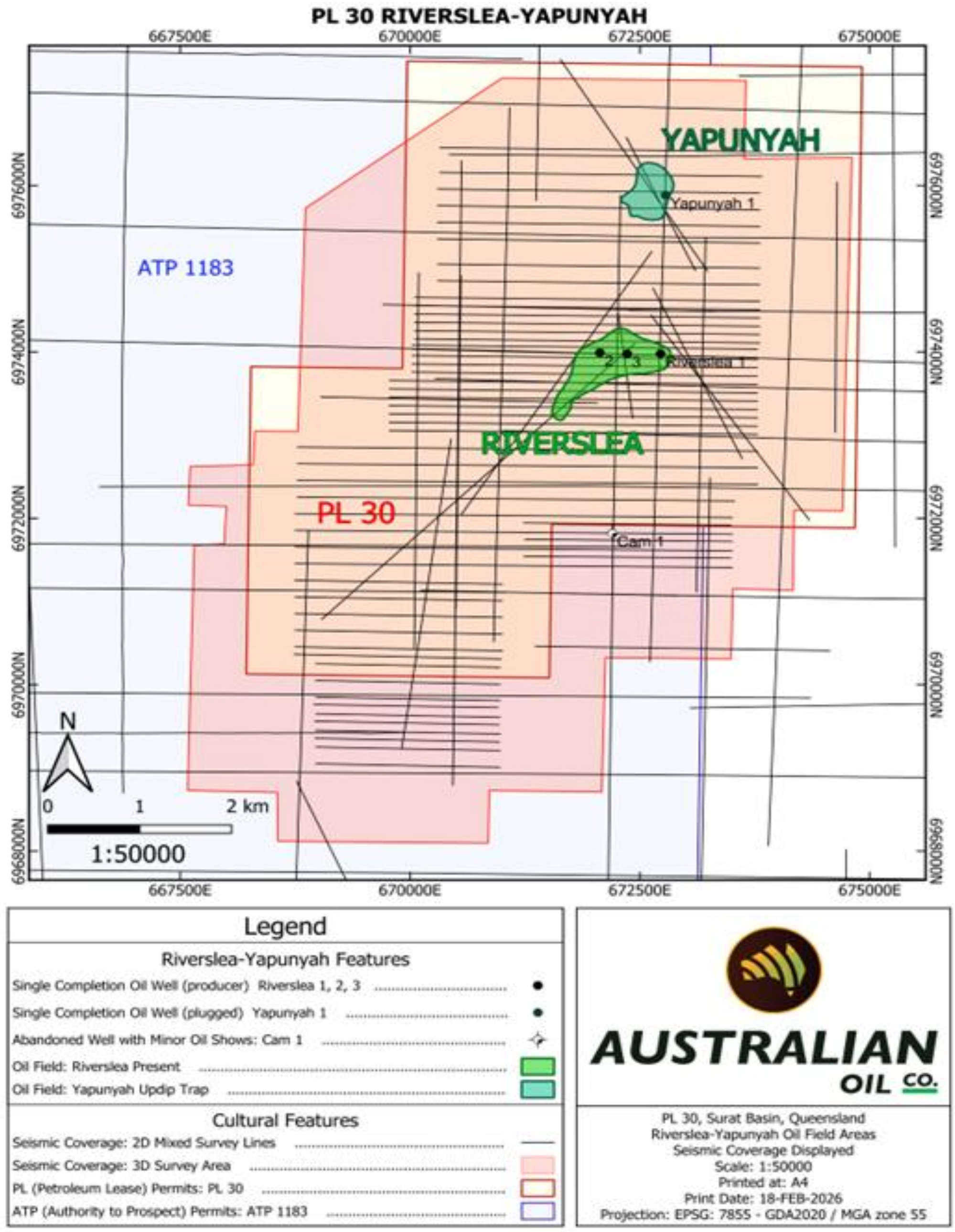

Figure 3: PL 30 – Riverslea and Yapunyah Oil Fields

PL 512 – Major Gas Field and PPL 22

Resource assessment and geological mapping for the Major Gas Field progressed during the reporting period and neared completion by period end, with preliminary mapping indicating a potentially material volume of undrained gas up-dip of the shut-in Major-4 well (Figure 4), which is being assessed for cyclical reinstatement to manage future water production. Management is engaging with the operator of the Silver Springs Gas Plant on commercial gas offtake arrangements, with site visits already completed as part of work required to reinstate Major-4 into production including, metering skids and ancillary equipment requirements at the point where PPL 22 connects into the Boxley line. Target first production from Major-4 is in the second half of calendar 2026.

