



# AUSTIN EXPLORATION

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

ASX ANNOUNCEMENT

30 November 2016

## Austin delivers oil sales in Colorado

- **Magellan #1 well is now producing a high quality pure crude oil with no water**
- **Crude oil is being collected and delivered to Suncor Energy's refining facilities in Colorado**
- **The oil being produced is a light sweet crude with a API gravity of 35 – 37 and sulfur < 0.1%**
- **Austin is now generating revenues from some of the highest quality oil in the Florence Field**
- **A Weatherford Laboratories comprehensive hydrocarbon cuttings and geologic analysis is underway**
- **Accelerated field development and ramp up in production beginning in 2017**

Austin Exploration Limited (**ASX: AKK**) ("**Austin**" or "**the Company**") is pleased to announce that oil sales from its recent drilling campaign in Colorado have commenced with first revenues expected shortly. Austin has completed its sales agreements for haulage and refining with Suncor Energy and crude oil is being collected and delivered to Suncor's refining facilities in Commerce City, Colorado.

The oil being produced from the Magellan#1 well is a high quality, light sweet crude with an API gravity of 35 – 37 and a sulfur content of less than 0.1%. The formation is producing pure oil with no water which significantly improves the economics of the project as it alleviates the need for a high cost water injection well or water haulage.

The crude oil sampled thus far is of a higher quality than typically being produced from the Pierre formation that has produced more than 15 million barrels in the oil field directly to Austin's east. This high-quality crude has a strong demand and adds significant value to the project on an ongoing basis.

Mr. David Speers, a collection agent with Colorado Crude Inc. collected Austin's first load of crude oil from the Magellan #1 well and commented that: "This oil is the best it could be from the Florence Field, it doesn't get better than this."

The recently drilled Magellan, Marco Polo and Columbus wells drilled all are producing significant amounts of natural gas which supports a higher reservoir pressure regime and points to a lack of oil depletion or drainage. Combined with the higher grade crude oil that is being produced, early indications continue to support that substantial oil and gas resources remain untapped and in place at the Pathfinder project.

As previously reported, the Pierre formation has a 2 degree downward dip as it moves in a westward direction over the Pathfinder property. Recent drilling has revealed that the formation is significantly thicker and deeper than the productive region that neighbours the Pathfinder property. This supports the Company's long held the view that Pierre formation at Austin's Pathfinder property has the potential to contain significantly more oil than the established oil field directly to its east.

In response to this and in order to gain a comprehensive understanding of the formation and the reservoir, the Company has engaged Weatherford Laboratories to conduct an extensive hydrocarbon cuttings analysis which will assist in optimising oil and gas production as the Company prepares to accelerate field development and ramp up production, beginning in 2017.



**Colorado Crude Carriers tanker on location at Austin's Magellan well site**

Austin's Chief Executive Officer and Managing Director, Tim Hart commented that: "With this discovery, our Pathfinder project is now transitioning from an exploration phase to a development phase. Given that our acreage is located immediately adjacent to the 15.5 million barrel Florence oilfield, we assessed that our probability of success was elevated. What makes it exciting for us and our shareholders is that the entire 15,282 acreage position is in virgin territory, and with nearly 400 low cost drilling locations this project is shaping up to be one of the most rewarding plays in the country. We couldn't be more pleased with the result and look forward to providing further updates of flow testing and production activities in the near term."

– ENDS –

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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).

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