



# Project Summary

July 2011



## Recent Activities

- Secured Hood-Franklin Project – 1622 acres
- Secured Los Alamos Project – 3080 acres
- Secured Porter's Ranch Project – 9051 acres
- Total California – 15153 acres



# Asset Overview

## Californian Activities

***Hood-Franklin Project*** - 75% WI “after earn in” (1622 acres)

- High Impact Appraisal Opportunity - Potential for rapid cashflow

***Los Alamos Project*** - 56.25% WI “after earn in” (initially 3080 acres)

- Large updip oil potential in proven play - excellent follow up potential

***Porters Ranch Project*** – 45% WI (9051 acres)

- Shallow Oil Play (Monterey) - 2 well defined prospects - good access and prepared drill sites

***Mankin’s Ranch Project*** – 35% WI (1400 acres)

- By passed Oil Resource - Appraisal Development Approvals Ongoing - Initial development funded via farmout



# Corporate Summary

Shares on issue	69,016,667
Options exercisable @ 20 cents	31,515,625
Market Cap	\$A11 Million
Cash	\$A2.2 Million
Debt	0
% of company held by directors	18%





# Corporate Summary

## Board

- **Andrew Childs (Chairman )**
  - Managing Director Petroleum Ventures Pty Ltd, chairman of Bombora Energy Pty Ltd, director of Orion Energy Pty Ltd and ADX Energy Ltd.
- **Grant Jagelman (Managing Director)**
  - Non practising lawyer, previously chief executive officer or chairman of a number of public and private oil and gas exploration and producing companies over a period of 35 years.
- **Keith Martens (Non Executive Director)**
  - An explorationist with 35 years experience in Australia and North America. Formally exploration manager of Tap Oil then Bow Energy and currently lead explorationist to Senex Energy, Jupiter Energy and Australian Oil Company.
- **Ian Tchacos (Non Executive Director)**
  - An energy professional with over 25 years experience in international oil and gas exploration, development and production. Chairman of ADX Energy Ltd, Instinct Energy Ltd and formerly managing director of Nexus Energy.