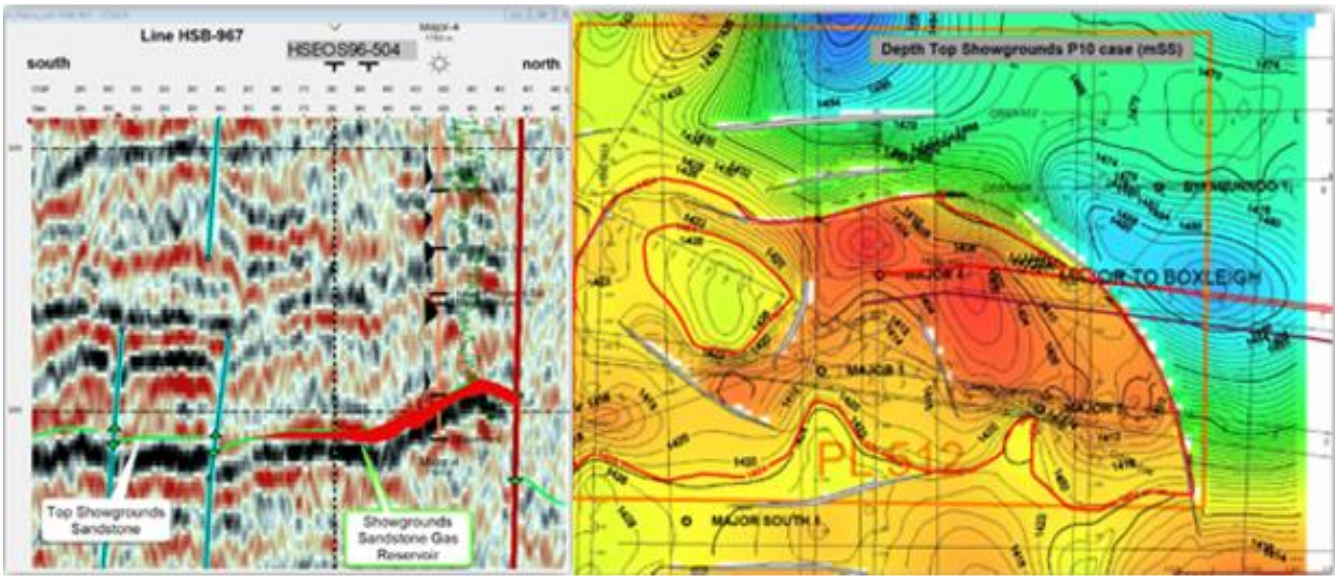

Figure 4: Seismic line HSB-967 (left) and the upside (P10) map (right) of the Showgrounds Formation, Major Gas Field

Exploration

Across the Surat Basin permits, preliminary geochemical and seismic review identified iodine anomalies coincident with seismic amplitude features at the Boxvale sandstone level, including around the undrilled Annabelle high and its flanks. 3D seismic data for PL 30 was loaded and interpretation commenced during the period, maturing prospects for drilling and identifying additional potential up-dip of Annabelle-1. A full prospect and lead inventory, incorporating established Jurassic sand play types and new targets in the granite wash, is being matured across PL 264 and PL 30, with resource volumetric analysis underway across Emu Apple, Riverslea and Yapunyah.

