



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

9 July 2015

Austin Hits Oil in Kentucky

- Robards Lauenstein #4 well successfully drilled and producing oil under natural pressure
- Well will be drilled and completed for less than US\$100,000
- Drilled internally by Austin's team with no contractors saving significant costs
- Well expected to produce oil profitably for 20+ years
- Low cost drilling program in Kentucky continues to provide operating cash flows for AKK
- Austin maintains focus on reducing costs while boosting production

Austin Exploration ("Austin" or "the Company") (ASX:AKK) today announced that its Robards Lauenstein Community #4, (RLC #4) well, located in Kentucky, was successfully drilled and is currently producing oil under natural pressure. Flow rates have yet to be determined as production facilities will be installed over the course of the next few weeks. The RLC #4 represents Austin's continued effort to achieve low cost production in its Eastern Business Unit which encompasses Kentucky and Mississippi.

VP and General Manager for Austin's Eastern Business Unit, Mr. Tim Hart, said: "RLC #4 is an excellent example of a low-cost producing well that will strengthen the company's revenue base. We expect to achieve more low cost production from the continued development of our Kentucky assets which we believe hold considerable unlocked value. We are continually finding opportunities to reduce costs while increasing our production."



Naturally flowing oil to the pit on the Robards Lauenstein Community #4 well

Austin's Managing Director & Chief Executive Officer, Mr. Guy Goudy, commented: "It is very encouraging to hit on a well that flows oil under natural pressure. We expect the RLC #4 to enter steady production in the next few weeks. This well will pay back in less than a year and provide profitable cash flows for 20+ years."

"We commend Tim Hart, VP/GM of our Eastern Business Unit, on a safe, low cost and successful drilling operation. This well is reflective of the value our team in this business unit is adding to Austin's overall value base, and it also demonstrates how we can effectively strengthen production while continuing to manage costs."

"We are committed to driving value and growing our cash flows in this current low oil price environment. We are fortunate to have properties in Colorado, Kentucky and Mississippi that afford us the opportunity to drill lower cost wells that remain highly economic and what we've just seen in Kentucky is consistent with our strategy."



Mr Tim Hart, VP/GM for the Eastern Business Unit drilling the Robards Lauenstein #4 well

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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-QX International 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.