



Australian Oil Company Limited

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Operations Update

SCU #1-24 Exploration Well San Joaquin Basin, California

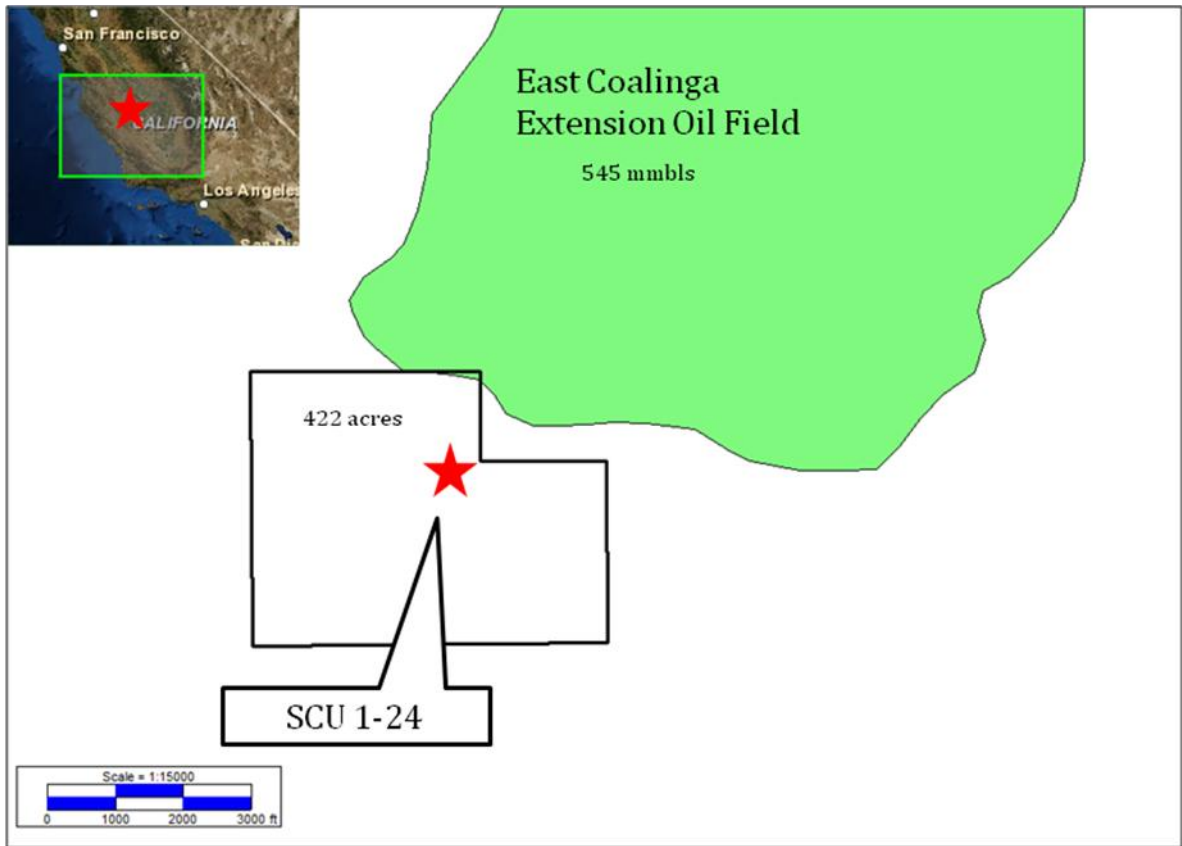
Australian Oil Company (ASX:AOC) is pleased to report encouraging results from wireline log analysis of the oil shows encountered in exploration well SCU #1-24 in the San Joaquin Basin, California.

The well has been drilled to total depth and the Joint Venture has decided to commence the running of production casing with a view to undertake a production test in order to determine whether oil can be produced from the well and if so, to gain information about reservoir performance.

It is planned to run the production casing over the next 24 hours then release the current drilling rig and re-enter the well with a smaller workover rig to conduct a flow testing programme. It is anticipated that this flow testing will commence in the next 2-3 weeks.



Graham Drilling Rig #5



AOC, through its wholly owned subsidiary SACGASCO LLC, will earn a 32.81% working interest in 422 acres in the Coalinga area by paying its share of the SCU #1-24 well costs and is the only publicly listed company in this Joint Venture.

Mark Ohlsson
Company Secretary
9 August 2012