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ACN 114 198 471

ASX ANNOUNCEMENT

19 October 2015

High Impact Oil Target Identified in Colorado

- **Successful exploration and high definition 3D seismic uncovers highly prospective oil target in the Pierre Shale formation**
- **Drilling to commence in December – preparations already advanced**
- **Funds raised from Rights Issue will be allocated towards this drilling program**
- **Well satisfies lease commitments for full acreage retention**

Austin Exploration ("Austin" or "the Company") (ASX:AKK) is pleased to announce that the Company has identified a series of high impact oil exploration targets in the Pierre Shale at its Pathfinder Project in Fremont County, Colorado. Austin is the operator here and controls a 100% Working Interest in its 15,282 acre property that lies over the prolific oil and gas bearing DJ Basin.

Austin's C18#2 well will be drilled in December and a discovery should unlock a significant amount of value in the project, with the Company's Pathfinder property big enough to accommodate more than 350 wells. The site has been staked and it is anticipated that Colorado State drilling permits will be issued in the coming weeks.

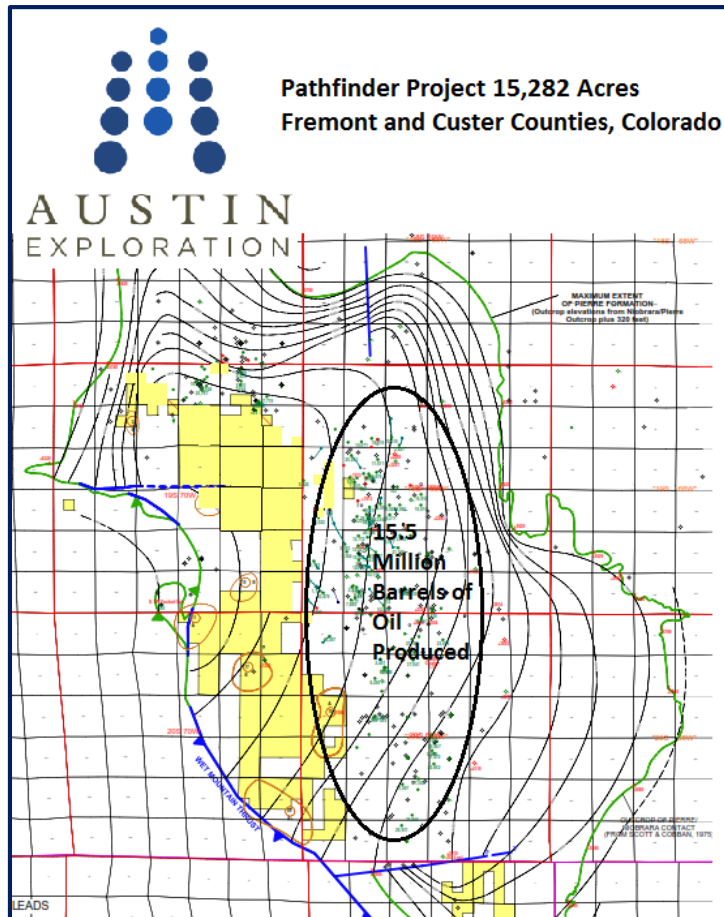
Austin has been methodically de-risking its field development at Pathfinder by applying the most modern engineering and geophysical exploration techniques available for this upcoming well, including a 3D seismic program, surface geochemistry work and satellite imagery studies.

As previously reported, the Company completed a state-of-the art, high definition "zig-zag" 3D seismic program at the project this year, identifying several highly fractured areas within the Pierre formation. The upcoming drilling program is consistent with the company strategy to target the identified target zones of its 3-D seismic field work in further proving up the Project through lower cost drilling. In conjunction with its successful exploration drilling, Austin has now identified several areas that have all the attributes necessary for highly productive oil wells.

As announced to the ASX on July 30, Austin drilled its C18#4 exploration and commitment well which intersected gas hydrocarbons.

Combined mole weight of 92% for methane, ethane and propane was extrapolated using data collected in real time from the field, with other hydrocarbon components (including xylene, pentane, butane and hexane) also identified. Xylene is a petrochemical that represents about 0.5–1% of crude oil and is a further strong indication of the presence of oil in the area where Austin will drill its next well.

Notably, ASX-listed Comet Ridge Resources (ASX: COI) drilled 25 wells in the directly adjoining field from 2008 - 2012. Of these 25 wells, 22 were commercial producers with the average production from these 22 wells being approximately 35,000 barrels of oil per well. The best well had a 30 day average initial production rate of 523 bopd, has produced over 190,000 barrels of oil and is still producing. The 22 wells averaged 112 bopd for an initial 30 day period.



The above map illustrates Austin's 15,282 acre property highlighted in yellow. The Pathfinder property sits directly adjacent to an area that has produced approximately 16 million barrels of oil in Fremont County from the Pierre formation. Austin's acreage was previously held by coal and gold mining Companies and Austin believes its oil and gas reserves remain in virgin territory. The property transcends areas of approximately 15 miles long and some ten miles wide and lies over 4 major hydrocarbon formations and Austin has the rights to the depth of drilling.

Austin's VP/GM for the Colorado Business Unit, Mr. Aaron Goss, commented: "I'm looking forward to a successful and safe drilling program, and I'm greatly encouraged by this latest target we have identified through our seismic and engineering work. Our team has worked extremely hard in preparation for the drilling of this well and we are ready to go."

Austin's CEO & Managing Director, Mr. Guy Goudy, added: "We've put in a huge amount of work in preparation for this drilling program and I'm proud of our Team. We have a property that lies directly across the road from one of the world's oldest producing oil fields and we intend to fully capitalise on this opportunity."

"Our oil reserves remain largely in virgin territory and I'm confident that we've approached the development of this property in a prudent and strategic manner. I believe that success awaits us."

"The majority of funds raised from the current Rights Issue, when completed, will be allocated towards this drilling program and we're confident that this program will deliver significant returns for shareholders."



The C18#2 well site has been staked in preparation for drilling

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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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