



Listed on the Australian Securities Exchange ("AKK") and the OTC in the USA (AUN-XY)  
ACN 114 198 471

ASX ANNOUNCEMENT

29 April 2016

## Drilling Operations Underway in Colorado

- **Pathfinder drilling operations commence**
- **C18#2 well targeting the oil rich Pierre Shale formation following extensive 3D seismic survey – strike would be a ‘game changer’ for Austin**
- **Company anticipates completing well for ~US\$500K, drilling results in late May**
- **A commercial discovery will be significant for Austin and would solidify the Company as being one of the lowest cost oil producers in the market that can be profitable in times of depressed oil prices.**

The Directors of Austin Exploration Limited (**ASX:AKK**) (**The Company**) are pleased to announce that operations have resumed at the Company's 100% controlled and operated Pathfinder project in Fremont County, Colorado.

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.

A commercial discovery will be significant for Austin and would solidify the Company as being one of the lowest cost oil producers in the market that can be profitable in times of depressed oil prices.

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. This state-of-the-art seismic program has identified several high grade targets for potential oil production in this section.

Casing has now been delivered and all automated drill parameter and safety monitoring systems have been readied and are fully operational. The extensive suite of drilling equipment has been meticulously serviced and maintained over the winter months in preparation for Austin's 2016 low cost, high impact drilling program.

Austin's strategic low cost drilling program at Pathfinder was considerably advanced through the Company 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, which includes 7800 horsepower of equipment.



**The Atlas Copco RD20 Range 3 drill rig on location for the drilling of the C18#2 well targeting oil production from the Pierre formation**

The flexibility afforded by this arrangement allows Austin to have complete control over all aspects of the drilling process. As such, the Company is in control of all drilling costs as it does not have to pay for high daily drilling rates and standby rates. Drilling will be conducted internally by Austin's staff and during daylight hours to keep costs as low as possible. The Company believes it is on track to drill and complete a Pierre well for approximately US\$500k.

Mr. Aaron Goss, VP/GM for Austin's Colorado Business Unit commented: "The Atlas Copco RD20 rig is the perfect machine for Pierre drilling in this region. The Company is very happy with the rig given the immense amount of drilling equipment, the manner with which it has been maintained and the expertise of the personnel. I couldn't be more proud of where we are given the recent industry challenges that we have endured since June 2014. We have a highly committed and dedicated team and we are focused on building a highly productive and world class oil project that should provide significant returns for our loyal shareholders"

Weather permitting, as Colorado has been experiencing recent heavy snow storms, the Company expects to be in a position to release drilling results in late May.

**Released through Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448**

#### **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 Niobrara Shale and has interests in in Texas in the Eagle Ford Shale and the Austin Chalk. Austin has producing oil and gas wells in Colorado, Texas, 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).

#### **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.