The Company has also submitted bids for two new exploration blocks in Queensland's latest oil and gas licensing round.

Onshore California (Majority Operated)

AOK's established Sacramento Basin gas portfolio continued to underpin the Company's cash generation through the half. The Dempsey Area Project (Rancho Capay, Big Jake, Rio Grande, Stoney Creek and Dempsey 1-15) continued on a cyclical production regime, alternating flow and shut-in periods to manage produced water and extend well life; the Stoney Creek gas hub maintained uninterrupted, low-cost production throughout the period.

At Rio Vista, the Reclamation Board 7 and 8 wells remained shut in across both quarters pending PG&E pipeline maintenance, with a restart targeted prior to the end of the reporting period. At Malton, the Company continued discussions with California Resources Corporation on reconnecting the VBC-1, -2 and -3 wells to existing gathering and compression infrastructure. The Los Medanos and Dutch Slough gas fields remained shut in through the half, with royalties paid to preserve tenure. During the June 2026 quarter, management reviewed 30-year Citygate gas price data and implemented cost reduction and efficiency measures across the Californian portfolio to protect margins.

AUSTRALIAN OIL COMPANY TENEMENT TABLE (30 June 2026)

Australian Oil Company is the Operator of all its WI wells and related tenements in California through PEOCO LLC and of its Surat Basin assets through Canning Australia Pty Ltd.

PROJECT NAMES	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	WORKING INTEREST (WI)*
PL 264⁺	Emu Apple Oil Field	Production and Exploration Asset in Surat Basin, Queensland	100%
PL 30⁺	Riverslea and Yapunyah Oil Fields	Production and Exploration Asset in Surat Basin, Queensland	100%
PL 512 and PPL 22⁺	Major Gas Field and Associated Pipeline	Production and Exploration Asset in Surat Basin, Queensland	100%
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 is being assessed to determine tenure.	70-90%
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%

⁺ Transfer of interests yet to occur with Queensland Regulator

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

LEASES

US exploration is conducted on leases granted by Mineral Right owners, including the respective Governments and 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 generally are for 5 years, and rentals are paid annually. There are no firm work commitments associated with the leases. Some leases are 'Held By Production' (HBP) and royalties are paid to mineral right owners in lieu of rentals. AOK has not listed all its leases as it is impractical and not meaningful for potential project value assessment in a conventional natural gas play. A detailed listing of leases may also lead to a loss of competitive advantage and consequent reduced value to AOK shareholders.

COMPETENT PERSONS' 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), Southeast Asian 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 vagaries of operational matters and equipment availability which are outside the control of Australian Oil Company and its suppliers. Facilities depicted in images on the Australian Oil Company website are not necessarily assets of Australian Oil Company. Some of the images used represent aspects of the oil and gas industry in which Australian Oil Company is involved or images of equipment owned by companies providing services to Australian Oil Company.

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

Australian Oil Company Limited is listed on the Australian Securities Exchange (**ASX: AOK**), classified as an international oil and gas explorer.

AUSTRALIAN OIL COMPANY CAPITAL STRUCTURE

At the date of this report, the capital structure of the Group is as follows:

ISSUED CAPITAL – 11 September 2026	
Ordinary Shares (ASX: AOK)	2,327,610,801
Unlisted Options exercisable between 2.5 cents and 4.5 cents by 30 April 2029	30,000,000
Unlisted Options exercisable at 0.4 cents by 22 December 2027	296,439,770
Unlisted Options exercisable at 0.6 cents by 30 June 2028	486,724,095
Performance Rights	207,550,000

Refer note 12 to the accounts for a breakdown of shares and options issued after the end of the reporting period

ANNUAL GENERAL MEETING

On 31 March 2026, the Company provided its 2025 Annual Report to Shareholders. The Annual General Meeting was held on 22 May 2026 and all Resolutions presented were passed by a poll.

