AUSTRALIAN OIL CO.

29 JULY 2026

ASX Announcement

GAS PRICE IMPROVEMENT AND REINSTATEMENT OF REC BOARD WELLS TO IMPROVE OPERATIONS

Key Highlights:

- Gas prices at CityGate have risen above US$3 per MMBTU, resulting in breakeven or positive cash flow for operations
- Maintenance on the Rio Vista pipeline infrastructure is complete; Rec Board-7 and Rec Board-8 wells have now been restored back into production
- Expected production increases and market pricing materially enhances the cash flow outlook for Californian operations
- The Company is actively assessing commercial arrangements for the reinstatement of VBC wells via pipeline infrastructure alongside CRC wells

Detailed Announcement:

Australian Oil Company Limited (ASX: AOK) is pleased to advise shareholders that, as at the start of this month, gas prices at CityGate have exceeded US$3 per MMBTU, resulting in the achievement of break-even and, in select periods, positive cash flow from its operations in California. This marks a significant milestone as market dynamics continue to improve, driven by upward pressure on local gas prices and increasing demand.

The Company has received notification from California Resources Corporation (CRC) that scheduled maintenance works on the Rio Vista pipeline infrastructure are now complete. Consequently, AOK's Rec Board-7 and Rec Board-8 wells have now been restored back into production with the market to be informed of gas rates and stabilised rates shortly. The completion of these critical infrastructure works positions the Company to benefit from both increased volumes and favourable pricing going forward.

These dual developments, the increase in gas prices and increased plant availability are expected to materially strengthen Australian Oil Company's cash flow position across its Californian assets. With enhanced cash flow and restored production, AOK is proactively progressing discussions and technical reviews aimed at reinstating its VBC wells. The intention is to connect these additional resources back into the AOK-owned pipeline infrastructure in conjunction with the ongoing operations of CRC wells, further leveraging existing operational synergies.

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Managing Director Kane Marshall said:

> The return to positive cash flow marks a significant turnaround for our Californian operations. Higher gas prices, combined with restored production from Rec Board-7 and Rec Board-8, provide a solid platform for further development. Our focus remains on capitalising on these market conditions by optimising production and infrastructure, both through our existing assets and future prospects with the VBC wells.

