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15 September 2015

ASX Limited

Electronic lodgement

ASX Code: AOC

AOC INVESTOR PRESENTATION - GOOD OIL CONFERENCE 2015

Attached is a re-release of the AOC Investor Presentation to the Good Oil Conference on Thursday, 3 September 2015.

The re-released presentation contains minor but important corrections to the BOE figures on slide 5.

For and on behalf of the Board of Australian Oil Company Limited



**Investor Presentation – Good Oil Conference
Fremantle 2015**

**Gary Jeffery
Managing Director**

The Conventional Gas Play Energizing California

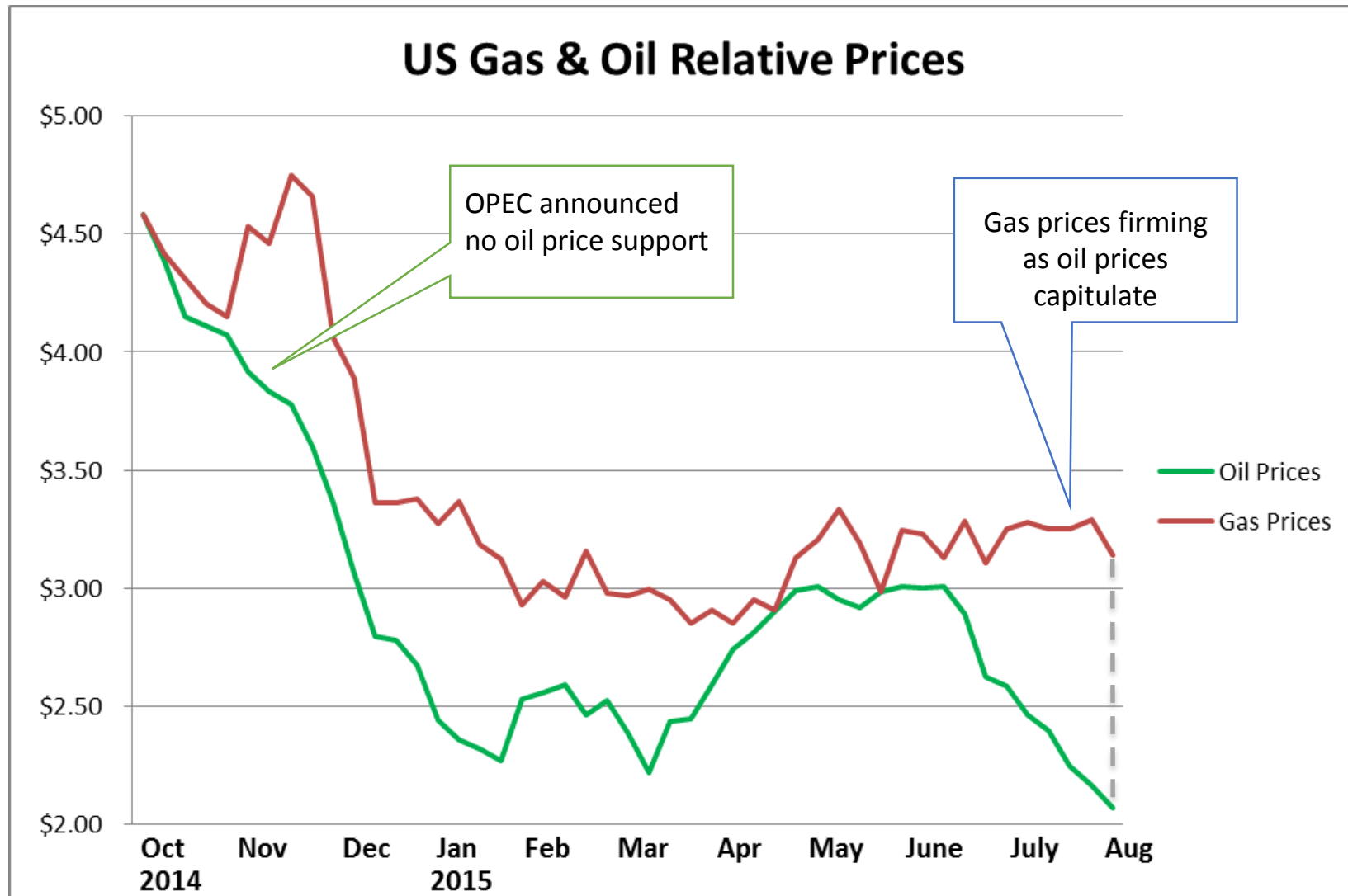
Value proposition



- AOC is an producer, explorer and developer of conventional gas assets onshore California:
 - Production: 55% WI in 8 conventional gas wells supplying California's gas market
 - Exploration/appraisal: Two multi-Tcf conventional gas plays in the proven 11 Tcf Sacramento Basin
- California is under-explored: 320 operators versus 4,700 in Texas
- California consumes 2.5 Tcf of gas annually – 90%+ of natural gas is imported from other states
- Excellent market dynamics in California – gas sells for Henry Hub + US\$0.40
- AOC has only 106 million shares on issue
- Likely upward price pressure on US natural gas when LNG exports commence 2015/16