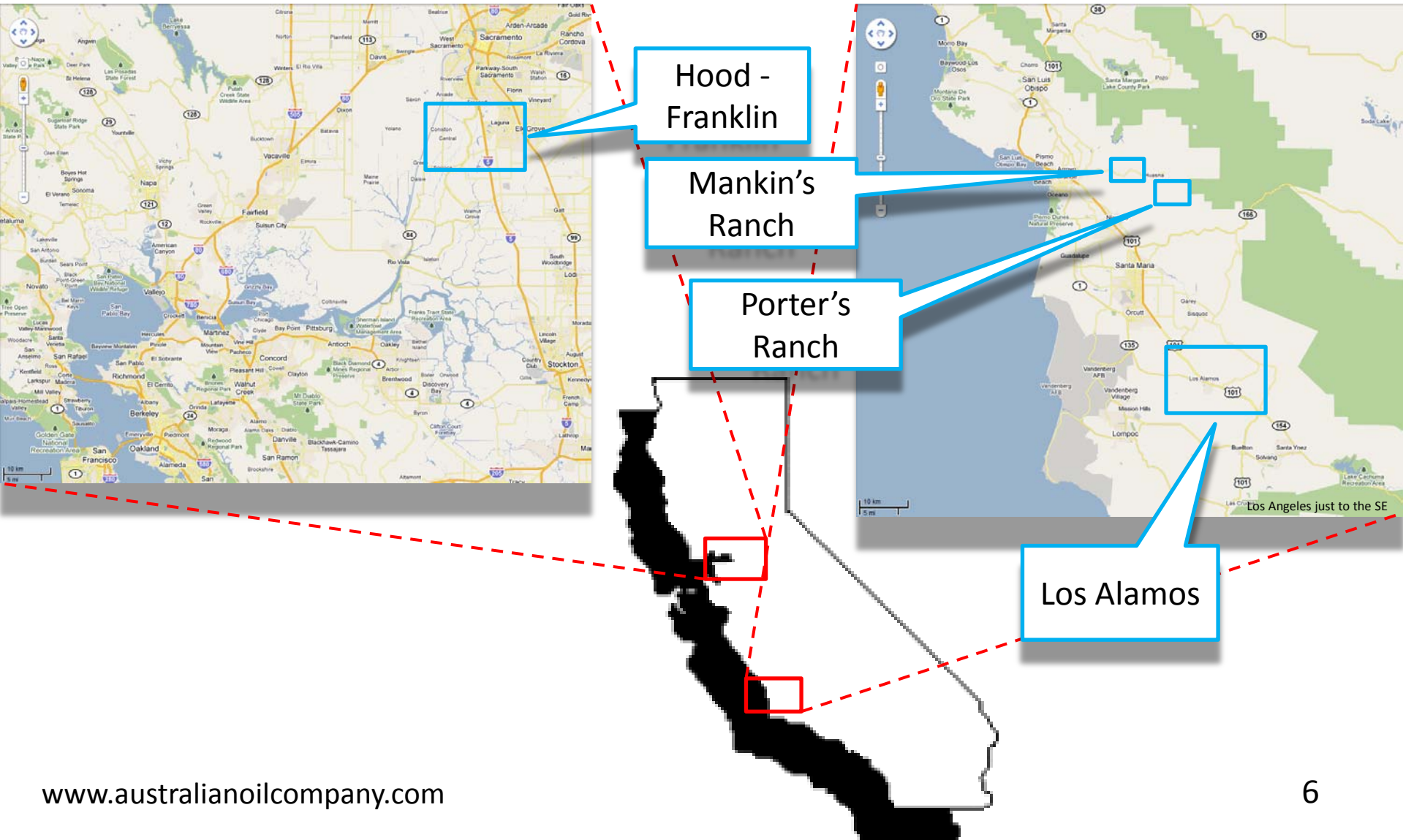


## Update on Activities – June 2011

- 3<sup>rd</sup> Quarter Well  
Hood-Franklin – Redrill of a Gas Discovery
- 4<sup>th</sup> Quarter Well  
Los Alamos – Updip Drill of Oil Zone



# Californian Projects



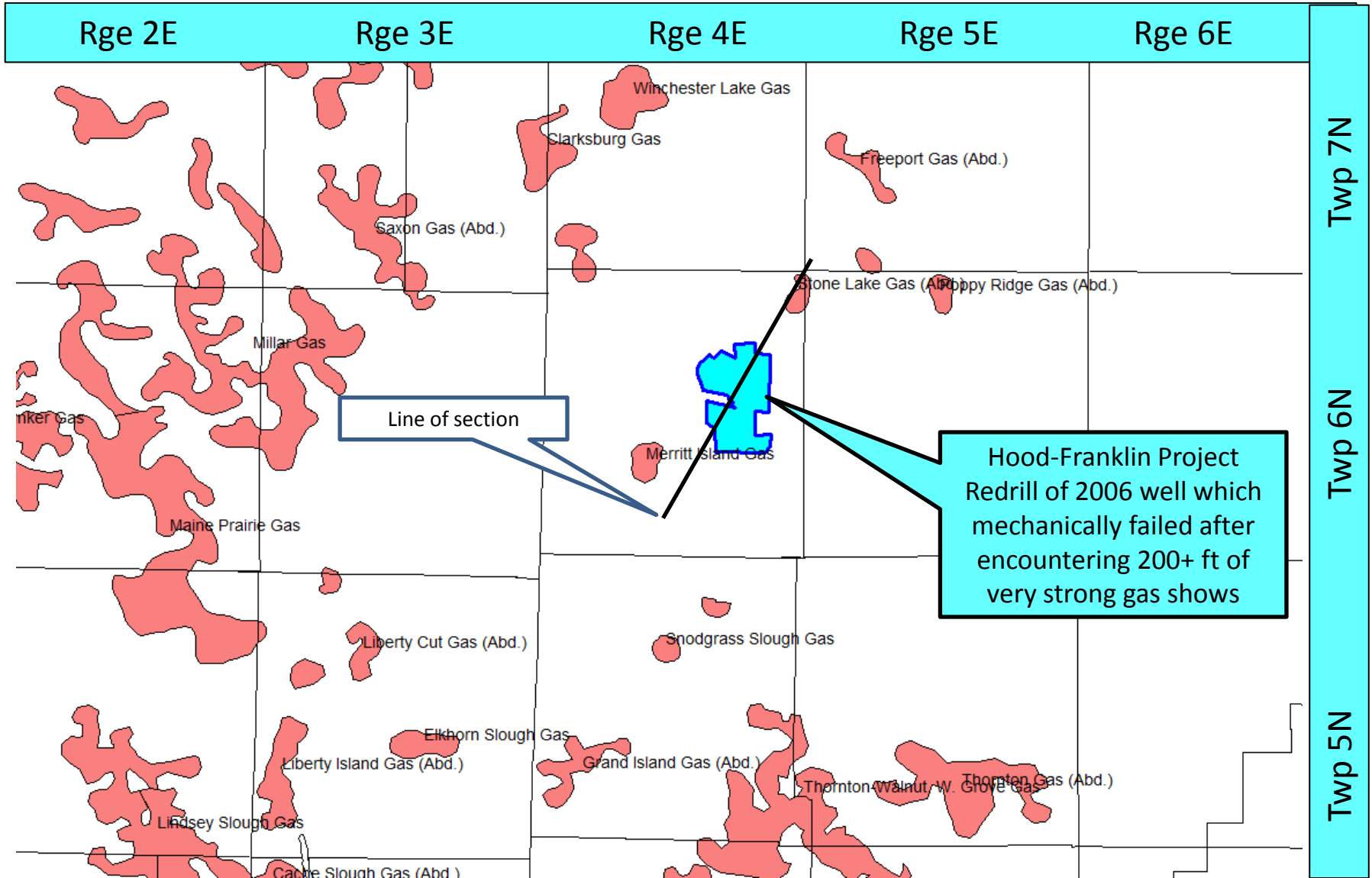


## Hood-Franklin Project

- \$1MM Redrill targeting 4-46 Bcf
- Earn 75% WI (including processing facilities) on completing commercial gas well – 1622 acres

