



Listed on the Australian Securities Exchange ("AKK") and the OTC in the USA (AUN-XY)  
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ASX ANNOUNCEMENT

1 November 2016

## Significant amounts of Oil and Gas evident in Magellan # 1 well

- **1,400ft of well bore full of oil with significant hydrostatic pressure, natural gas**
- **The reservoir has potential to deliver meaningful oil and gas production**
- **Production facilities have been ordered and are on location for construction**
- **Initial oil production rates are expected within days**

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Austin Exploration Limited (**ASX: AKK**) (**Austin or the Company**) has identified significant quantities of oil and gas in preparations for flow testing the Magellan # 1 well at the Pathfinder property in Colorado, USA.

The Magellan #1 well is maintaining a 1,400ft column of oil within the 4 ½ inch production casing. The well bore has been evacuated on several occasions and in each instance the 1,400ft column of oil was replenished within 60 minutes, indicating that there is significant hydrostatic pressure and drive emanating from the reservoir.

The Company has immediately moved to bring the Magellan #1 well into production in coming days. Production facilities, including a pump Jack, oil tanks, flow lines and a gas flare, have been ordered and are on location for construction and installation. While further minor work is required to determine if commercial flows are achieved, the Company expects there is significant potential at Magellan #1.

Austin's Managing Director and Chief Executive Officer, Tim Hart, commented: "We are highly encouraged to see 1,400ft of oil in the well and a strong drive emanating from the reservoir. We are one step closer to proving up a new productive region and an extension to the 15 million barrel Florence oil field. We have an important week ahead and if commercial flows are achieved, the Magellan #1 well could be very substantial for the Company."

Austin expects to put the well on pump in coming days and will conduct an initial on-pump production test with results to be communicated to the market this week.

For further information on Austin' current drilling program, including potential economics of productive Pierre wells, please see Austin's August Investor Presentation that was released to the ASX on August 11, 2016. A copy of the presentation can be found at [www.austinexploration.com/investors/presentations/](http://www.austinexploration.com/investors/presentations/)

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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. The Company has now established a major presence in two of America's most prolific oil and gas basins. Austin controls more than 15,000 acres in Colorado in the DJ Basin (Niobrara and Pierre Shale) and 4000 acres in the Illinois Basin in Kentucky. Austin has interests in producing oil and gas wells in Colorado, Kentucky and Texas. 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.