REVIEW OF RESULTS AND FINANCIAL POSITION

The net loss after income tax from continuing operations for the half-year was $1,254,749 (30 June 2025: $1,235,457).

At the end of the reporting period the Group had cash on hand of $624,215 (31 December 2025: $803,685).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as reported above in the Review of Operations, there were no significant changes in the state of affairs of the Group during the reporting period.

MATTERS SUBSEQUENT TO THE BALANCE DATE

Other than as disclosed in note 12 to the financial statements, there have been no other matters or circumstances that have arisen since the end of the financial period 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.

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 10.

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

J.L. KANE MARSHALL
Managing Director

11 September 2026
Perth, WA

About Australian Oil Company Limited (ASX: AOK)

Australian Oil Company Limited (AOK) is an ASX-listed energy company focused on conventional oil and gas opportunities near under-supplied markets. Our core operational focus is the Surat Basin in Queensland, where we hold a portfolio of producing, development and exploration assets across multiple petroleum licences.

The Emu Apple Oil Field is currently producing under a crude oil and condensate lifting agreement with IOR Energy, with the maiden lifting completed in March 2026. Alongside that, AOK is progressing reactivation studies at the Riverslea and Yapunyah oil fields, maturing exploration prospects across PL 30, and evaluating new ventures both in Australia and internationally.

www.australianoilco.com.au

(X): @AustralianOilCo

LinkedIn: Australian Oil Company Limited

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Australian Oil Company Limited for the half year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 11th day of September 2026
Perth, Western Australia

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the half-year ended 30 June 2026

	Note	30 June 2026 $	30 June 2025 $
Production income	3	132,095	108,660
Other income	4	-	1,308,999
Finance income		10,417	9,055
Expenses			
Other operating expenses	5	(437,510)	(1,949,895)
Exploration expenditure		-	(24,225)
Personnel expenses		(170,749)	(240,092)
General and administrative expenses		(313,701)	(86,660)
Professional fees		(299,934)	(243,238)
Depreciation and amortisation – other assets		-	-
Other expenses		(96,722)	(20,809)
Finance expenses		(70,144)	(51,141)
Foreign exchange (losses) / gains		2,524	6,995
Impairment gain / (loss) on trade receivables		-	(53,106)
Loss before income tax		(1,243,724)	(1,235,457)
Income tax expense		(11,025)	-
Loss for the period from continuing operations		**(1,254,749)**	**(1,235,457)**
Gain on disposal of subsidiaries		-	-
Loss for the period from discontinued operations		-	(62,886)
Loss from discontinued operations before tax		-	(62,886)
Income tax expense on discontinued operations		-	457
Loss from discontinued operations		**-**	**(62,429)**
Loss for the period		**(1,254,749)**	**(1,297,886)**

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

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the half-year ended 30 June 2026

	30 June 2026 $	30 June 2025 $
(Loss) / profit for the period	**(1,254,749)**	(1,297,886)
Other comprehensive income		
Foreign currency translation difference of continuing foreign operations	44,128	48,570
Foreign currency translation difference of discontinued foreign operations	-	(8,869)
Total comprehensive loss for the period	**(1,210,621)**	**(1,258,185)**
Profit / (loss) for the period is attributable to:		
Continuing operations	(1,254,749)	(1,235,457)
Discontinued operations	-	(62,429)
	(1,254,749)	**(1,297,886)**
Comprehensive income / (loss) for the period is attributable to:		
Continuing operations	(1,210,621)	(1,186,887)
Discontinued operations	-	(71,298)
	(1,210,621)	**(1,258,185)**
Earnings / (loss) per share (cents per share)		
Basic and diluted – continuing operations	(0.07)	(0.12)
Basic and diluted – discontinued operations	-	(0.01)
	(0.07)	**(0.13)**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of 30 June 2026