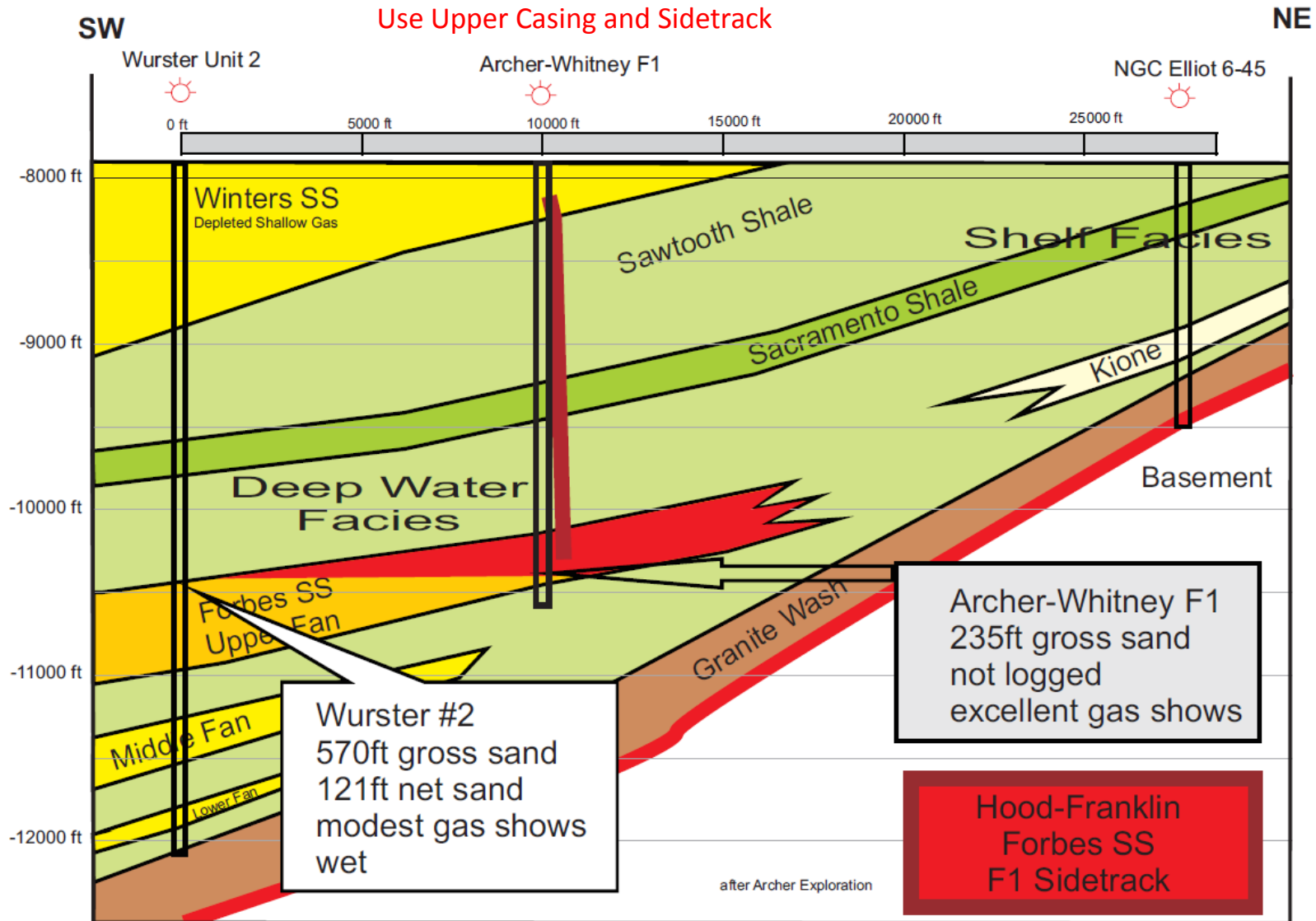


# Hood-Franklin Project Numerous Nearby Gas Fields



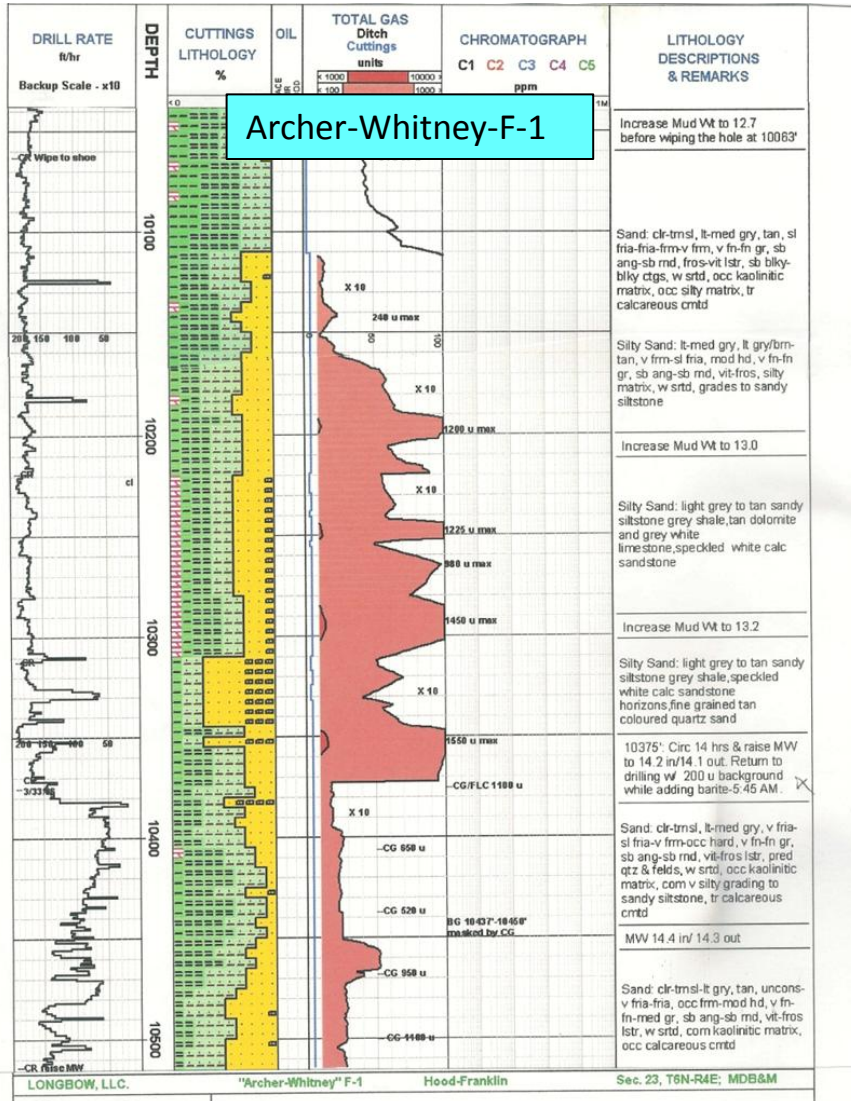


# Structural Schematic





# Strong Gas Show on Mud Log



Well was abandoned due to pressure and hole concerns

Sand and show is in the lightly drilled Forbes Sandstone below the more thoroughly drilled Winters Sandstone

~235 feet of Forbes sandstone with gas reading at least 10 times background

