AUSTRALIAN OIL COMPANY LIMITED
ACN 114 061 433

PROSPECTUS

For offer of up to 556,551,725 Options to the Eligible Applicants on the basis of the allocations set out in Section 2.1.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

STEINEPREIS PAGANIN

IMPORTANT NOTICE

This Prospectus is dated 7 August 2026 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the Securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

The Offer does not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. In particular this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted in Section 2.8.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.australianoilco.com.au).

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.australianoilco.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6555 2950 during office hours or by emailing the Company at companysecretary@australianoilco.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

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Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on:
+61 8 6555 2950

CORPORATE DIRECTORY

Directors

Mr Kane Marshall
Managing Director

Mr William Ashby
Non-Executive Director

Mr Piers Lewis
Non-Executive Director

Joint Company Secretaries

Mr Kian Tan

Mr Rowan Harland

Registered Office

Suite 1, 295 Rokeby Road
Subiaco WA 6008

Telephone: +61 8 6555 2950

Email:
companysecretary@australianoilco.com.au
Website: www.australianoilco.com.au

Auditor*

Hall Chadwick Pty Ltd

283 Rokeby Rd
Subiaco WA 6008

Share Registry*

Automic Group

Level 5, 191 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

Legal Advisers

Steinepreis Paganin
Level 14, QV1
250 St Georges Terrace
Perth WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

ACTION	DATE
Lodgement of this Prospectus with ASIC and ASX	7 August 2026
Opening Date of the Offer	7 August 2026
Closing Date of the Offer	5:00PM, 13 August 2026
Issue of Options under the Offer	14 August 2026

* The above dates are indicative only and subject to change. The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. The Company also reserves the right not to proceed with the Offer at any time.

1.2 Shareholder Approvals

At a general meeting of Shareholders held on 24 July 2026 (**General Meeting**), the Company received Shareholder approval to issue, amongst other securities, the following Options, all of which are offered under this Prospectus:

(a) up to 344,827,586 Options to participants in the Placement (other than the Directors), being one Option for every two Shares subscribed for and issued under the Placement;

(b) up to 86,206,897 Options to eligible shareholders who subscribed for Shares under the SPP (other than the Directors);

(c) an aggregate of up to 15,517,242 Options to the Directors, Mr Kane Marshall (up to 8,620,690) and Mr William Ashby (up to 6,896,552), or their respective nominees, being free-attaching Options in respect of Shares subscribed for and issued to them under the Placement and the SPP; and

(d) up to 110,000,000 Options to Sanlam Private Wealth Pty Ltd (ACN 136 960 775) (or its nominee(s)), who acted as lead manager to the Placement.

Further details in respect of the above proposed issues of Options are set out in the notice of meeting for the General Meeting released on the Company's ASX market announcements platform on 26 June 2026 (**Notice of Meeting**).

The Options referred to above are being offered pursuant to this Prospectus. Further details in respect of the Offer are set out in Section 2.

2. DETAILS OF THE OFFER

2.1 The Offer

This Prospectus includes an offer of up to 556,551,725 Options each exercisable at $0.006 on or before 30 June 2028, on the terms and conditions set out in Section 4.2.

As set out in Section 1.2, the Options will be offered for nil consideration under the Offer, comprise of:

(a) up to 344,827,586 Options to participants in the Placement (other than the Directors) (**Placement Participants**);

(b) up to 86,206,897 Options to eligible shareholders who subscribed for Shares under the SPP (other than the Directors) (**SPP Participants**);

(c) up to an aggregate of 15,517,242 Options to Mr Kane Marshall (up to 8,620,690) and Mr William Ashby (up to 6,896,552), or their respective nominees; and

(d) up to 110,000,000 Options to Sanlam Private Wealth Pty Ltd (or its nominee(s)) (**Lead Manager**),

The recipients of Options under the Offer are together referred to as the **Eligible Applicants**.

No funds will be raised from the issue of the Options, as the Options are being issued for nil consideration. The Options will only be issued to the Eligible Applicants (or their respective nominees). Application for Options may only be made on the personalised Application Form accompanying this Prospectus.

The Options offered under the Offer will be issued on the terms and conditions set out in Section 4.2.

Any Shares issued upon the future exercise of Options will rank equally with the Shares on issue at the date of their issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 4.1.

As set out in Section 1.2, Shareholder approval for the issue of the Options offered under the Offer was obtained at the General Meeting. Further information in respect of the details of the Options is set out in the Notice of Meeting.