	Note	30 June 2026 $	31 December 2025 $
Assets			
Cash and cash equivalents		624,215	803,685
Trade and other receivables	6	116,696	19,065
Prepayments		142,172	41,280
Current tax asset		-	9,423
Other current assets		4,352	4,490
Total current assets		**887,435**	**877,943**
Trade and other receivables	6	5,795	5,572
Other financial assets	6	842,765	851,976
Exploration asset	7	757,564	373,934
Total non-current assets		**1,606,124**	**1,231,482**
Total assets		**2,493,559**	**2,109,425**
Liabilities			
Trade and other payables	8	(711,016)	(427,973)
Borrowings	9	(32,393)	-
Employee entitlements		(29,723)	(27,296)
Site restoration provision	10	(298,633)	(94,493)
Total current liabilities		**(1,071,765)**	**(549,762)**
Site restoration provision	10	(3,106,896)	(3,012,295)
Total non-current liabilities		(3,106,896)	(3,012,295)
Total liabilities		**(4,178,661)**	**(3,562,057)**
Net (liabilities) / assets		**(1,685,102)**	**(1,452,632)**
Equity			
Issued capital	11	36,808,349	35,830,197
Reserves		601,856	579,353
Accumulated losses		(39,095,307)	(37,862,182)
Total equity attributable to equity holders of the Company		**(1,685,102)**	**(1,452,632)**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 30 June 2026

	Issued capital	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 period	-	-	-	-	(1,297,886)	(1,297,886)
Foreign exchange translation difference on continuing foreign operations	-	48,570	-	-	-	48,570
Foreign exchange translation difference on discontinued foreign operations	-	(8,869)	-	-	-	(8,869)
Total comprehensive income / (loss) for the period	-	**39,701**	**-**	**-**	**(1,297,886)**	**(1,258,185)**
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Transfer to accumulated losses on expiry of options	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-
Balance on 30 June 2025	34,942,074	420,017	130,955	-	(36,320,027)	(826,981)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the half-year ended 30 June 2026

	Issued capital	Translation reserve	Options reserve	Share-based payments reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance on 1 January 2026	35,830,197	418,532	160,821	-	(37,862,182)	(1,452,632)
Loss for the period	-	-	-	-	(1,254,749)	(1,254,749)
Foreign exchange translation difference on continuing foreign operations	-	44,128	-	-	-	44,128
Foreign exchange translation difference on discontinued foreign operations	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	**44,128**	**-**	**-**	**(1,254,749)**	**(1,210,621)**
Transactions with owners in their capacity as owners						
Contributions of equity, net of transaction costs	978,152	-	-	-	-	978,152
Transfer to accumulated losses on expiry of options	-	-	(21,625)	-	21,625	-
Share-based payments	-	-	-	-	-	-
Balance on 30 June 2026	36,808,349	462,660	139,196	-	(39,095,307)	(1,685,102)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 30 June 2026

	Note	30 June 2026 $	30 June 2025 $
Cash flows from operating activities			
Receipts from customers		124,627	278,876
Cash paid to suppliers and employees		(1,084,993)	(1,403,990)
Payments for exploration and evaluation		-	(26,225)
Interest paid		(1,116)	(51,141)
Interest received		10,194	27,224
Net cash used in operating activities		**(951,288)**	**(1,175,256)**
Cash flows from investing activities			
Payments for exploration and evaluation		(203,016)	-
Proceeds from disposal of Oil and Gas interest		-	1,211,092
Net cash generated from/ (used in) investing activities		**(203,016)**	**1,211,092**
Cash flows from financing activities			
Proceeds from issue of shares and options		1,077,869	-
Repayment/advances of borrowings		(13,262)	(25,319)
Payment of capital raising costs		(75,932)	-
Net cash generated from/ (used in) financing activities		**988,675**	**(25,319)**
Net increase/(decrease) in cash and cash equivalents		(165,629)	10,517
Cash and cash equivalents on 1 January		803,685	895,895
Effect of exchange rate fluctuations on cash held		(13,841)	(3,649)
Cash and cash equivalents on 30 June		**624,215**	**902,763**

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
For the half-year ended 30 June 2026

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 half-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 office and principal place of business are:

Registered office and principal place of business
Suite 1
295 Rokeby Road
Subiaco WA 6008

The principal activities of the Group were oil and gas exploration with associated natural gas flows as a by-product in California and the operation of producing oil and gas assets in Surat Basin, Queensland, Australia.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 September 2026. The directors have the power to amend and reissue the financial statements.

