



ASX Announcement

CHAIRMAN'S ADDRESS TO SHAREHOLDERS – COMPANY STRATEGY AND WEBINAR

Dear Shareholders,

I have been acting as Chairman of Australian Oil Company Limited (**AOK**) for some two months. During this time, I have been able to objectively assess three significant challenges that AOK faces:

1. Cash

The most pressing issue is to secure the remaining funds owed to AOK by Blue Sky Resources Ltd, being A\$540,000 by 27 March 2025, per the Omnibus Settlement Agreement originally executed in 2024.

2. Californian Operational Viability

The next job is to conduct a thorough review of AOK's gas producing properties in California. The purpose of this is to turn the asset from a loss-making venture to one which is cashflow positive, with the potential to not only increase production in an accretive manner but also to have exposure to exploration upside. A significant component of this process has already commenced and will be complemented by on ground reviews in-country by management this month.

We intend to work closely with our current operations personnel to:

- minimise operating costs;
- improve gas throughput (production);
- seek an improved gas price if possible or reduction in transportation tariffs;
- assess the potential for workovers and for near-field and appraisal drilling;
- quantify the risk and reward potential of prospects and leads; and
- investigate the potential to acquire similar assets nearby to achieve economies of scale.

We anticipate the Californian review will take at least 4 months, after which time we can formulate a coherent exploration and development strategy.

Timing is everything and we believe that there will be significant reform in energy policy under the newly installed President Trump. I consider AOK to be in a positive position compared to its ASX junior peers.

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3. Acquisition of New Ventures

At the same time as rationalising our Californian interests, Kane Marshall, the Company's Managing Director continues to work hard to identify additional upstream assets to complement our Californian properties. The focus is currently on upstream gas in Australia with Southeast Asia a secondary target. The Company has been working with strategic advisors and progress to date has been encouraging. The Company has not as yet been in a position to commit financially to any of these opportunities, in part due to regulatory challenges but anticipates being in a position to do so when the time is right.

Kane Marshall, ably assisted by AOK's dual Company Secretaries, has worked tirelessly to streamline the company such that we now have a strategy to responsibly grow the Company and return value to shareholders.

I will not pretend that this task will be easy, and I respectfully ask that shareholders continue to be patient, particularly when the bulk of hard work and the difficult decisions have already been made.

But with a committed Board and Management, and with clear and regular shareholder communication we will make every effort to ensure that we can be successful.

In effect, we are adopting a step-by-step approach – looking after our cash, maximizing value from our producing asset, and seeking measured growth – overlain importantly by the highest standards of due diligence and governance.

On a closing note, I invite shareholders to attend a Q&A investor webinar with the Managing Director and myself on MarketOpen Direct Connect to be held on Tuesday 4 February 2025, 1:30pm AEDT/ 10:30am AWST.

Attendees can submit questions via the Q&A tab during the webinar or email them through in advance to companysecretary@australianoilco.com.au

This webinar can be viewed live via zoom & you register for FREE via the link below.

https://us06web.zoom.us/webinar/register/WN_BGrT4nbCSWCMLwa95_Ovuw

A recorded copy of the webinar will be made available following the event.

Best Regards,

Chris Hodge

Chairman

- ENDS -

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



About Australian Oil Co

Australian Oil is an Australian-based energy company focused on under-explored, recently overlooked, world class oil and gas opportunities near under-supplied markets.

The Company is currently focused on conventional oil and gas exploration and production in the Sacramento Basin in California. Australian Oil has a portfolio of natural gas and oil producing wells, in addition to prospects and discoveries at various exploration and appraisal stages.

AOK is in process of evaluating the acquisition of oil and gas producing and exploration assets to enhance the Company's strategic needs and delivering shareholder value.

Australian Oil Company Limited

ACN: 114 061 433

ASX Code: AOK

Shares on Issue

1,001,782,997

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