AOC has the potential to disrupt the Californian natural gas market

Gas on the rise: Oil and gas price disconnect



US Prices on the graph are per mcf using a ratio to equate price per barrel of oil to price per mcf on 1 October 2015; data from EIA and NGI

A total focus on California

2.5 Tcf per year California gas demand

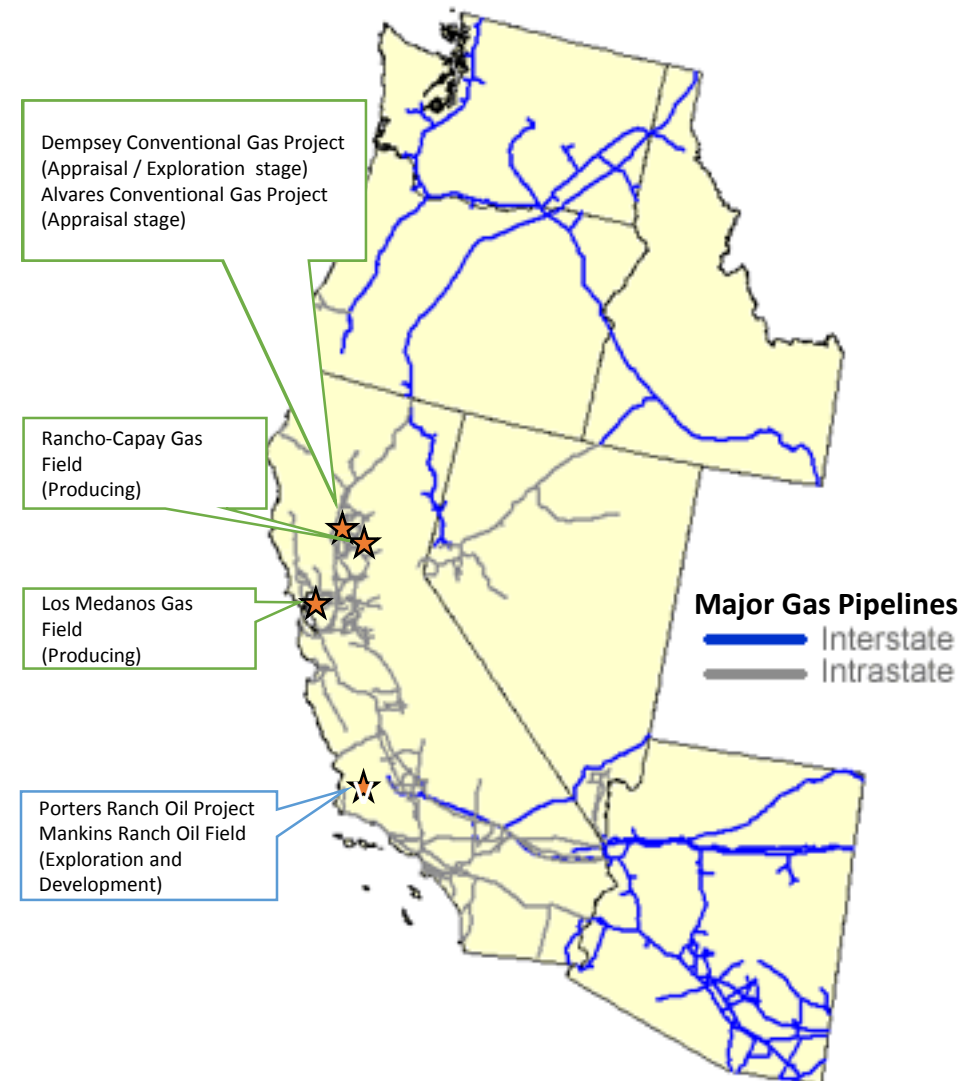
- California imports 90%+ of gas – the clean fossil fuel of choice
- Average 7.0 billion cubic feet (BCF) gas a day consumed
- At peak, approximately 11.0 billion cubic feet a day consumed
- Production is around 410 million cubic feet per day (< 6% of Californian gas market)
- Gas prices currently over US\$3 /mcf; (Henry Hub + ~US\$0.40)