Sands are believed to be turbite fans and trap stratigraphically – as is common in the area

It is planned to use the upper casing and redrill the gas show section – wireline log, case and then test the zone

An average gas field in the area produces in excess of 1 MMcf/day and has an estimated reserves factor of .46 MMcf/acre-ft

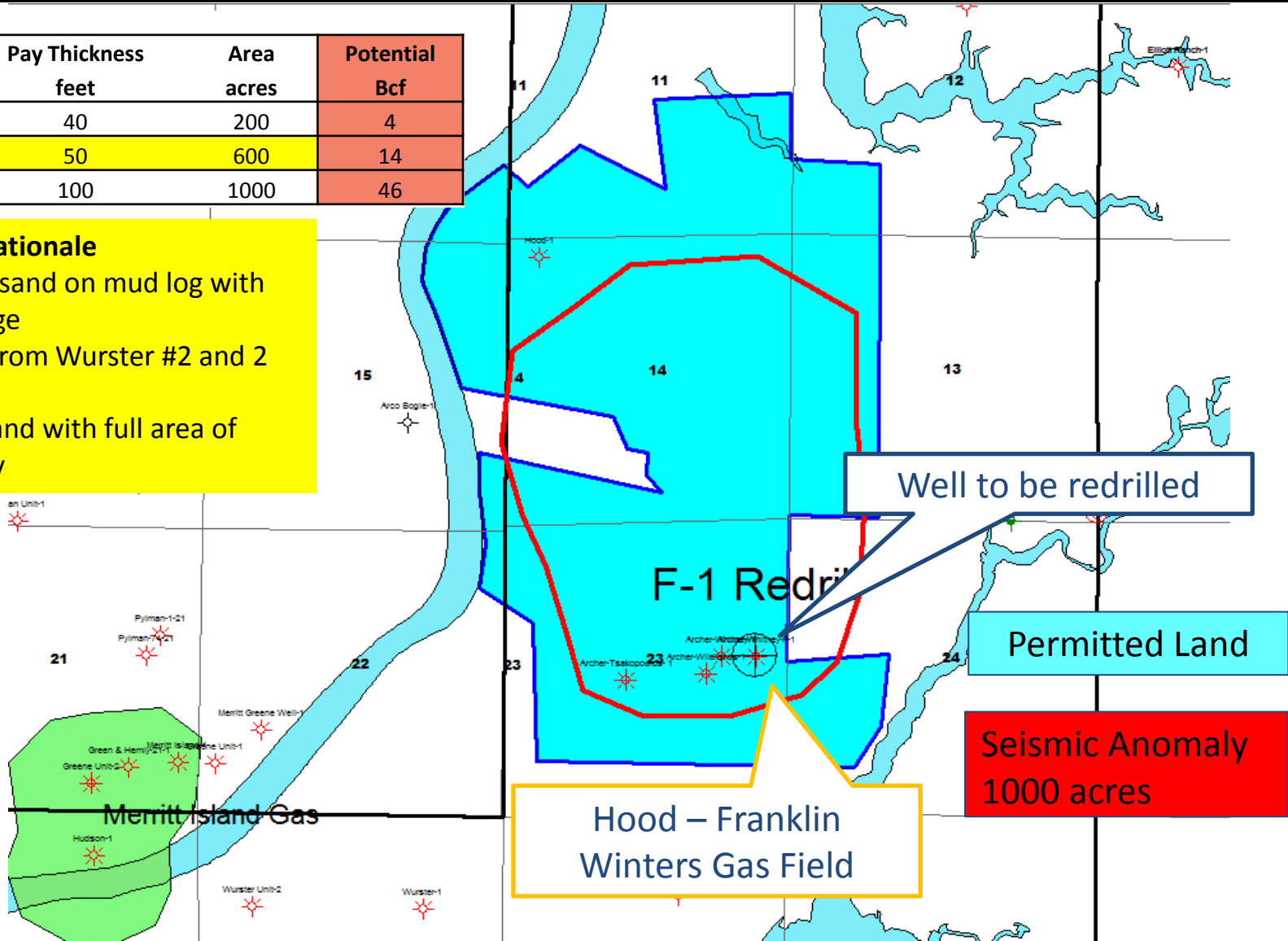


# Seismic Extent Fully Licensed

Hood-Franklin	Pay Thickness feet	Area acres	Potential Bcf
Low	40	200	4
Medium	50	600	14
High	100	1000	46