1. MATERIAL ACCOUNTING POLICIES

The principal 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.

1.1 Basis of preparation

These general-purpose financial statements for the interim half-year reporting period ended 30 June 2026 have been prepared in accordance with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2025 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

1.2 Accounting policies

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 reporting period. 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 period ended 30 June 2026. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

1.3 Segment information

For management purposes, the Group is organised into three operating segments, being Californian & Australian focused oil and natural gas exploration and appraisal, and corporate activities. All the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as three segments. Accordingly, all significant operating decisions are based upon analysis of the Group as three segments. The financial results from the segments are equivalent to the financial statements of the Group as a whole. The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the financial statements.

1.4 Foreign currency translation

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

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.

1.5 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 period ended 30 June 2026, the Group recorded a loss of $1,254,749 (June 2025: $1,235,457) and had net cash outflows of $165,629 (June 2025: $10,517 inflows). As of 30 June 2026, the Group had net liabilities of $1,685,102 (December 2025: $1,452,632), a working capital deficit of $184,330 (December 2025: $328,181 surplus) and total cash on hand of $624,215 (June 2025: $902,763).

On 6 August 2026 the company raised $1,104,420 before costs through a placement via an issue 380,834,367 shares at $0.0029 per share.

1.5 Going concern (*continued*)

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

- The ability to raise capital from existing shareholders or a placement to sophisticated investors;
- Via a successful sale or farmout of rights to exploration assets held by the Group.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash after raising further capital to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

Should the Company be unable to raise funds, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

1.6 Production income

Revenue associated with the sale of natural gas & oil, 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.

1.7 Other income

Other income is recognised when the amount can be reliably measured and the Group's right to receive the income has been established. Other income includes management charges levied on joint venture partners and the owner's share of lease operating expenses (COPAS) related to joint operations. Management charges cover administrative, management, and operational services provided by the Company, while COPAS represents the owner's allocated share of the costs incurred in operating the lease.

2 OPERATING SEGMENTS

The Group is organised into three operating segments based on the operations each performs, being:

- oil and gas exploration within USA
- oil and gas exploration within Australia
- corporate

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the CODM) in assessing performance and determining the allocation of resources. There is no aggregation of operation segments.

There has been a change to the basis of segmentation since 31 December 2025, being to segregate operations by location and type. In the prior period, the company only had exploration within the USA and Corporate costs as continuing operations. This period includes Australian operations.

2 OPERATING SEGMENTS (*continued*)

	Exploration USA	Exploration AUS	Corporate	Total
30 June 2026				
Key P&L Information				
Revenue	24,846	107,249	-	132,095
Other income	-	-	-	-
Profit / (loss) after tax	(505,379)	84,063	(833,433)	**(1,254,749)**
Segment balance sheet information				
Current assets	95,112	95,804	696,519	**887,435**
Non-current assets	290,125	1,310,204	5,795	**1,606,124**
Total assets	**385,237**	**1,406,008**	**702,314**	**2,493,559**
Current liabilities	(617,980)	(89,202)	(364,583)	**(1,071,765)**
Non-current liabilities	(1,938,060)	(1,168,836)	-	**(3,106,896)**
Total liabilities	**(2,556,040)**	**(1,258,038)**	**(364,583)**	**(4,178,661)**

