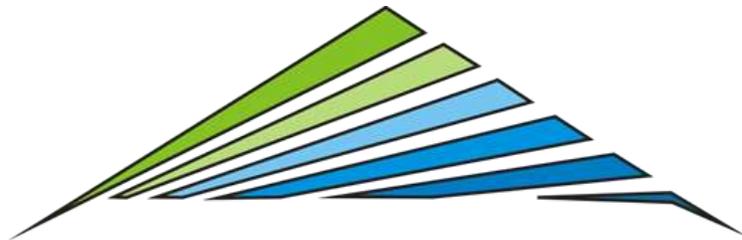


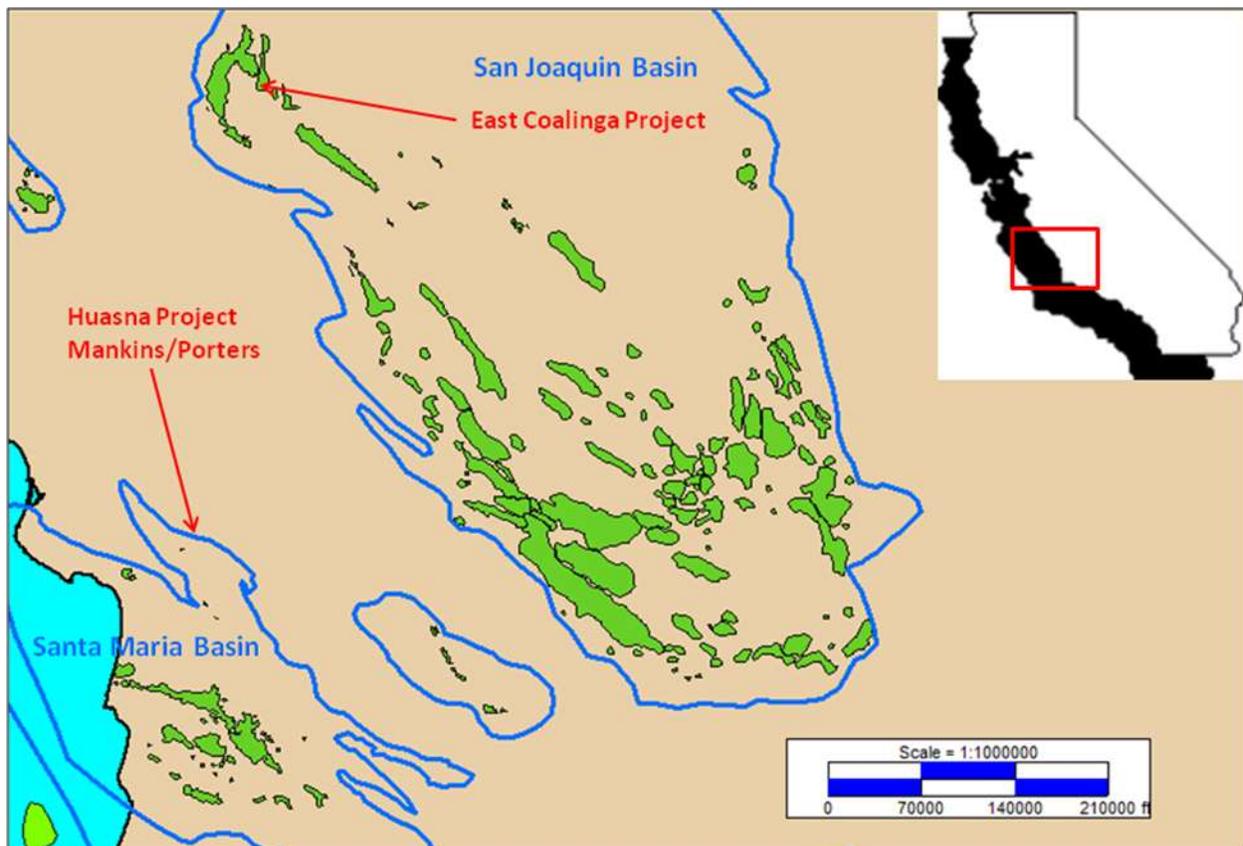
For personal use only



Australian Oil Company Limited

208 Bagot Road, Subiaco, WA 6008
Tel: (08) 6380 1410 Fax: (08) 9381 9386
ACN 114 061 433

QUARTERLY ACTIVITIES REPORT QUARTER ENDED 30 JUNE 2012



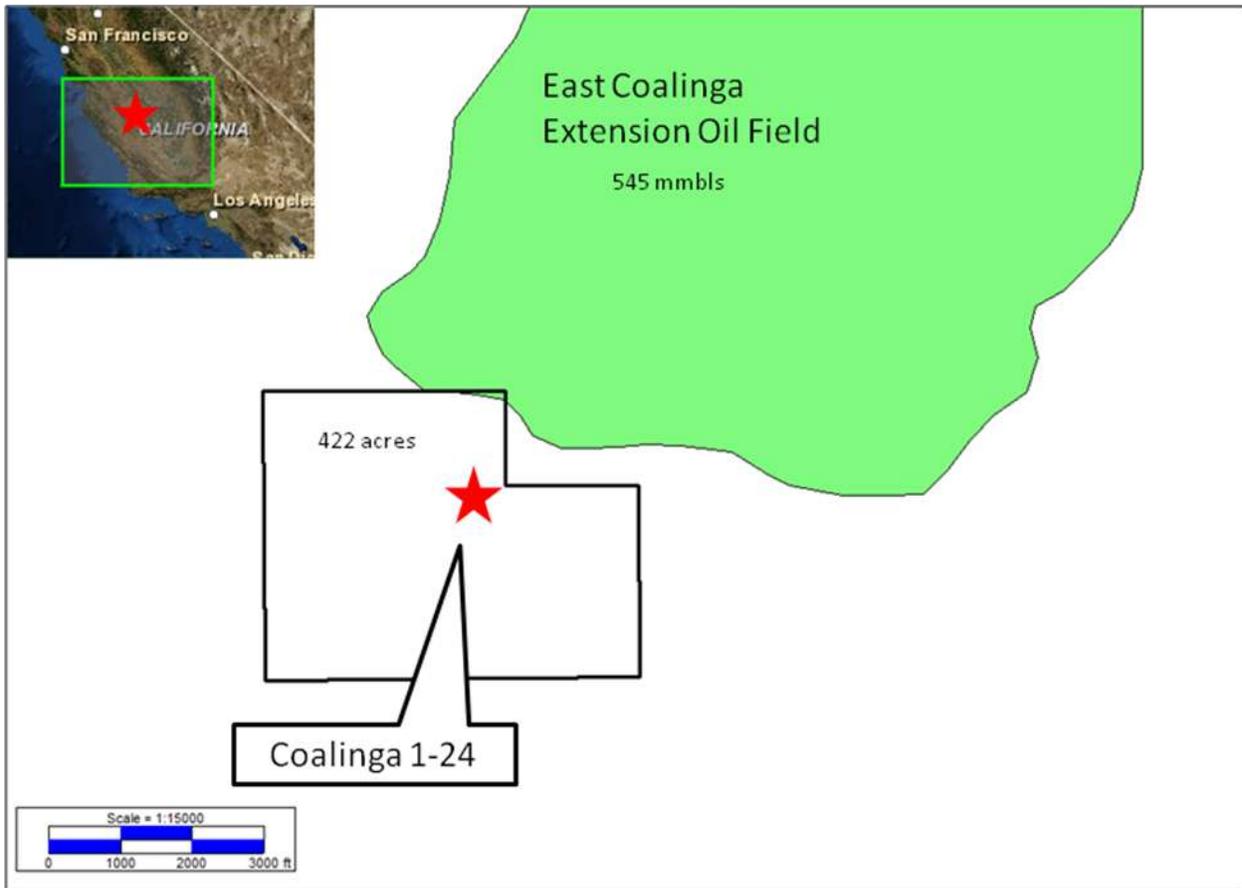
AOC Operations - Central California

SAN JUAQUIN BASIN - OIL PLAY CALIFORNIA

SACGASCO LLC, a wholly owned subsidiary of AOC, has entered into a farmin agreement for 422 leased acres located in the Coalinga area of the San Juan Basin, California. The terms of the farmin provide for SACGASCO to pay its ground floor earning share of one well plus its pro rata share of a prospecting fee to earn a 32.81% interest.

The leased area is situated just to the south of the Chevron owned and operated East Coalinga oil field which has produced over half a billion barrels of oil from the Gatchell Sandstone. The leased area contains the Gatchell zone rights and is mapped as a separate field which could contain over 20 mmbbls of recoverable oil.

The farmin exploration well, SCU # 1-24 will be drilled in July 2012 and is expected to take 12 – 14 days to reach a total depth of 8,500' (2,600m). AOC's estimated net cost on a dry hole basis for this well is \$US380,000.



Permit map and drill location

For personal use only

**LOS ALAMOS OIL PROJECT
CALIFORNIA**

Ongoing discussions with potential joint venture parties to provide partial funding for the drilling of a farm well.

**MANKINS RANCH OIL PROJECT
CALIFORNIA**

The final Environmental Impact Report released by the County of San Luis Obispo was voted against by the Planning Commission.

An appeal against this ruling was going to be decided by the Board of Supervisors in May 2012 but due to the large number of submissions has been deferred until August 2012.