2.2 Opening and Closing Date of the Offer

The Opening Date and Closing Date for the Offer are set out in the timetable at Section 1.1. The Directors reserve the right to vary the dates of the Offer, including to close the Offer early or to extend the dates, subject to the Corporations Act and the Listing Rules.

2.3 Minimum subscription

There is no minimum subscription to the Offer.

2.4 Not underwritten

The Offer is not underwritten.

2.5 Applications for Options

Only the Eligible Applicants (or their respective nominees) may accept the Offer. A personalised Application Form in respect of an Eligible Applicant's entitlement accompanies this Prospectus.

2.6 ASX quotation

The Options are unlisted. The Company will not apply for official quotation of the Options on ASX. The Company will apply to ASX for official quotation of the Shares issued upon exercise of the Options within the period required by the Listing Rules, subject to the Company being admitted to the official list of ASX at that time.

The fact that ASX may grant official quotation to the Shares issued on exercise of the Options is not to be taken in any way as an indication of the merits of the Company or the Securities offered under this Prospectus.

2.7 Issue of Securities

The issue of the Options under the Offer will take place as soon as practicable after the Closing Date as set out in the indicative timetable set out at Section 1.1.

Holding statements for the Options issued under the Offer will be despatched as soon as practicable after their issue.

2.8 Overseas shareholders

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. In particular, this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose and effect of the Offer

The primary purpose of the Offer is set out in Section 2.1.

The principal effect of the Offer, assuming all Options offered under this Prospectus are issued, will be to:

(a) increase the number of Options on issue by up to 556,551,725 Options (from 326,439,770 Options as at the date of this Prospectus to 882,991,495 Options);

(b) remove any trading restrictions attaching to Shares issued on exercise of the Options issued under this Prospectus; and

(c) to the extent the Options are exercised, increase the number of Shares on issue by up to 556,551,725 Shares and increase the Company's cash reserves by the aggregate Exercise Price received.

No funds will be raised directly under the Offer. However, if all the Options are exercised, the Company will receive approximately $3,339,310 in aggregate, by virtue of payment of the exercise price.

3.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company, is set out below.

Shares

	NUMBER
Shares currently on issue[1]	2,327,610,801
Shares offered under this Prospectus	Nil
Total Shares on issue on completion of the Offer	**2,327,610,801**

Notes:

1. Being the number of Shares on issue as at the date of this Prospectus. No Shares are offered or will be issued under this Prospectus.

Options

	Number
Unlisted Options currently on issue[1]	
AOKAD: Options exercisable at $0.025 on or before 30 April 2029	10,000,000
AOKAE: Options exercisable at $0.035 on or before 30 April 2029	10,000,000
AOKAF: Options exercisable at $0.045 on or before 30 April 2029	10,000,000
AOKAC: Options exercisable at $0.004 on or before 22 December 2027	296,439,770
Total Options on issue as at the date of this Prospectus	**326,439,770**
Options offered under this Prospectus	556,551,725
Total Options on issue on completion of the Offer	**882,991,495**

The Company's capital structure on a fully diluted basis as at the date of this Prospectus is 2,654,050,571 Shares and following completion of the Offer (assuming all Options offered under this Prospectus are issued and that no other Securities are issued) is 3,210,602,296 Shares.

3.3 Details of Substantial Holders

Based on Company records as at the date of this Prospectus, those persons who (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%
Berne No 132 Nominees Pty Ltd	133,432,164	6.85

There will be no change to the substantial holders on completion of the Offer.

3.4 Financial effect of the Offer

The Options to be issued pursuant to the Offer will be issued for no consideration. Accordingly, there will be no immediate effect on the Company's balance sheet. However, capital will be raised if the Options are exercised, which will affect the Company's balance sheet.

The Company is unable to specify with any certainty the extent of any change to the balance sheet, given that there is no certainty if or when the Options will be exercised.

The expenses of the Offer will be met from the Company's existing cash reserves. Accordingly, the Offer will have an effect on the Company's financial position, being the decrease in the Company's existing cash reserves.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the underlying Shares of the Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of Options

(a) **Unlisted**

The Options are unlisted.

(b) **Exercise Price**

The Options will be issued with an exercise price of $0.006 each (**Exercise Price**).

(c) **Expiry Date**

The Options are exercisable at any time on or before 30 June 2028 (**Expiry Date**).

(d) **Vesting**

The Options have no vesting conditions.

(e) **Transferability**

The Options are not transferable.

(f) **Entitlement**

Each Option exercised will entitle the holder to one Share in the capital of the Company.

