



ASX ANNOUNCEMENT

16 July 2015

Austin Significantly Expands Colorado Acreage

- Austin acquires an additional 3,721 adjacent acres in Fremont County
- Company now controls 100% of over 15,000 acres in the oil rich DJ Basin
- Acquisition consistent with Austin's strategy of focusing on the development of lower cost, high impact conventional exploration drilling
- 3D Seismic results encouraging with several high grade targets identified

Austin Exploration ("Austin" or "the Company") (ASX:AKK) today reports that it has significantly expanded its flagship Pathfinder oil and gas property located in the DJ Basin in Fremont County, Colorado.

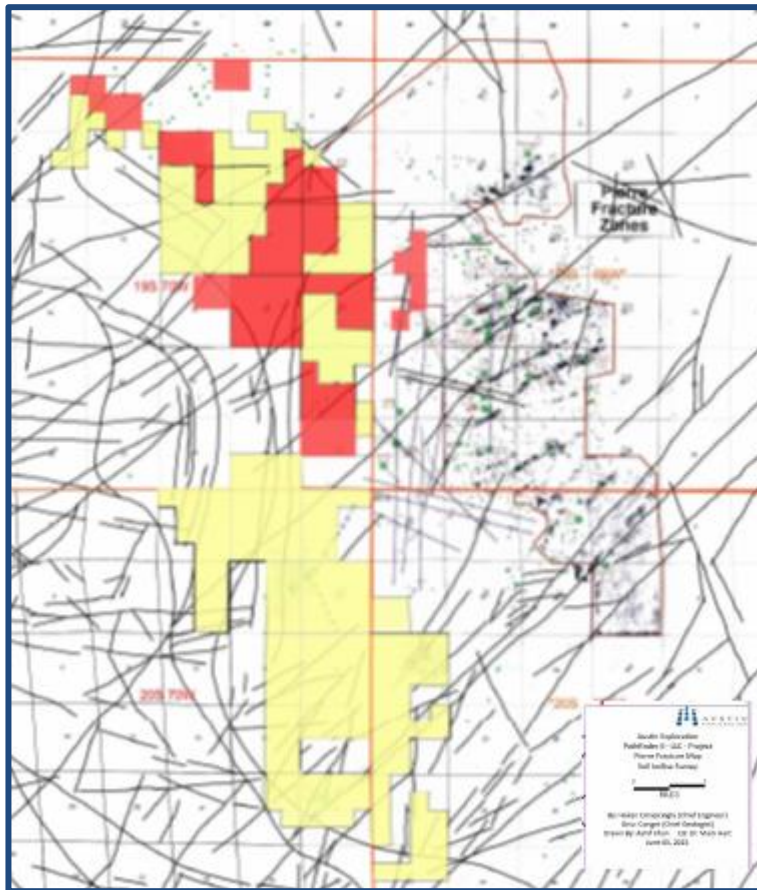
The Company has acquired a further 3,721 acres situated directly adjacent to Austin's existing 11,560 acre Pathfinder property. This is a significant development for the Company as it now controls 100% of 15,281 acres with no depth limitations in the DJ Basin, a region that is recognized as one of the top three oil producing basins in North America.

The property, which measures approximately 20 miles from North to South and 8 miles from East to West, adds significant value to Austin's existing Pathfinder Colorado acreage due to its immediate proximity (see map below). This acquisition is also consistent with Austin's strategy of boosting production and cash flows by focusing on the development of its lower cost conventional prospects in Colorado, Kentucky and Mississippi.

Austin's acreage in Colorado is located directly in the heart of the Florence oil field, which is renowned for having produced over 15 million barrels of oil from the naturally fractured and shallow Pierre formation that lies at a depth of approximately 3000 – 4000 feet. Austin has secured oil and gas rights to this property, which was previously held for held primarily for coal and gold mining, and the Company is confident that there are significant untapped oil reserves at its Pathfinder property.

The Company is also pleased to report that it has successfully completed its state-of-the-art 3D seismic program over section 18 of the property. This program has been carried out to complement the previously completed successful exploration drilling, 2D seismic and surface geochemistry work, with Austin now having identified several high grade exploration targets both in the Pierre and Niobrara formations.

In addition, Austin is pleased to report that drilling has now recommenced in section 18 of the Pathfinder property following the successful completion of the 3D seismic program. Austin has put an extensive amount of preparatory work into this exploration drilling campaign, and intends to drill vertical, deviated and short lateral well-bores through the Pierre formation. These well bores have been engineered to increase the probability of intersecting fractures in the formation during the drilling process, and more critically these shale wells do not require expensive horizontal drilling or fracking.



Map representing Austin's 15,281 acre Pathfinder property. The red blocks illustrate the Companies newly acquired contiguous acreage to Austin's existing property in yellow. Austin also has property nearby to the South in Custer County

Austin Exploration Chairman, Dr. Wm. Mark Hart, stated: "This acquisition is a great milestone for Austin and one that adds considerable value to our existing Pathfinder acreage. As can be seen from the map, we've been able to tie our North Block to our South Block and we now control 100% of more than 15,000 acres in the DJ Basin."

"We're also pleased with the progress and development of our flagship project here, which lies over a hydrocarbon rich basin that has multiple oil and gas bearing formations in the Pierre, Niobrara, Greenhorn, Grenaros and Dakota formations. Importantly, we have the minerals locked up to the depth of drilling to provide for additional oil and gas reserves in the future."

"Our engineering, geophysics and geologic work is all coming together and we look forward to further exploration drilling in this field, and to further developing this world class oil and gas property in Colorado."

Austin's CEO and MD, Mr. Guy Goudy, added: "The expansion of our Pathfinder acreage is an exciting development and given the fact that we are surrounded by producing oil wells we are confident that this will add significant value to the project. We're also very encouraged by the 3D seismic results here which have confirmed several high grade exploration targets."

"We remain committed to driving shareholder value during this current down-turn in the price of oil and are fortunate to have a diversified asset base with conventional prospects that afford lower cost drilling programs in Colorado, Kentucky and Mississippi."

Austin Exploration looks forward to updating shareholders on its progress at the flagship Pathfinder project, along with developments at its Kentucky and Mississippi projects, over the coming weeks and months.

Released through Ben Jarvis, Six Degrees Investor Relations: +61 413150448

ABOUT AUSTIN EXPLORATION:

Austin Exploration is an Oil and Gas Company with a portfolio of oil and gas assets in the United States. In 2010, Austin strategically shifted its core focus towards non-conventional shale exploration and production. The Company has now established a major presence in two of America’s most prolific oil and gas basins. Austin controls more than 11,000 acres in Colorado in the Niobrara Shale and has an interest in over 5,000 acres in Texas in the Eagle Ford Shale and the Austin Chalk. Austin has producing oil and gas wells in Colorado, Texas, Mississippi and Kentucky. Austin has built a world class Board and Management team with proven company builders to derive maximum value from its oil and gas properties. Austin is listed on the Australian Securities Exchange (ASX code: AKK) and on the OTC in the United States (AUN-XY).

DISCLAIMER:

This announcement contains or may contain “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be “forward looking statements.” Forward looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this action may be identified through the use of words such as “expects”, “will”, “anticipates,” “estimates,” “believes,” or statements indicating certain actions “may,” “could,” or “might” occur. Oil production rates fluctuate over time due to reservoir pressures, depletion or down time for maintenance. The Company does not represent that quoted production rates will continue indefinitely.