Supply shortfall of 6.5 BCF/day

- An unparalleled opportunity to commence large-scale gas production with minimal lead time using existing pipelines

Underexplored Onshore Conventional Gas Basin

- Sacramento Basin has produced over 11 Tcf gas; 3.5 Tcf gas produced from Rio Vista field alone
- Largely underexplored - ~320 operators in California compared with ~4,700 in Texas



Asset overview

Producing Assets – Gas

Sacramento Basin

Rancho - Capay Gas Field (AOC 55% WI in 5 wells)	24,198 mcf gross June quarter 2015
Los Medanos Gas Field (AOC 55% WI in 3 wells)	17,058 mcf gross June quarter 2015

Exploration & Development - Gas

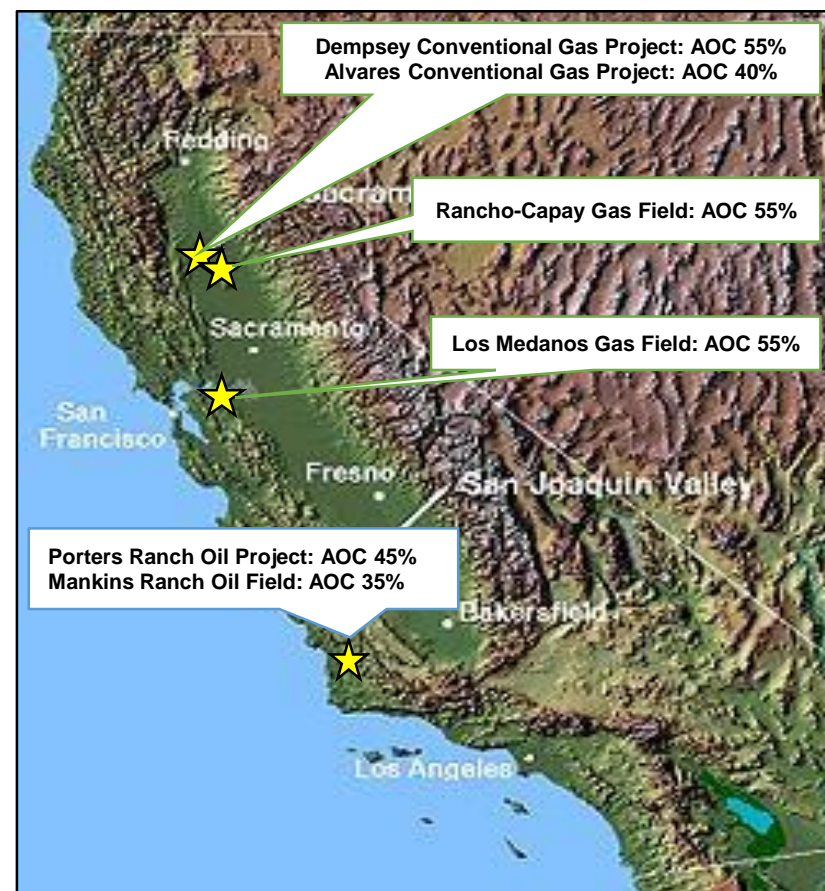
Sacramento Basin

Dempsey Conventional Gas Project (Multi-zone: Appraisal and Exploration stage)	1+ Tcf (>166 mmBOE) AOC 55% WI
Alvares Conventional Gas Project (Appraisal stage)	2.4+ Tcf (>400 mmBOE) AOC 40% WI

Exploration & Development - Oil

Santa Maria Basin (Huasna Sub-Basin)

Porter Ranch Oil Project	AOC 45% WI
Mankins Ranch Oil Field Project	AOC 35% WI



Strategy for growth

1. Acquire new conventional gas production in California now to increase revenue:

- Assessing single assets, fractional ownership, and asset packages
- Selective approach to acquisitions: yield and future liabilities key considerations