(g) **Notice of Exercise**

Options may be exercised by the holder completing and forwarding to the Company a Notice of Exercise in a form approved by the Company and payment of the Exercise Price for each Option being exercised prior to the Expiry Date.

(h) **Voting rights**

The Options do not confer voting rights upon the holder. Voting rights are received upon conversion of the Options into Shares.

(i) **Ranking of Shares**

All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares.

(j) **Issue and quotation of Shares**

Shares issued pursuant to the exercise of the Options will be issued not more than 5 business days after the receipt of a properly executed Notice of Exercise and payment for the Exercise Price of each Option being exercised. The Company will apply for official quotation on ASX of Shares issued pursuant to the exercise of Options, subject to the Company being listed on the ASX at that time.

(k) **Participation in new issues**

The holder of Options cannot participate in new issues of securities to holders of Shares unless the Options have been exercised and the Shares have been issued and registered in respect of the Options before the record date for determining entitlements to the issue. The Company must give notice to the holder of the Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules. Options can only be exercised in accordance with these terms and conditions.

(l) **Bonus issue**

If the Company makes a bonus issue of Shares to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), then the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Options would have received if the Options had been exercised before the record date for the bonus issue. No change will be made to the Exercise Price.

(m) **Pro-rata issue**

If the Company makes a pro-rata issue of Shares to existing shareholders (except a bonus issue), the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New Exercise Price} = 0 - \frac{E\,[P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option

E = the number of underlying Shares into which one option is exercisable

P	=	volume weighted average market price (as defined by ASX Listing Rules) per share during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
S	=	the subscription price of a Share under the pro rata issue.
D	=	the dividend due but not yet paid on the existing underlying Shares (except those issued under the pro rata issue.
N	=	the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

(n) **Reorganisation of capital**

If at any time the capital of the Company is reorganised, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(o) **No other changes**

Except as set out above, and as required or allowable by the Listing Rules, the number of Shares issuable on exercise of Options and Exercise Price will not be changed.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

RISK CATEGORY	RISK
Going concern	The Company's annual financial report for the year ended 31 December 2025 was prepared on a going concern basis, and the auditor's report included a material uncertainty related to going concern. The Company's ability to continue as a going concern depends on, amongst other things, its ability to raise further capital and generate positive cash flows from operations.
Early stage / limited operating history	The Company is an early-stage oil and gas explorer and producer with limited operating history in its recently acquired Surat Basin assets. There is no guarantee that the Company's business strategy will be successful.
Exploration and development	Oil and gas exploration and development is speculative and subject to significant geological, technical and operational risk. There is no assurance that exploration or development of the Company's assets will result in commercially viable production.
Production	Production from the Emu Apple oilfield (currently approximately 15 bopd) and the potential recommencement of production from the suspended Riverslea and Major fields are subject to operational, reservoir and infrastructure risks, and actual production may differ materially from expectations.
Commodity prices	The Company's revenue and asset values are exposed to fluctuations in oil and gas prices, which are volatile and determined by factors beyond the Company's control.
Additional requirements for capital	The Company will require additional funding to implement its business plans. There is no assurance that such funding will be available on acceptable terms, or at all, and any equity funding may dilute Shareholders.

RISK CATEGORY	RISK
Dilution	On exercise of the Options offered under this Prospectus (and other convertible securities), and on any future capital raising, the percentage holding of existing Shareholders will be diluted.
Title and tenure	The Company's Surat Basin interests comprise petroleum leases PL 264, PL 30 and PL 512 and pipeline licence PPL 22. Maintaining these tenements is subject to compliance with statutory and regulatory conditions and to renewal, and there is a risk that tenements may not be renewed or may be subject to conditions adverse to the Company.
Operations, infrastructure and rehabilitation	The Assets include suspended and producing wells and associated infrastructure. The Company (through its subsidiaries) has assumed liabilities in respect of infrastructure, suspended and producing wells, and financial assurance and financial resilience obligations (with certificates valued at $552,640). Rehabilitation and decommissioning obligations may be significant.
Reliance on key personnel	The Company's success depends on the continued involvement of its Directors and key personnel. The loss of key personnel, or an inability to attract and retain suitably qualified personnel, may adversely affect the Company.