	Exploration USA	Corporate	Total
30 June 2025			
Key P&L Information			
Revenue	108,660	-	**108,660**
Other income	124,397	1,184,602	**1,308,999**
Profit / (loss) after tax	(1,891,865)	656,408	**(1,235,457)**
Exploration expenditure	(24,225)	-	**(24,225)**
Other operating expenses	(1,949,895)	-	**(1,949,895)**
Professional fees	(78,805)	(164,433)	**(243,238)**
Segment balance sheet information			
Current assets	152,093	1,005,398	**1,157,491**
Non-current assets	305,316	5,572	**310,888**
Total assets	**457,409**	**1,010,970**	**1,468,379**
Current liabilities	(304,884)	(276,240)	**(581,124)**
Non-current liabilities	(1,714,237)	-	**(1,714,237)**
Total liabilities	**(2,019,121)**	**(276,240)**	**(2,295,361)**

3 PRODUCTION INCOME

Revenue for the half-year ended 30 June 2026, relates to contracts executed for the sale of natural gas and oil. All performance obligations have been met within the period. There is no variable consideration requiring estimation for the period ended 30 June 2026.

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

The Group's revenue from continuing operations is currently derived from its Californian and Australian operations and is disaggregated as such in the Group's segment note disclosure in note 2. The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	30 June 2026 $	30 June 2025 $
Goods transferred at a point in time		
Natural gas	24,846	108,660
Oil Income[1]	107,249	-
	132,095	**108,660**

[1] As announced to the market on 12 June 2026, second lifting of 422 barrels from Emu Apple Oil Field completed.

4 OTHER INCOME

	30 June 2026 $	30 June 2025 $
Other operating income – California[1]	-	124,397
Other income – debt forgiveness[2]	-	1,184,602
Total other income	**-**	**1,308,999**

[1] Each well owner is allocated a share of the lease operating expenses (COPAS) incurred in operating the leases.

[2] As announced to the market on 3 July 2025, this is the loan and accrued interest forgiven by the former director and his associated company (Dungay Resources Pty Ltd). The deed of settlement was entered into on 30 June 2025.

5 OTHER OPERATING EXPENSES

	30 June 2026 $	30 June 2025 $
Californian gas operational costs	218,573	390,949
Rehabilitation expense	218,937	1,558,946
Other operating expenses	**437,510**	**1,949,895**

6 TRADE AND OTHER RECEIVABLES AND OTHER FINANCIAL ASSETS

	Note	30 June 2026 $	31 December 2025 $
Current – Receivable			
Trade debtors		58,700	-
Authorised government agencies		-	19,065
GST receivable		57,996	-
		116,696	19,065
Non-current Receivable			
Other receivables		5,795	5,572
		5,795	5,572
Other financial assets			
Security Deposits[1]		552,640	552,640
CalGem Bond		290,125	299,336
		842,765	851,976

Security Deposits[1]
On 26 March 2026, the AOK Group formally recognises the existing Financial Assurance and Financial Resilience Certificates and transferred the Fair value of overriding royalty payment obligation to ADZ Energy (Queensland) Pty Ltd to its Australian operations.

This represents a fair value of the financial assurance amount of $552,640; the breakdown is as follows;
- Petroleum Lease PL 30 - $262,763
- Petroleum Lease PL 264 - $225,328
- Petroleum Lease PL 512 - $14,052
- Petroleum Pipeline Licence PPL 22 - $50,497

As at 30 June 2026 these financial assurances continue to be held with ADZ Energy (Queensland) Pty Ltd.

7 EXPLORATION ASSET

	30 June 2026 $	31 December 2025 $
Opening	**373,934**	**-**
Acquired on acquisition of the Surat Basin assets	-	373,934
Additions	163,696	-
Site rehabilitation	219,934	-
Impairments	-	-
	757,564	**373,934**

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. Conditions were met by 31 December 2025, with formal completion taking place subsequently. As at the date of this report the licenses are being renewed are still in the process of being transferred with the relevant regulatory body.

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

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

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.