2. Sustainable exploration and project development based on scaled up production:

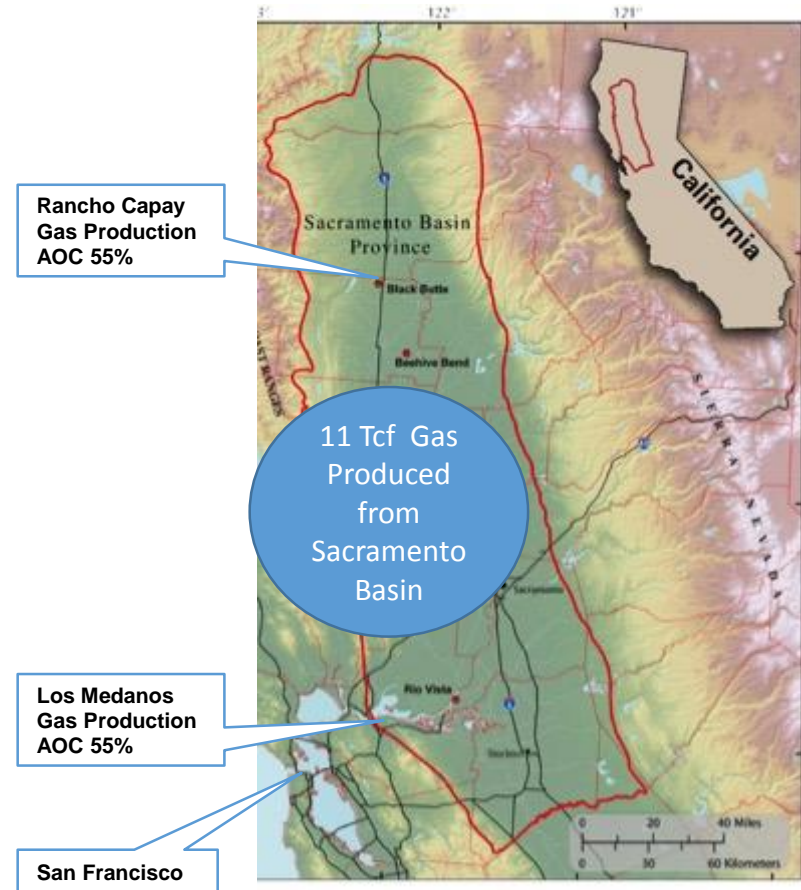
- Secure funding to drill Dempsey 1+ Tcf and/or Alvares 2.4+ Tcf conventional gas prospect/appraisal wells
- Acquire additional working interests in prospects prior to drilling
- Increase acreage over the most attractive analogue prospects to crystallise ‘early mover’ advantage
- Holding costs are negligible



Producing assets: Rancho Capay and Los Medanos gas fields

Revenue generated from producing wells in conventional gas fields

- Revenue of circa US\$100,000 per annum (net to AOC)
- 55% Working Interest (WI) in Sacramento Basin wells
- Five wells in Rancho Capay gas field + three wells in Los Medanos gas field
- Ability to expand production by workovers, acquiring more WI in existing wells or new wells in California
- Producing wells hold related leases without annual rentals for further appraisal and exploration
- Long-term, excellent relationship with experienced Operator



Producing assets: Rancho Capay and Los Medanos gas fields



Revenue generated from producing wells in conventional gas fields

- Infrastructure in place: a **critical differentiator**
- Metering stations and other associated infrastructure present on both fields
- Ensures AOC can quickly bring new production to market
- Landowners are supportive of projects – also part-owners in resources through lease rentals and royalties on production



Los Medanos Production Facilities

Exploration: Dempsey Prospect - 1+ Tcf gas

Low-cost leverage to strong Californian gas demand

Appraisal and Exploration Well

- Multiple (7 mapped) independent Conventional Sandstone Reservoirs reduces risk
- Appraisal component for upper 3 reservoirs
- Drilling scheduled H2 2015
- Located within a gas unit from which AOC is producing and selling gas
- Short duration permit approval process underway
- Short monetisation time upon success – in situ metering and access to nearby pipeline
- Low operating cost base modelled to provide highly leverage returns



