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ASX ANNOUNCEMENT

24 November 2015

Austin mobilises drilling equipment at Pathfinder

- Preparations advanced with 90% of equipment on site, drilling at C18#2 well expected to commence soon
- C18#2 well targeting oil rich Pierre Shale – success will unlock significant value for Austin at Pathfinder

Austin Exploration ("Austin" or "the Company") (ASX:AKK) is pleased to announce that mobilisation of drilling equipment in preparation for the upcoming drilling of its C18#2 well at the Company's flagship Pathfinder project in Colorado is underway and proceeding to plan.

The C18#2 well is targeting the oil rich Pierre Shale formation following an extensive high definition geophysical 3D seismic survey undertaken by Austin in section 18 of its highly prospective Pathfinder project. The property, consisting of 15,282 acres lying directly over the DJ Basin (one of North America's most prolific oil and gas producing basins), is large enough to accommodate more than 350 wells in the Pierre formation.

The roads and pad work for the drilling site at C18#2 are almost complete and 90% of the drilling equipment is on location (see picture below). The Austin team is now completing maintenance on all drilling equipment to ensure safe and efficient drilling operations, which are anticipated to commence soon after the Thanksgiving holiday in the US (26 November 2015).

Austin's strategic low cost drilling program at Pathfinder has been considerably advanced through the Company recently securing a low cost comprehensive drill rig fleet agreement from Math Energy Drilling LLC (ASX 9 November 2015). Under this ongoing agreement, Austin has exclusive use of the equipment, including an Atlas Copco RD20 Range 3 drill rig, for a flat monthly rate for an initial 12 month period.

Commenting on the upcoming drilling program, Austin's CEO & Managing Director, Mr. Guy Goudy, said: "This is an exciting development for Austin and I thank the entire team for their hard work in getting us to this point. The drill rig package that we recently secured with Math Energy Drilling has also enabled us to fast track the drilling program at Pathfinder, while also significantly lowering our development and drilling costs here."

“We have just built our drilling pad and access road for US\$5,000 compared to industry norms of in excess of US\$100,000 experienced in the past. This is further evidence of the value of our partnership with Math Energy Drilling.”

“I am very confident that after the thorough and extensive seismic work and preparations we have undertaken at Pathfinder we are on the brink of success here, which will be an absolute game changer for Austin. Given that there is the potential for over 350 wells at Pathfinder, striking oil in section 18 would certainly unlock significant potential value for the Company.”

“I look forward to keeping shareholders updated on our progress and results with the spudding and drilling of the C18#2 well over the coming weeks.”



Site preparations at the C18#2 well are almost complete with 90% of equipment in place



The Atlas Copco RD20 Range 3 drill rig has arrived on location

– ENDS –

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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).

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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.