### Rationale

- Low - Only best sand on mud log with one well drainage
- Medium - NTG from Wurster #2 and 2 section gas field
- High - Double sand with full area of seismic anomaly

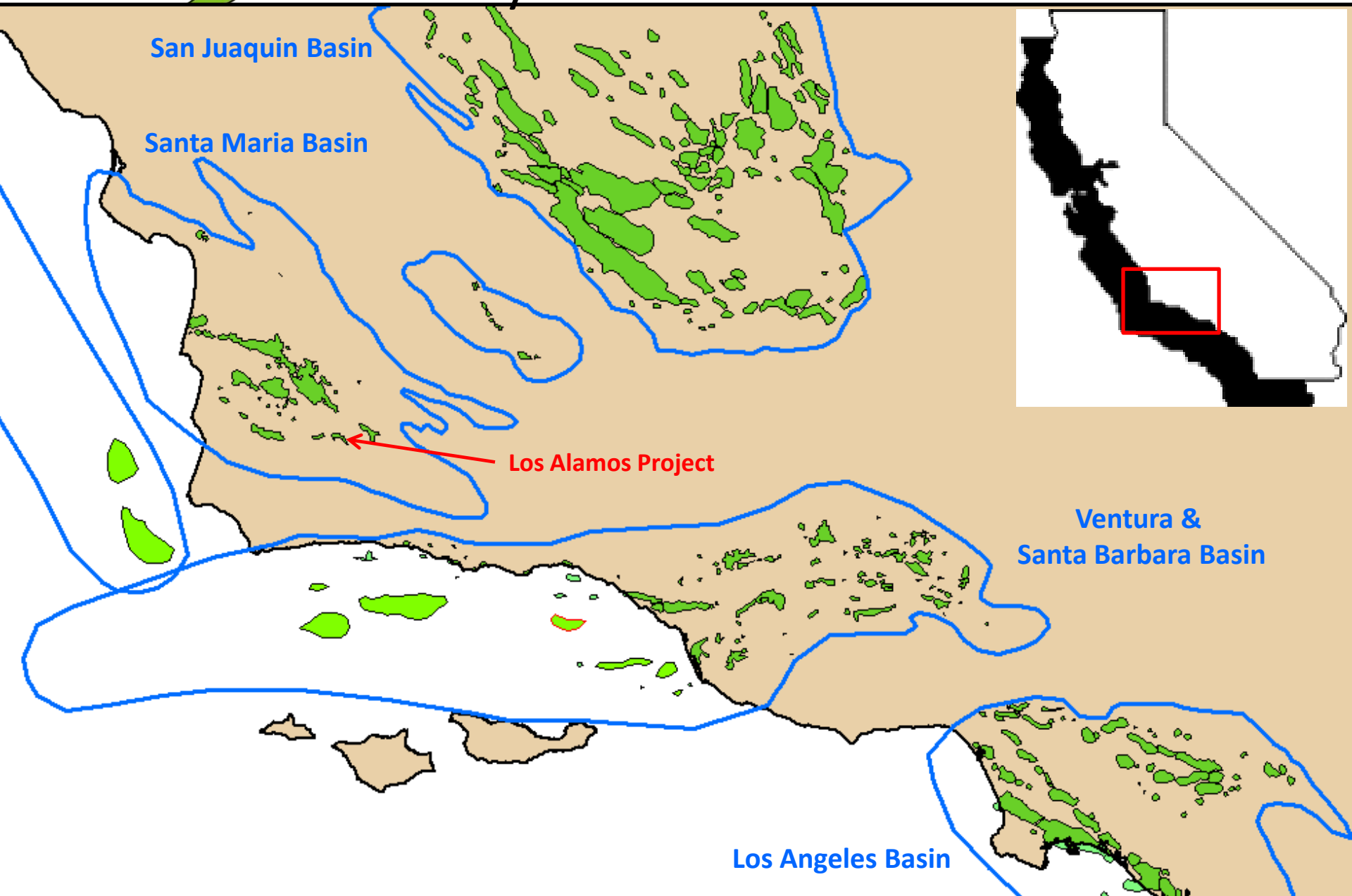




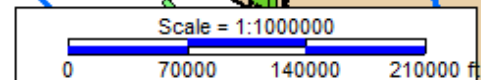
## Los Alamos Project

- Monterey Shale Oil Play
- Sub thrust below existing production
- 3080 acres earned with an option for 2402 more acres
- Earn 56.25% WI on completion of a commercial oil discovery – dry hole cost of ~\$2US MM