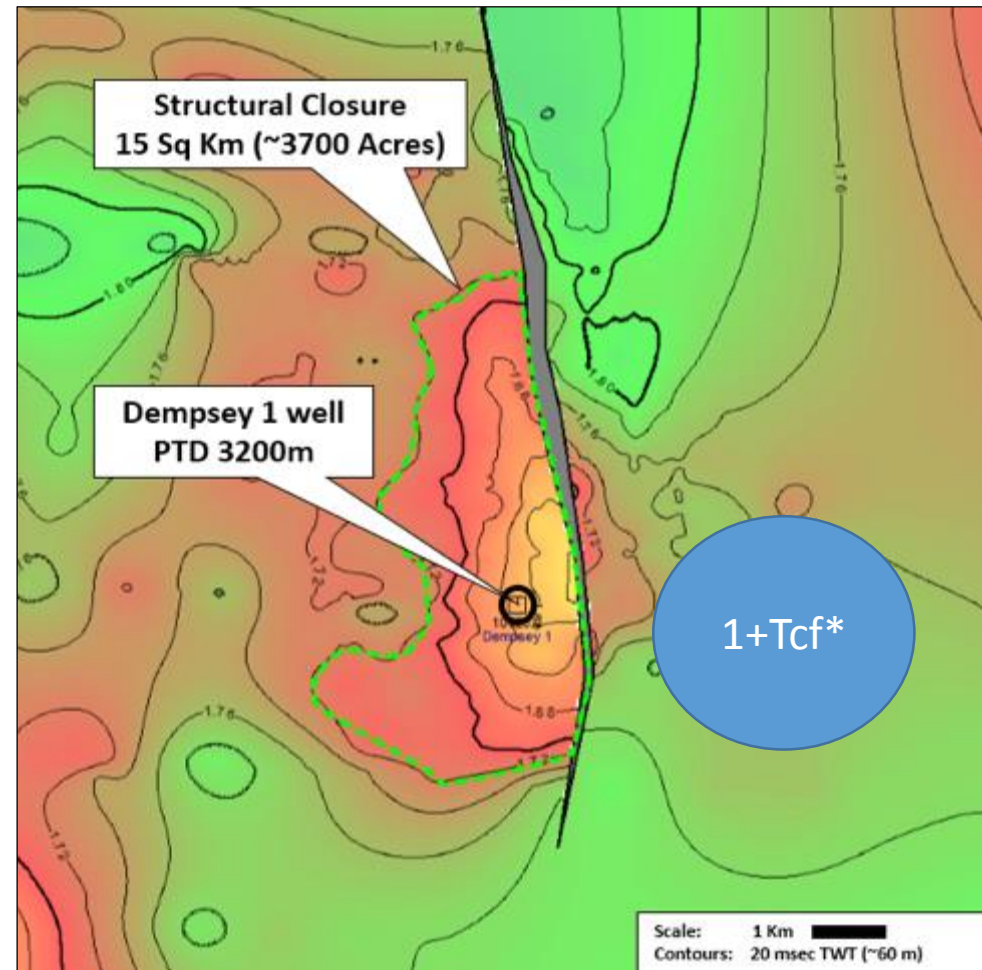
Immediate access to in situ production facilities

Exploration: Dempsey Prospect - 1+ Tcf gas

Multi-target conventional appraisal and exploration project under AOC gas production

- Independent Targets ranging from 1+ Bcf to 350+ Bcf (0.35 Tcf)
- Total (100%) un-risked recoverable prospective resource* on a best estimate basis:
1+ Tcf (> 167 million boe)
- Dempsey is interpreted to have a very high probability of flowing commercial quantities of gas
- Individual reservoirs from 80 acres to 3,900 acres - based on 3D and 2D seismic
- Leases:
 - AOC Working Interest 55%
 - High Net revenue interest

