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**ASX ANNOUNCEMENT**

**30 July 2015**

## **First deviated Pierre well bore completed in Colorado**

- **C18#4 well drilled to target depth of 4210 feet intersects natural gas hydrocarbons**
- **Austin will now run tests to comprehensively analyze gas**
- **Result comes after Austin significantly increases acreage at flagship Pathfinder project**

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Austin Exploration (“Austin” or “the Company”) (ASX: AKK) advises that the drilling of the Company’s deviated exploration well has encountered natural gas in the Pierre formation at its flagship Pathfinder project in Colorado.

Electronic resistivity logs have been run and show a spike in the bottom 100ft of the well-bore, which is also an indication of the presence of hydrocarbons. The gas appears to be wet and the Company will now run gas chromatograph tests to comprehensively analyze this gas, as the Pierre formation is not typically recognized as a gas-bearing formation.

At the time of this report, the well has not flowed crude oil. The Pierre formation is fragile with extensive natural fracturing, and drilling can cause cuttings to be forced back into the fractures which can initially prohibit oil from liberating into the well-bore. This has been evidenced in other wells in the Florence field that have taken several weeks before the wells started to produce oil.

Austin has a 50% interest in the C181#4 well and was not responsible for the drilling costs of this well. Austin’s Engineers are on location and will be monitoring the well closely over the coming weeks.

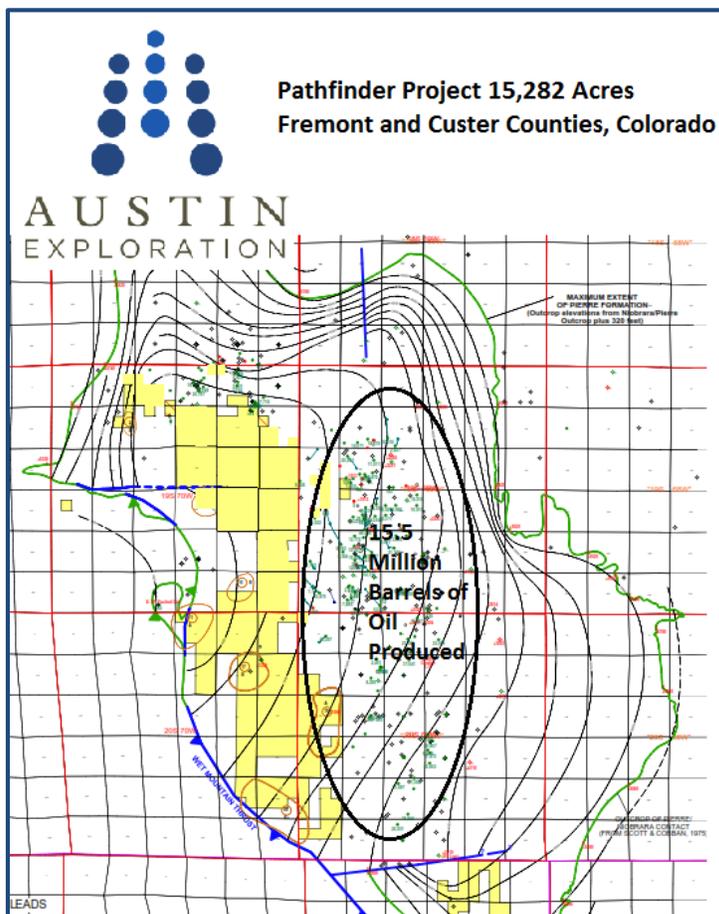
The C181#4 well was successfully drilled without any mechanical issues and reached its targeted measured depth of 4,210ft. The well was drilled through the Pierre at a deviated angle of approximately 35 degrees which was designed to maximize to the amount of fractures that are intersected during drilling.

The strategic development and de-risking of the Pathfinder project, where the Company has recently significantly increased its acreage with the acquisition of an additional 3,721 acres (as reported to shareholders on 16 July 2015), is a key focus for the Company, and aligns with Austin’s aim to boost production at low cost.

Austin’s CEO & Managing Director, Mr. Guy Goudy, commented: “The presence of hydrocarbons is pleasing as it comes immediately after we have just increased our Colorado acreage, which affirms this decision to strategically expand our assets in this rich oil and gas bearing region.”

“We continue to maintain our focus on boosting production through low cost, high impact conventional drilling projects at our properties in Colorado, Kentucky and Mississippi, and we look forward to updating shareholders on further progress at these properties in the coming months.”

Austin’s VP/GM for the Colorado Business Unit, Mr. Aaron Goss, commented: “The fact that we have intersected natural gas and hydrocarbons at the C181#4 is a positive development for the Pathfinder project, and one that further de-risks this property and confirms that there is significant unlocked value in the Pathfinder project. When you consider that 16 million barrels of oil has been produced literally next door to us, there is much to be confident about for the future of this property. ”



The above map illustrates Austin’s 15,282 acre property highlighted in yellow. The Pathfinder property sits directly adjacent to approx. 16 million barrels of oil that has been produced 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.

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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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