5.3 Industry and operational risks

RISK CATEGORY	RISK
Reserves and resources estimates	Any estimates of reserves and resources are expressions of judgement based on knowledge, experience and industry practice, and may require revision as further information becomes available.
Environmental and regulatory	The Company's operations are subject to extensive environmental and petroleum regulation in the jurisdictions in which it operates. Changes in law, delays in obtaining or renewing approvals, or breaches of conditions may adversely affect the Company.
Native title and land access	Access to, and operations on, the Company's tenements may be affected by native title, cultural heritage and landholder access requirements, which may cause delay or additional cost.
Counterparty and contractual	The Company relies on agreements with third parties, including the vendors ADZ Energy (Queensland) Pty Ltd and OGT Energy Pty Ltd and the associated royalty and processing arrangements. Default or dispute by a counterparty may adversely affect the Company.
Health, safety and operational hazards	Oil and gas operations involve inherent hazards including blowouts, spills, fire and equipment failure, which may result in liability, loss of production and reputational damage.
Climate change and energy transition	Physical and transition risks associated with climate change, including changes in law, policy, market sentiment and access to capital and insurance, may adversely affect the Company's operations and prospects.
Foreign operations	The Company holds gas interests in California and is assessing new venture opportunities in East Africa and elsewhere. Foreign operations are subject to additional political, legal, fiscal, currency and operational risks.

Acquisition and new venture	The Company may pursue further acquisitions and new ventures. There is a risk that any such transaction may not deliver the anticipated benefits, may expose the Company to unforeseen liabilities, or may not complete.

5.4 General risks

RISK CATEGORY	RISK
Economic	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research and development programmes, as well as on its ability to fund those programmes.
Market conditions	The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities generally, and for securities of small and mid-cap resources companies in particular. These influences include general economic and market conditions, investor sentiment, interest rates, exchange rates and factors unrelated to the Company's operating performance, and may affect the value of the Company's Securities regardless of the Company's actual performance.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Unforeseen expenditure risk	Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.
Dependence on outside parties	The Company may pursue a strategy that forms strategic business relationships with the other organisations for the manufacture and distribution of products and services. The manufacture and global distribution of products and services is important to the overall success of the Company. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations.
Contractual risk	The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.
Economic conditions and other global or national issues	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive

RISK CATEGORY	RISK
	activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Options.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for the Options under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company and its subsidiaries are not engaged in any material litigation, and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

    (i) the annual financial report most recently lodged by the Company with the ASIC;

    (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

    (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	DESCRIPTION OF ANNOUNCEMENT
6 August 2026	Appendix 3Y – W Ashby
6 August 2026	Appendix 3Y – K Marshall
6 August 2026	Cleansing Notice
6 August 2026	Application for quotation of securities – AOK
29 July 2026	Gas Price Improvement and Reinstatement of REC Board Wells
29 July 2026	June 2026 Quarterly Activities and Cash Flow Report
28 July 2026	Surat Basin Development Moves Up a Gear
24 July 2026	Results of Meeting
24 July 2026	Details of Auditor Appointment/Resignation
13 July 2026	Road Show Presentation
13 July 2026	Surat Development Advances

DATE	DESCRIPTION OF ANNOUNCEMENT
2 July 2026	Appendix 3Y - W Ashby
2 July 2026	Appendix 3Y - K Marshall
1 July 2026	Notification of cessation of securities - AOK
1 July 2026	Surat Oil Basin Phase 1 Development Initiatives Commence
29 June 2026	Appendix 3Y - W Ashby
29 June 2026	Appendix 3Y - K Marshall
26 June 2026	Application for quotation of securities - AOK
26 June 2026	Notice of General Meeting
24 June 2026	California Gas Operational and Cost Efficiency Update
24 June 2026	Completion of Share Purchase Plan
19 June 2026	Company Secretary and Registered Office Changes
15 June 2026	Investor Webinar
12 June 2026	Surat Basin Development Advances
11 June 2026	Proposed issue of securities - AOK
1 June 2026	Share Price Plan Opening
1 June 2026	Cleansing Notice
28 May 2026	Unmarketable Parcel Sale Facility
26 May 2026	Investor Webinar
25 May 2026	Investor Presentation
22 May 2026	Australian Oil Company Limited Constitution
22 May 2026	Appendix 3Z - C Hodge
22 May 2026	Results of AGM
22 May 2026	Proposed issue of securities - AOK
22 May 2026	Share Purchase Plan
18 May 2026	Appendix 3X - P Lewis
18 May 2026	Non-Executive Director and Director Retirement
15 May 2026	Surat Basin Development and Exploration Initiatives
1 May 2026	Notice under s708A
1 May 2026	Application for quotation of securities - AOK
30 April 2026	March 2026 Quarterly Activities and Cash Flow Report
24 April 2026	Proposed issue of securities - AOK
24 April 2026	Proposed issue of securities - AOK
24 April 2026	Proposed issue of securities - AOK
24 April 2026	$2m Capital Raising for Surat Basin Exploration
23 April 2026	Notice of 2026 Annual General Meeting
22 April 2026	Trading Halt
31 March 2026	Appendix 4G