* Refer AOC ASX release 4 Sept 2014



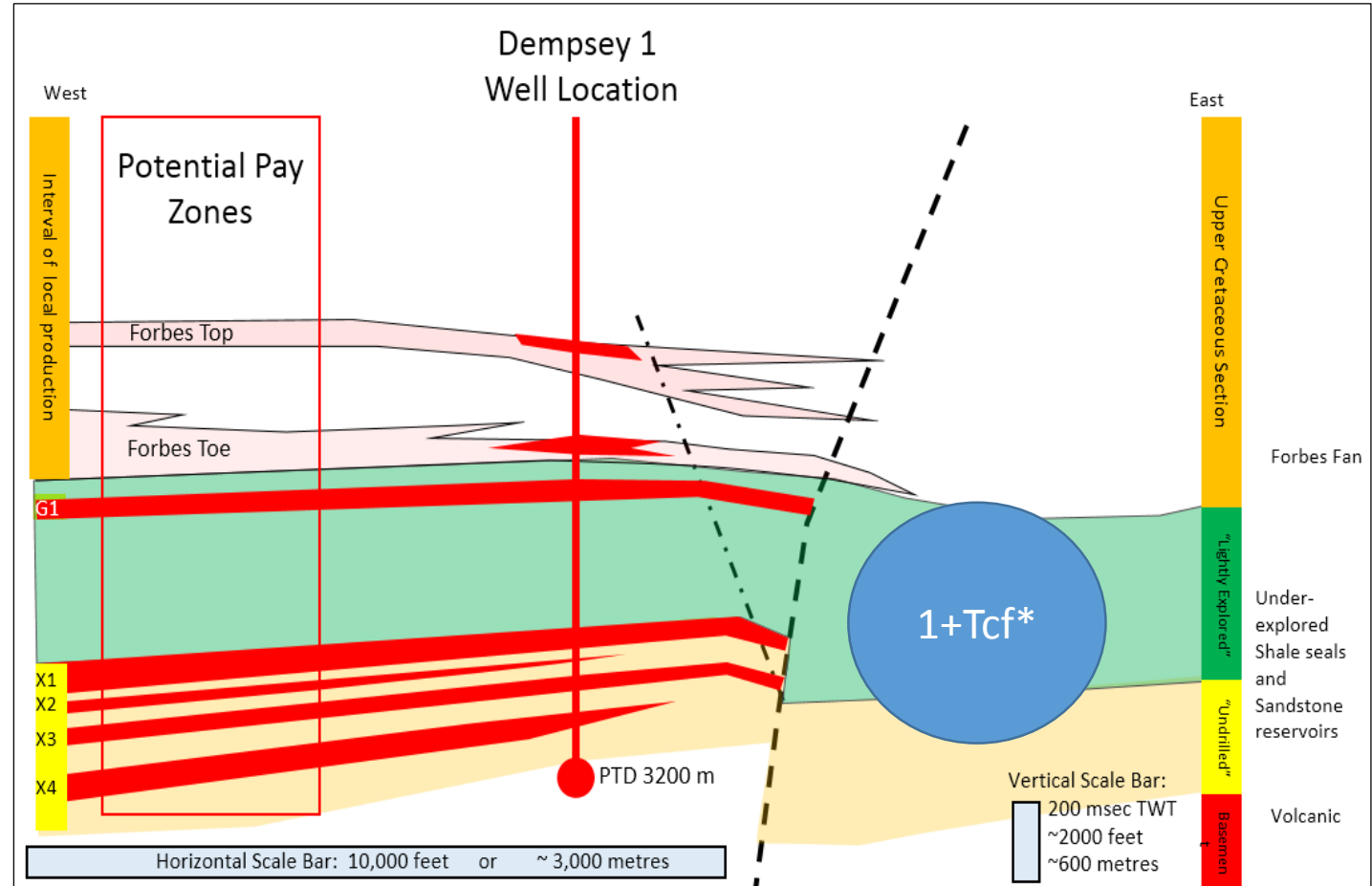
Dempsey Prospect Structure Map

Exploration: Dempsey Prospect - 1+ Tcf gas

Dempsey Prospect Validation

- Working petroleum systems in under-explored parts of the Sacramento Basin.
- Supporting evidence includes reservoirs, seals, structuring, gas source and timing.
- Based on integrated well control, close-by rock outcrop, 2D and 3D seismic, gas shows and tests and core data, combined with basin production, basin modelling and industry assessments.

