



ASX Announcement

June 2025 Quarterly Activities Report

Highlights

- Rec Board-8 and Rec Board-7 were brought online with max rates of 275 mscf/d on free flow (no compression). Sustained rates achieved during the quarter of approx. 200 mscf/d.
- A strategic review of the Borba and Dempsey lease areas confirmed they have immaterial commercial value. Focus will now shift to other leases in the Sacramento Basin and new venture opportunities.
- Other lease area opportunities include step-out potential at Rec Board, deeper opportunities within VBC and Stoney Creek wells and near field exploration. New lease positions are being identified via acquisition of new data.
- Subsequent to quarter end, a Settlement Agreement was executed with former Director for forgiveness of \$1m loan and accrued interest. Settlement payment comprised \$28,000 cash and issuance of 36m shares.
- Various new venture opportunities were assessed during the quarter both in domestic and international jurisdictions as deal flow improves coinciding with the Company now better positioned to diversify the portfolio with a recapitalized balance sheet
- Annual General Meeting held with all resolutions passed



Australian Oil Company Limited (ASX:AOK) (AOK or the Company) provides its Quarterly Activities Report for the quarter ending 30 June 2025.

ONSHORE CALIFORNIA (Majority Operated)

Operational Information

The Company's Reclamation Board (**Rec Board**) 7 and 8 wells have been brought back online, initially flowing gas at 220 mscf/d with maximum rates recorded in excess of 275 mscf/d. Sustained rates achieved during the quarter on free flow were approximately 200 mscf/d. The single large compressor previously utilized was found to be drawing the wells down excessively due to the new system constraints entering the CRC system, resulting in instability and slugging of gas flows. The wells are being produced in a stable manner through the CRC system and the Company is assessing installing smaller individual compressors on each of the Rec Board wells, which should increase gas flows further.

During the quarter, production increased due to the connection of the Rec Board wells despite the VBC wells being shut in due to the abandonment of third party infrastructure. Commercially, the Company is looking to reconnect the VBC wells from its own pipeline infrastructure into another Operator's gathering system utilising their compression and reducing the Company's previous operating costs. Gas flows during the quarter is summarised below:

California Gas Flows (mcf ¹)	June 2025 Quarter	March 2025 Quarter
Gross Gas Flows	32,830	22,799
AOK Gas Flows after Royalty	26,503	10,730
¹ mcf = Thousand Cubic feet gas		

Technical Review: Borba and Dempsey

A technical review of the Borba gas discovery was nearing completion at quarter end. The Borba 1-7 exploration well (**Borba**), that was cased, completed and flow tested in the Kione Formation (**Kione**) was confirmed to be uneconomic due to the size of the resource, quality of gas composition and distance to the nearest pipeline connection. The Board has formed the view that deeper potential hydrocarbon intervals were also damaged and compromised in respect of an appropriate assessment of reservoir quality.

The Company is continuing regional work to better understand the seismic amplitude events, the original target of this well, including whether these events indicate additional reservoir potential.

Subsequent to the quarter, the Company confirmed the last lease payment made for Borba was in 2021, which implies the Borba leases have expired. Given the current focus on leases and new venture opportunities with greater commercial potential, the Borba area is deemed immaterial for future exploration assessment. Work to conclude the review may support negotiations for new lease terms.

A review of the lease containing the Dempsey 1-15 well (**Dempsey**) was ongoing at quarter end. The Company can confirm that the well has been intermittently producing over the last few years due to some compromised completion and well integrity issues. The lease associated with Dempsey is held by production and the well is currently shut in pending assessing options to reinstate it back to flow.



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The well currently flows intermittently, with flow rates typically sustained for several days at a time before the onset of water production and subsequent requirement to shut-in. The Company is evaluating the potential re-deployment of the large compressor held at the Rec Board facility with the objective of achieving gas flows in excess of the current timeframes.

CORPORATE

Settlement Agreement

During the quarter, the Company executed a Settlement Agreement with former Director, Gary Jeffery, and his associated company, Dungay Resources Pty Ltd (**Dungay**). Commercial factors were taken into account by both parties, with respect to the financial stability of the Company moving forward in discussions regarding the terms of the settlement. Pursuant to the terms of the settlement:

- the Company agreed to pay Dungay \$28,000 in partial payment of accrued interest on the Dungay loans and to issue Dungay (or its nominee) 36,000,000 fully paid ordinary shares in the Company in satisfaction of outstanding creditor balances in respect of historical Directors' fees;
- Dungay has agreed to forgive the principal amount of the loans (\$1,000,000) and the balance of interest accrued as at the date of the deed, after deducting the payment of \$28,000 identified above. Interest totalling \$184,602.75 was forgiven; and
- the Company has agreed to release Mr Jeffery and Dungay from any and all claims arising out of the Review.