8 TRADE AND OTHER PAYABLES

	30 June 2026 $	31 December 2025 $
Current		
Trade payables	318,789	136,924
Other payables – oil and gas exploration assets	199,336	214,236
Accrued expenses	167,524	60,800
Deferred income	15,579	-
Current tax liabilities	-	16,013
GST Payable	9,788	-
	711,016	**427,973**

9 BORROWINGS

	30 June 2026 $	31 December 2025 $
Current		
Premium funding facility	32,393	-
	32,393	**-**

10 SITE RESTORATION PROVISION

Site restoration provisions have been disaggregated based upon geography due to differing jurisdictional requirements as per the table below:

California, USA (Sacramento Basin)

The Company performed a technical review of its Californian operations following the divestment of the Company's Filipino and Canadian focused 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 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.

	30 June 2026 $	31 December 2025 $
Current		
California	298,633	94,493
Non-current		
California	1,938,060	2,085,721
Australia	1,168,836	926,574
Total – non-current	3,106,896	3,012,295
Total Site Restoration Provision	**3,405,529**	**3,106,788**

Reconciliation of movements in site restoration provision:

	California $	Australia $	Total $
Balance on 1 January 2026	**2,180,214**	**926,574**	**3,106,788**
Accretion expense	47,536	22,326	69,862
Change in site restoration estimates	103,040	219,936	322,976
Effects of foreign exchange	(94,097)	-	(94,097)
Balance on 30 June 2026	**2,236,693**	**1,168,836**	**3,405,529**

11 ISSUED CAPITAL

Issued Capital

	Ordinary shares			
	Number of shares		Amount in $	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Opening balance	**1,574,162,537**	**1,001,782,997**	**35,830,197**	**34,942,074**
Issue of shares for cash	372,613,897	497,879,540	1,080,583	800,000
Issue of shares in lieu of directors' fees	-	-	-	-
Shares issued on settlement of director's debt, valued on the date of issue	-	36,000,000	-	108,000
Issue of shares in satisfaction of service provider fees	-	38,500,000	-	77,000
Capital raising costs	-	-	(102,431)	(96,877)
Closing balance	**1,946,776,434**	**1,574,162,537**	**36,808,349**	**35,830,197**

12 MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

On 24 July 2026, HLB Mann Judd resigned as auditor and Hall Chadwick WA Audit Pty Ltd was appointed as the Company's auditor, effective from that date.

On 6 August 2026 the company raised $1,104,420 before costs through a placement via an issue 380,834,367 shares at $0.0029 a share.

On 14 August 2026, the Company issued 207,550,000 unquoted performance rights following shareholder approval obtained at the Company's general meeting held on 24 July 2026. The Company also issued 486,724,095 unlisted options from the placement and share purchase plan with an exercise price of $0.006, with an expiry of 30-Jun-2028.

Other than the matters disclosed above, no other matters or circumstances have arisen since the half 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.

DIRECTORS' DECLARATION
For the half-year ended 30 June 2026

In accordance with a resolution of the Directors of Australian Oil Company Limited, we state that:

In the directors' opinion:

1. The consolidated financial statements and notes are in accordance with the *Corporations Act 2001* including:

    a. Giving a true and fair view of the Group's financial position as of 30 June 2026 and of its performance for the six months ended on that date; and

    b. Complying with Australian Accounting Standards, AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and mandatory professional reporting requirements; and

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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 half-year ended 30 June 2026.

On behalf of the Board

J.L. KANE MARSHALL

Managing Director

11 September 2026
Perth, Western Australia

HALL CHADWICK

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUSTRALIAN OIL COMPANY LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Australian Oil Company Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2026, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies, selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Consolidated Entity does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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* that are relevant to our review of the half-year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.5 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $1,254,749 during the half year ended 30 June 2026. As stated in Note 1.5, these events or conditions, along with other matters as set forth in Note 1.5, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 11th day of September 2026
Perth, Western Australia

CORPORATE DIRECTORY

Directors

Mr William Ashby
Mr J.L. Kane Marshall
Mr Piers Lewis

Secretaries

Mr Kian Tan and Mr Rowan Harland

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