Schematic Cross Section illustrating 7 Conventional Reservoir Targets

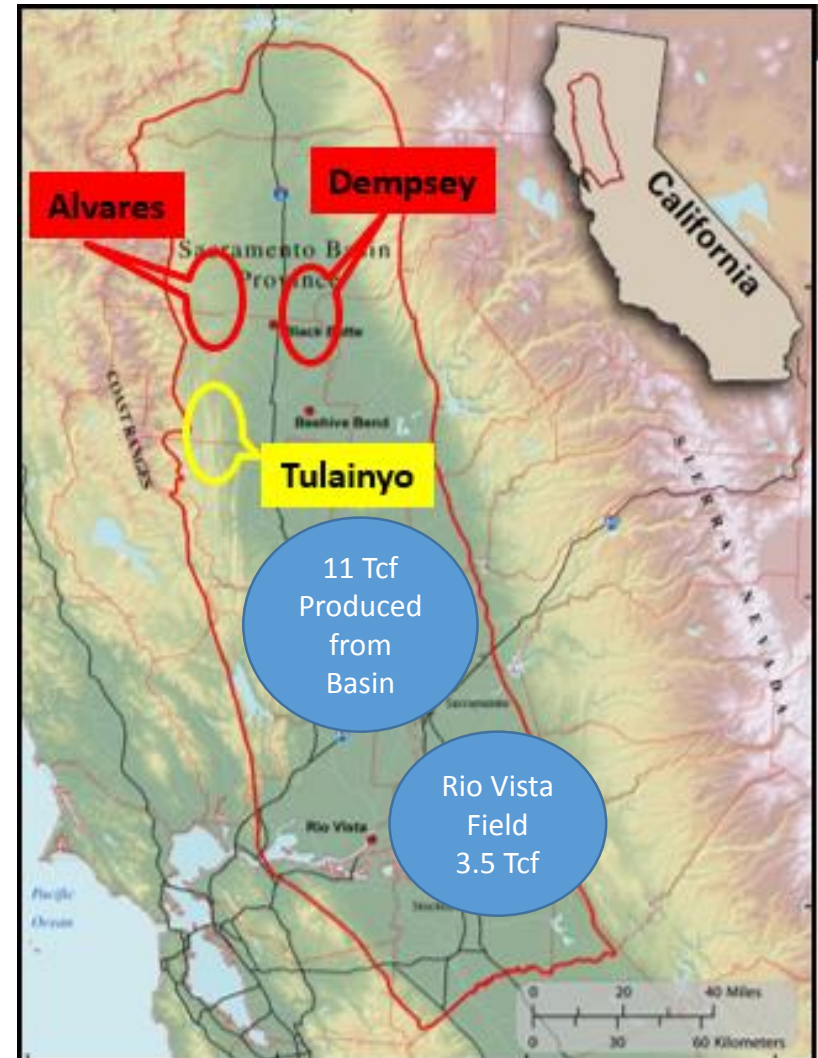


Appraisal: Alvares Gas Project - 2.4+ Tcf gas

Appraisal of a conventional sandstone reservoir, gas discovery

- 40% Working Interest in onshore Alvares Gas discovery drilled in 1982 when oil was the only target
- >1,500 metres of gas shows from 2,500 metres depth with pipeline quality gas flowing to surface
- Located close to large natural gas pipelines along Interstate 5 providing access to premium Californian gas market
- On trend with geologically similar, multi-Tcf Tulainyo Project mapped by Cirque Resources and involving California Resources Corporation (NYSE: CRC)
- Large Anticlinal structure covering > 10,000 acres
- Total (100%) un-risked recoverable prospective resource* on a best estimate deterministic basis: 2.4+ Tcf (~400 million boe)
- Alvares is interpreted to have a high probability of flowing commercial quantities of gas.