# Monterey Oil Fields and Basins



Monterey Shale Basins and Oil Fields



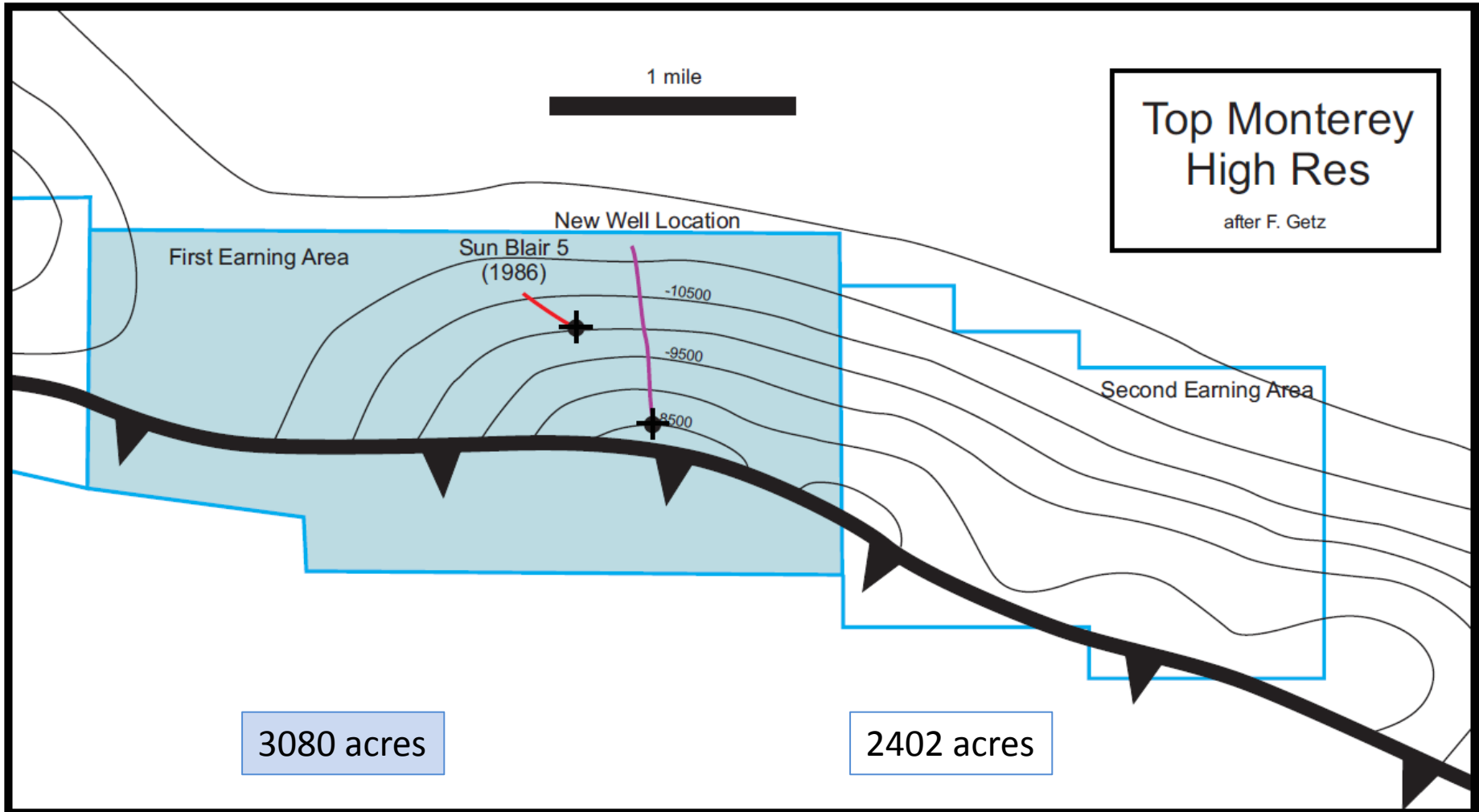


# Los Alamos – Monterey Oil

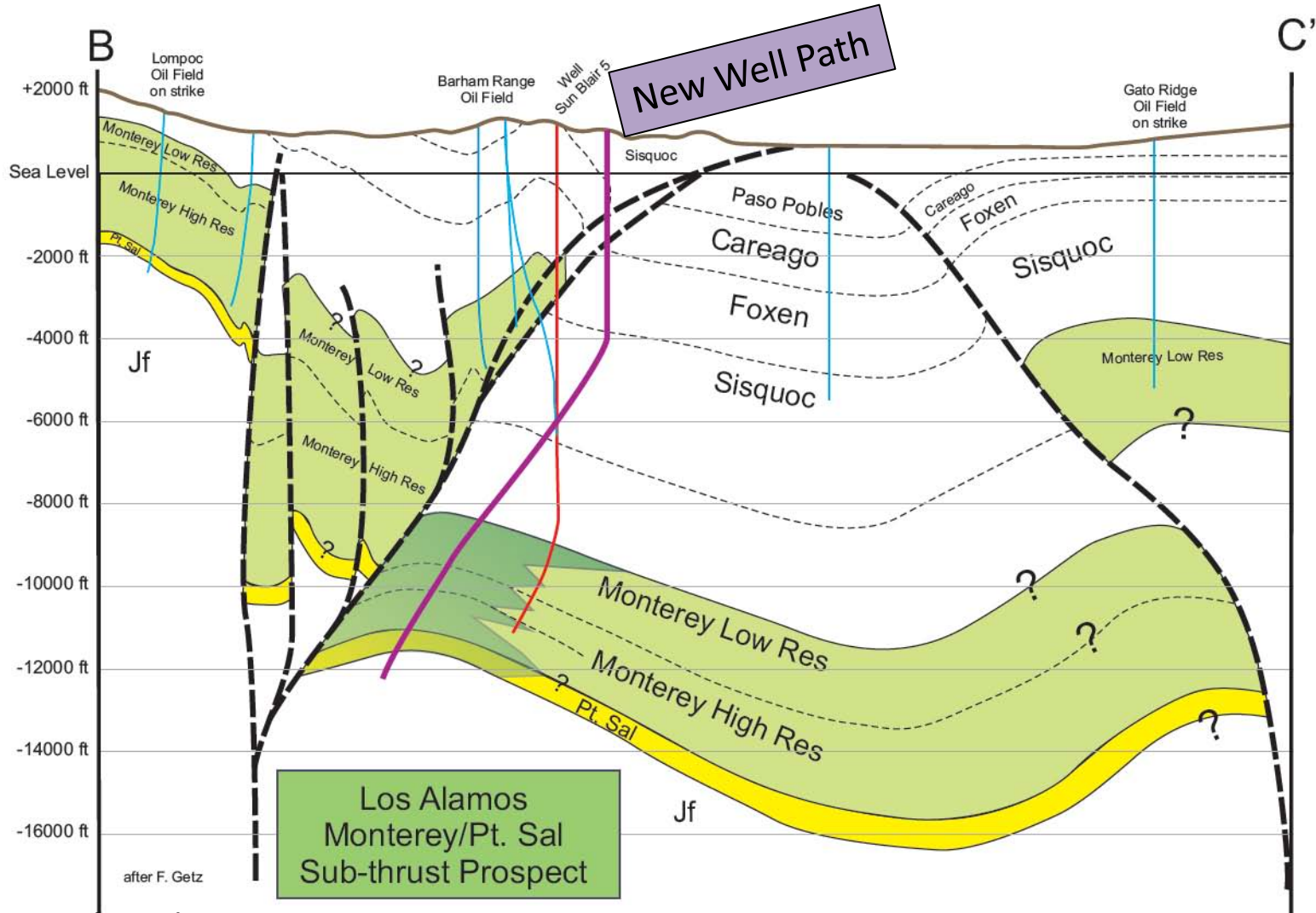
- Sun Blair 5 was drilled in 1986 to test the Monterey in a sub thrust position below a shallow oil field
- The well intersected a thick section of Monterey with good oil shows and testing suggests the well is in an oil/water transition zone for the lower section
- Mapping on 2D seismic suggests there is a large updip area and an undrilled deep Pt Sal sandstone target
- Volumes are currently being calculated but the prospect is of significant size