Annual General Meeting

The Company held its Annual General Meeting on 15 May 2025. Managing Director Kane Marshall provided an operational update and all resolutions were passed.



SEPTEMBER 2025 QUARTER OBJECTIVES

- Continue marketing the Company's strategy and project portfolio for current and future projects;
- Advance the strategic plan to reduce costs and improve cash flow on Californian production operations;
- Complete due diligence on domestic and international new venture opportunities;
- Progress connection of VBC wells to adjacent infrastructure to increase gas flows; and
- Restart production from another Stoney Creek well and the Dempsey well.

AOK TENEMENT TABLE (30 June 2025)

The following table outlines the Company's petroleum tenements as at 30 June 2025.

Working interests are approximate and may vary across specific wells within each project.

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 ("Dempsey");	HBP* leases. Dempsey 1-15 is currently shut in, with plans to bring the well back online in the near-term. A reconciliation of royalty payments versus revenues and costs are being assessed to determine if the Dempsey specific lease will be held or relinquished.	40-60%
Borba Project	Borba 1-7 exploration well	Not a commercial discovery and leases have expired.	66.67%
Los Medanos Project	Los Medanos Gas Field. The main wells are the Neely wells were shut in royalties are being paid.	Shut-in royalties are being paid to hold the leases until gas flows can be reinstated requiring commerciality assessments.	90%
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 in VBC wells to another Operator's meter. Company is also looking at opportunities that can be accessed by deepening VBC wells	45-70%
Dutch Slough Gas Project	Dutch Slough Gas Field. Scopes and Reedy wells are shut in with associated royalties being paid.	Shut-in royalties being paid due to lack of market and infrastructure.	70%



PROJECT NAMES	LEASES; RELATED GAS FIELD (HBP LEASES); OR KEY WELL	PROJECT TYPE	WORKING INTEREST (WI)*
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 \$nil.

LR 5.4.2: Production expenditure payments during the quarter totalled \$149k, a decrease from the prior quarter of \$247k.

LR 5.4.3:

- No petroleum tenements acquired or disposed of during the quarter. It is noted that the Borba leases were confirmed as expired during the quarter and had no materiality. Disclosure was made subsequent to the end of the quarter;
- Petroleum tenements held at quarter end identified 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 during the quarter totalled \$61k and were in respect of Directors' salaries and superannuation.

- ENDS -

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



AUSTRALIAN OIL CO.

Australian Oil Company Limited

ACN: 114 061 433
ASX Code: AOK

Contacts

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

Stewart Walters (Investor Relations)
stewart@marketopen.com.au
+61 414 644 166

Shares on Issue

1,037,782,997

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 June 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	84	216
1.2	Payments for		
	(a) exploration & evaluation	-	(24)
	(b) development	-	-
	(c) production	(149)	(396)
	(d) staff costs	(152)	(246)
	(e) administration and corporate costs	(261)	(688)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	13
1.5	Interest and other costs of finance paid	(1)	(51)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (JV Receipts)	-	-
1.9	Net cash from / (used in) operating activities	(472)	(1,176)

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 (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	-	1,215
	(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	-	1,215

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(18)	(26)
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	(18)	(26)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,401	896
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(472)	(1,176)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	1,215

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(18)	(26)
4.5	Effect of movement in exchange rates on cash held	(8)	(6)
4.6	Cash and cash equivalents at end of period	903	903

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	903	1,401
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)	903	1,401

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	61
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.</i>		
<i>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)	(472)
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)	(472)
8.4 Cash and cash equivalents at quarter end (item 4.6)	903
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	903
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.91
<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 noted in the June quarter included a large proportion of accrued costs that were paid to directors and consultants following conclusion of the Omnibus Settlement Agreement with Blue Sky. Costs from the Company's Californian operations also included additional fees for the connection of the Reclamation Board wells. The entity anticipates the outflow from operations to decrease in the September 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, the Company continues to actively optimise gas flow rates in an effort to increase receipts and improve the profitability of the Californian segment. In addition, the Company is in active communication with operators in the Californian area for potential value accretive operations to increase cash inflows. The Company also retains the capacity to raise funds from investors.

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 July 2025

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.