**PORTER RANCH OIL PROJECT
CALIFORNIA**

During the quarter AOC's interest in Alamo Creek Oil LLC increased from 45% to 50%. This was achieved by paying 56% of the annual lease payments. AOC now has a total 4,526 net acres in this project.

Accordingly the new Alamo Creek Oil LLC shareholding is AOC - 50%, Calog LLC - 25% and United Hunter Oil Gas Corp – 25%.

**HOOD - FRANKLIN GAS PROJECT SACRAMENTO
CALIFORNIA**

Ongoing review of the economics of drilling an additional well.

CALIFORNIAN NEW VENTURES

Ongoing evaluation of a number of low cost, high impact oil and gas appraisal opportunities.

**PEL 182
COOPER BASIN SOUTH AUSTRALIA**

AOC's 7.5% interest is subject to a farmout and assignment to Dome Petroleum however there are unresolved issues with Dome which is preventing the completion of this transaction which when finalized will result in AOC having no ongoing interest in this permit.

For personal use only

EP 435
EXMOUTH SUB BASIN WESTERN AUSTRALIA

No activity during the quarter.

ONSHORE EAST TIMOR

At this time there is no legislation in place in East Timor regarding onshore oil exploration and it is not possible to predict when any application for licenses may take place.

SUBSEQUENT EVENTS

5,168,666 ordinary fully paid shares were issued to Sophisticated Investors at 5 cents per share to raise \$258,433. Funds raised will be used for general working capital.

The Los Alamos farmin has been terminated by vendor due to Los Alamos Oil LLC's (wholly owned subsidiary of AOC) inability to drill a well in the time frame required.

Exploration well, SCU # 1-24 is currently at 5,500' and drilling ahead.



Graham Drilling Rig #5 looking west

Andrew Childs
Chairman

31 July 2012

For personal use only