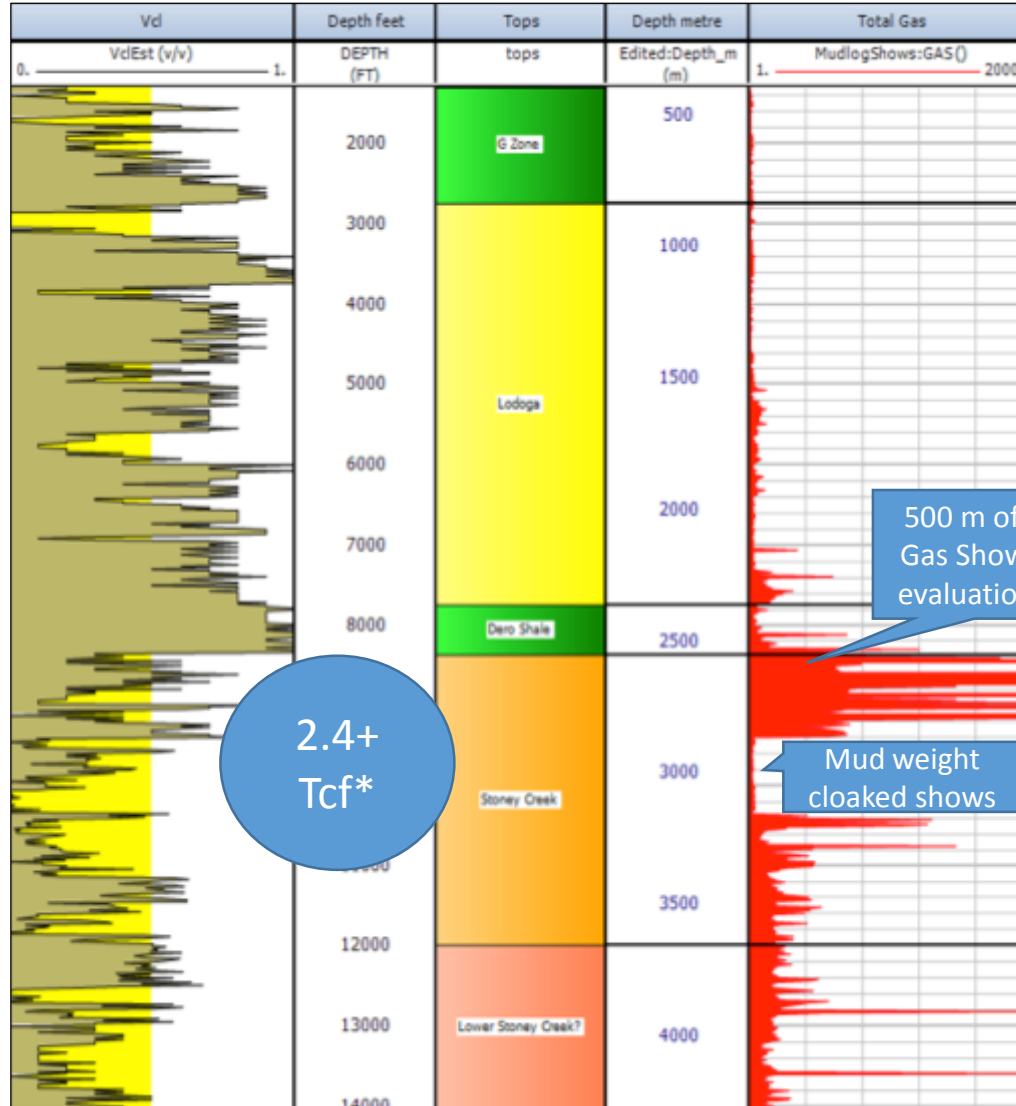
* Refer AOC ASX release 4 Sept 2014



Appraisal: Alvares Gas Project – Alvares #1 well summary

Alvares Prospect Validation

- Working petroleum systems in under-explored parts of the Sacramento Basin.
- Supporting evidence includes reservoirs, seals, structuring, gas source and timing.
- Based on integrated well control, close-by rock outcrop, 2D seismic, seismic attributes, gas shows and tests and core data, combined with basin production, basin modelling and industry assessments.



Wet sands outside of closure (= Dempsey Prospect Reservoirs)

Thick Seal

Interpreted Gas Column with core and gas sample

AOC has multiple growth options

Option 4

- ✓ Acquire more high-yielding conventional gas production in California
- ✓ Immediate revenue generating
- ✓ Secure Dempsey farm-out partner / JV
- ✓ Drill Dempsey
- ✓ Increase strategic land holding in Sacramento Basin
- ✓ Drill Alvares

Option 3

- ✓ Acquire more high-yielding conventional gas production in California
- ✓ Immediate revenue generating
- ✓ Secure Dempsey farm-out partner / JV
- ✓ Drill Dempsey
- ✓ Increase strategic land holding in Sacramento Basin

Option 2

- ✓ Acquire more high-yielding conventional gas production in California
- ✓ Immediate revenue generating
- ✓ Secure Dempsey farm-out partner / JV
- ✓ Drill Dempsey

Option 1

- ✓ Acquire more high-yielding conventional gas production in California
- ✓ Immediate revenue generating
- ✓ Secure Dempsey farm-out partner / JV

In Summary



“Many have heard me speak of California as the land that time forgot This providestremendous opportunity.....”

Todd Stevens CEO California Resources Corp (NYSE: CRC) August 7, 2015

- AOC to continue acquiring high-yielding assets to establish larger revenue base – a selective approach
- California has favourable market dynamics – very short of gas and commands premium pricing
- Multi-Tcf exploration/appraisal projects have large-scale gas production potential
- AOC’s Board, Management and Operator have extensive industry experience
- Low cash burn – Board and senior management being part paid in scrip
- Gas is the fossil fuel of choice in US with upward pricing pressure as demand increases and US LNG exports commence

“Eni’s new supergiant (30 Tcf) gas discovery in Egypt validates the strategy of exploring mature areas.....”

AFR September 1, 2015

AOC's Sacramento Gas Company “Energizing California Byte by Bit”



Corporate snapshot

Corporate Snapshot	
ASX Code:	AOC
Cash (as at 30 June 2015):	\$600,000
Market Cap (@\$0.035/share):	\$4m
52 week high (\$/share):	\$0.21
52 week low (\$/share):	\$0.035
Shares on issue:	106.4m
Unlisted Options @\$0.25:	12m

Major Shareholders	
Board and Management	9.6%
HSBC Custody Nominees (Australia) Limited	7.7%
Nefco Nominees Pty Ltd	4.9%
Pemberly Group Pty Ltd	3.1%
Talex Investments Pty Ltd	2.8%
Queensland M M Pty Ltd	2.8%
Glenn Brown Pty Ltd	2.5%
Top 20 Shareholders	47.5%

Board & Management Team



Andrew Childs
Chairman



Gary Jeffery
Managing Director



Keith Martens
Technical Director



David McArthur
Company Secretary



Aqeel Virk
Non Executive Director

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Cautionary note

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 Gary Jeffery, Managing Director of Australian Oil Company Limited. He is a qualified geophysicist with over 43 years technical, commercial and management experience in exploration for, appraisal and development, and transportation of oil and gas. Mr Jeffery consents to the inclusion of the information in the form and context in which it appears.

In accordance with ASX Listing Rules, any new hydrocarbon resource information in this document has been reviewed by Australian Oil Company's Technical Director, Mr Keith Martens, who has over 35 years of experience in the sector, with 15 years of experience working in North America. Mr Martens is a qualified resources evaluator and consents to that information being included in the form and context in which it appears.

Before investing it is recommended that you conduct your own due diligence and consult financial and technical advisors.