– ENDS –

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

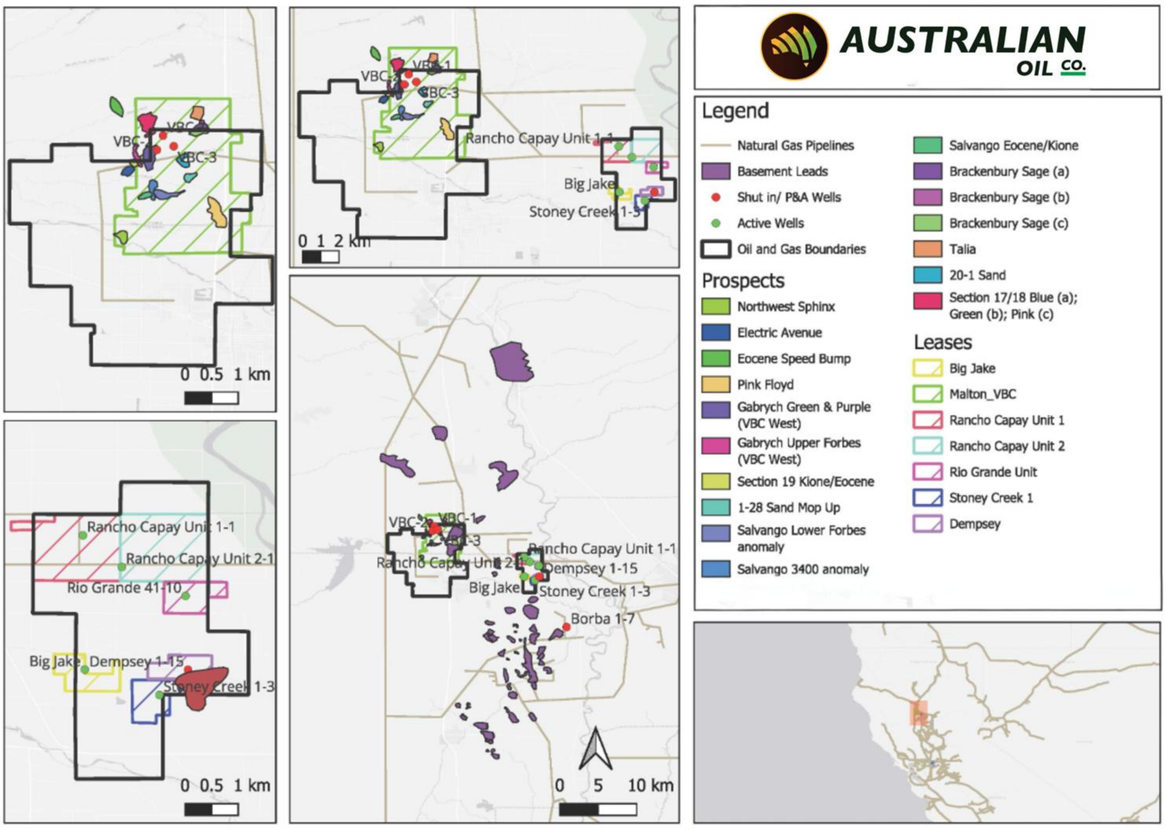

***Figure 1**: Northern Californian lease position with VBC wells top left*

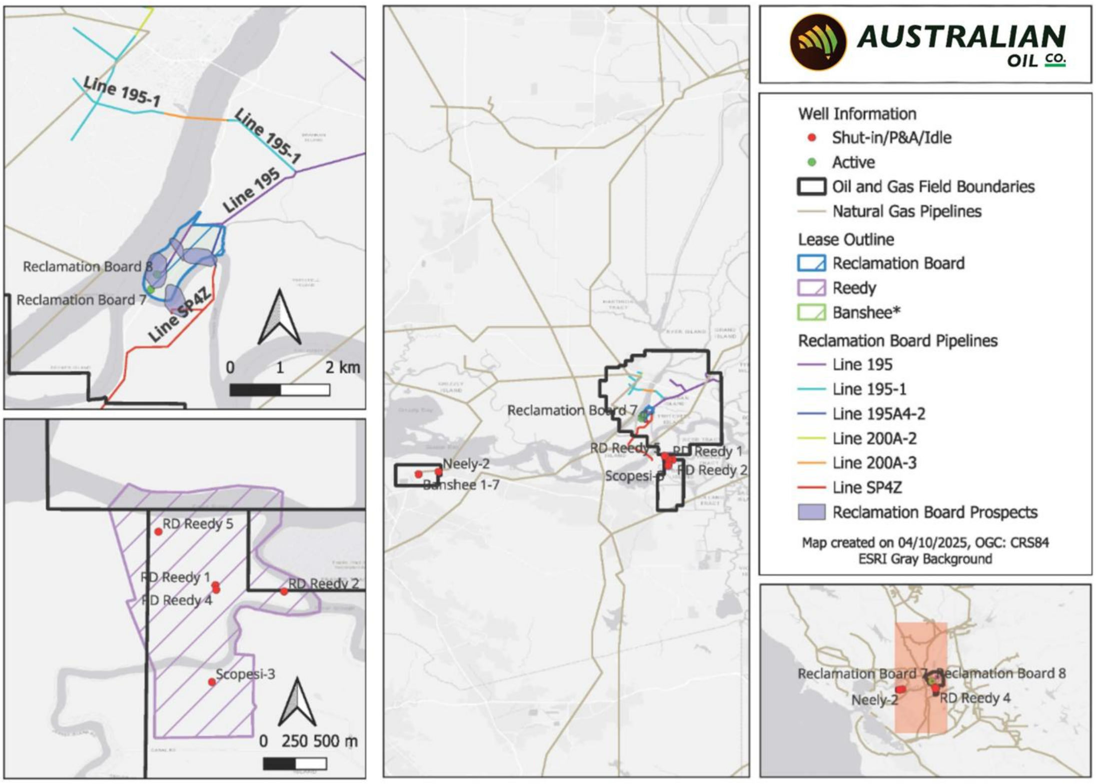

Figure 2: *Southern Californian lease position with VBC wells top left*

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 and other opportunities. Australian Oil also has a portfolio of natural gas and oil producing wells, in California.

Australian Oil is currently evaluating the acquisition of additional 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

1,946,776,434

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

Forward-looking Statement

This announcement may contain forward-looking statements regarding future events or performance, including but not limited to projections of financial results, anticipated growth, and business strategies. These forward-looking statements are based on current expectations, assumptions, and projections that involve inherent risks and uncertainties. Actual results may differ materially from those anticipated due to various factors, including market conditions, regulatory changes, technological advancements, and economic conditions.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable securities laws.

Investors should carefully consider the risks and uncertainties disclosed in the Company's periodic reports filed with the Australian Securities Exchange (ASX) and other regulatory authorities. Forward-looking statements are provided as of the date of this announcement, and the Company disclaims any obligation to update them, except as required by law.