



Australian Oil Company Limited

Level 8, 139 Macquarie Street, Sydney NSW 2000 Australia
Tel: (02) 8231 7000 Fax: (02) 9251 5778 Email: reception@ozibox.com.au
ABN 83 114 061 433

13th July 2011

Companies Announcements
Australian Stock Exchange
Sydney NSW

ASSET SALE & FARMOUT

Australian Oil Company Limited (AOC) has sold its wholly owned subsidiary CALOG LLC to Bombora Energy Pty Ltd for consideration of \$A350,000. CALOG LLC currently holds a 10% interest in the Porter Ranch Project.

As part of this transaction CALOG LLC has farmed into the Hood-Franklin Gas Project and will acquire a 20% interest subject to the same conditions as the farmin between AOC and the original parties. As partial consideration for this transaction CALOG LLC has agreed to fund \$A418,000 of the first US\$1,048,000 of the costs of the Archer-Whitney#F-1 sidetracked well and thereafter pay it's 20% share of all ongoing costs. This well is the first well proposed to be drilled in the Hood-Franklin Gas Project.

After payout, AOC's interest in the Hood-Franklin Gas Project will reduce to 55%.

Grant Jagelman, the Managing Director of AOC, said “this enables us to maintain a major interest in the Hood-Franklin Gas Project, provides an additional \$A758,000 in working capital and is in line with our corporate strategy of maximising leverage by reducing our financial exposure to individual projects whilst preserving significant upside potential”.

Bombora Energy Pty Ltd is a private Western Australian domiciled company focussed on the oil and gas sector in North America. Non-Executive Chairman of AOC, Mr Andrew Childs, is a director and shareholder of Bombora. Other shareholders of Bombora are senior professionals with extensive experience in the resources industry.

M T Ohlsson
Company Secretary