# Depth Map of Top Reservoir with land held with farmin



# Structural Cross Section with oil potential





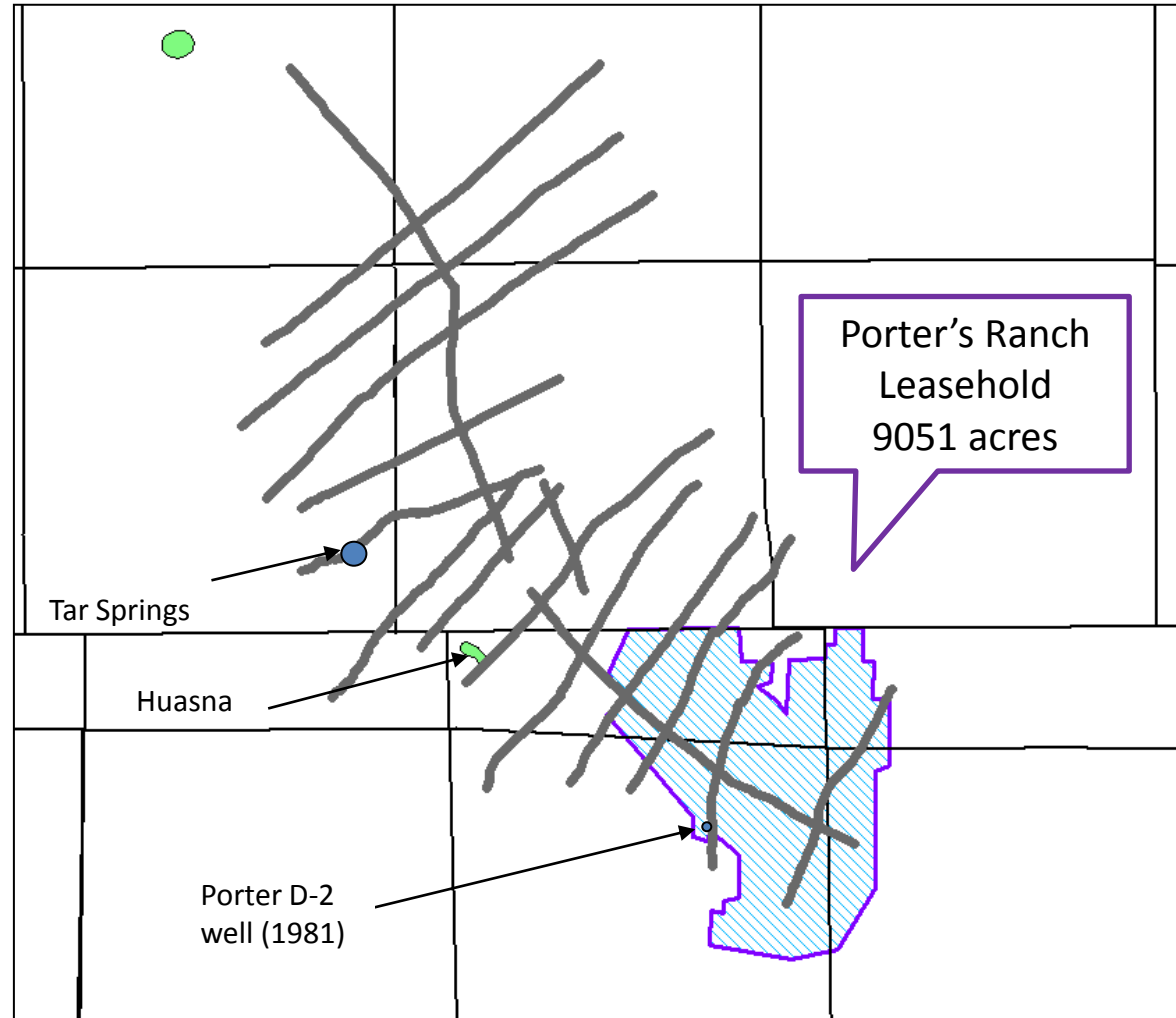
## Porter's Ranch Project

- 9,051 acres – 45% WI
- 2 surface anticlines with thick Monterey section - strong shows in Porter D-2 well (3 small oil flows)
- 91 miles of Phillips Petroleum 2D seismic – reprocessing underway



# Seismic Obtained

- 91 miles of 2D
- PSDM reprocessing underway
- Investigate Monterey structure and deeper targets



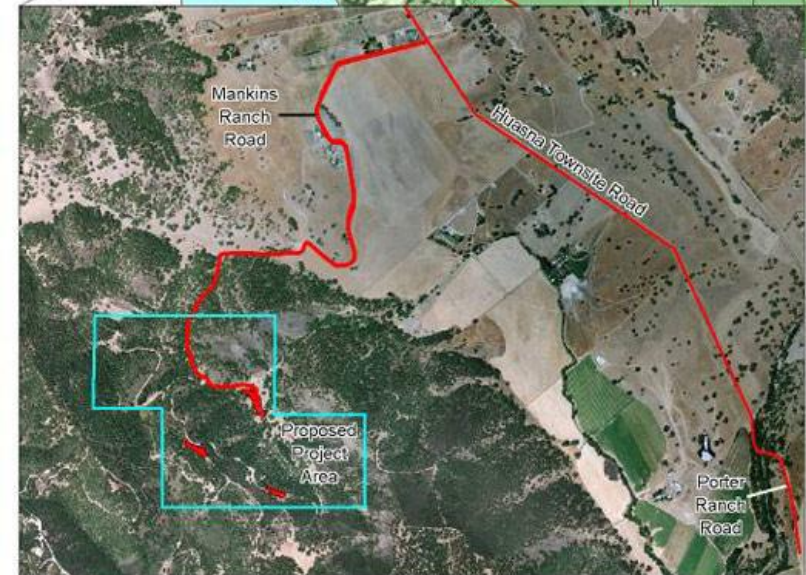
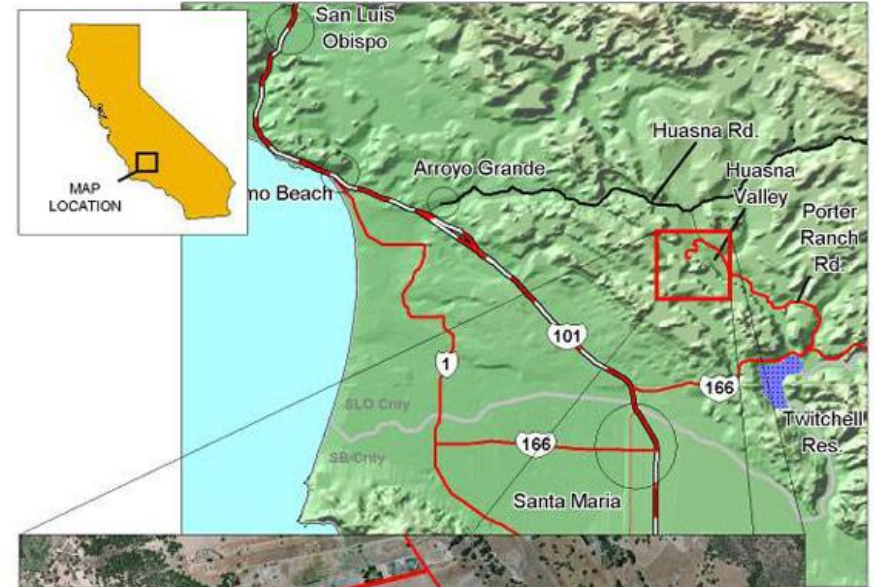


## Mankin's Ranch Project

- 35% WI in 1400 acres
- Bypassed Oil Field in Monterey
- Approvals for Appraisal/Development are being applied for



# Mankin's Ranch Project





# Contacts

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