DATE	DESCRIPTION OF ANNOUNCEMENT
31 March 2026	2025 Corporate Governance Statement
31 March 2026	31 December 2025 Annual Financial Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website

www.australianoilco.com.au

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX (ASX:AOK). The Options offered under this Prospectus are unlisted and will not be quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of the Notice of Meeting, and the respective dates, are set out below:

	($)	DATE
Highest	$0.0035	28 May 2026
Lowest	$0.002	11 – 12, 19 May 2026, 3, 17 June 2026 26 – 30 June 2026, 1, 3 – 10, 16 – 20, 23, 30 July 2026, 4, 5 August 2026
Last	$0.003	6 August 2026

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

 (i) its formation or promotion; or

 (ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

 (i) the formation or promotion of the Company; or

 (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus and following completion of the Offer (assuming all Options are issued under the Offer) is set out in the table below:

DIRECTOR	CURRENT		FOLLOWING COMPLETION OF THE OFFER	
	SHARES	OPTIONS	SHARES	OPTIONS
Kane Marshall	36,514,825	30,000,000[1]	36,514,825	38,620,690
William Ashby	10,283,917	Nil	10,283,917	6,896,552
Piers Lewis	Nil	Nil	Nil	Nil

Notes:

1. Comprise of 10,000,000 Options each exercisable at $0.025 on or before 30 April 2029, 10,000,000 Options each exercisable at $0.035 on or before 30 April 2029 and 10,000,000 Options each exercisable at $0.045 on or before 30 April 2029.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

DIRECTOR	PROPOSED YEAR ENDING 31 DECEMBER 2026	YEAR ENDED 31 DECEMBER 2025	YEAR ENDED 31 DECEMBER 2024
Kane Marshall	$210,000[1]	$268,125[5]	$451,655[7]
William Ashby	$37,500[2]	$48,000[6]	$50,643[8]
Piers Lewis[4]	$37,500[3]	Nil	Nil

Notes:

1. Appointed Director on 15 May 2026.
2. Comprise of $240,000 cash salary & fees and $28,125 superannuation.
3. Comprise of $42,965 cash salary & fees and $5,035 superannuation.
4. Comprise of $308,077 cash salary & fees, $34,250 superannuation and $109,328 Options.
5. Comprise $44,924 cash salary & fees and $5,719 superannuation.

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offer.

Steinepreis Paganin has acted as solicitors to the Company in relation to the Offer and as chair of the due diligence committee. The Company estimates it will pay Steinepreis Paganin approximately $10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling $47,416 (excluding GST and disbursements) for legal services provided to the Company.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Options), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and

(c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.7 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately $18,206 (excluding GST) and comprise the items set out below.

	$
ASIC fees	3,206
Legal fees	10,000

Miscellaneous	5,000
Total	18,206

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company, and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

$ or A$ means the lawful currency of the Commonwealth of Australia.

Application Form means an application form in respect of the Offer either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules or Listing Rules means the listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 1.1 (unless extended).

Company or Australian Oil means Australian Oil Company Limited (ACN 114 061 433).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Applicants has the meaning given in Section 2.1.

Exercise Price means $0.006 per Option, subject to adjustment in accordance with the terms in Section 4.2.

General Meeting has the meaning given in Section 1.2.

Lead Manager or Sanlam means Sanlam Private Wealth Pty Ltd (ACN 136 960 775).

Notice of Meeting means the notice of general meeting for the General Meeting released on ASX on 26 June 2026.

Offer means the offer of 556,551,725 Options under this Prospectus as described in Section 2.1.

Official Quotation means official quotation on ASX.

Opening Date means the date specified in the timetable in Section 1.1.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the two-tranche placement of up to 700,000,000 Shares announced on 24 April 2026.

Placement Participants has the meaning given in Section 2.1.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means Shares and Options, as the context requires.

Share means a fully paid ordinary share in the capital of the Company (ASX:AOK).

Shareholder means a holder of a Share.

SPP means the share purchase plan announced on 22 May 2026.

SPP Participants has the meaning given in Section 2.1.