



Australian Oil Company Limited

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Operations Update

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



Australian Oil Company (ASX:AOC) wishes to advise that the production test of the Gatchell sandstone has produced only formation fluid and drilling mud after swabbing the well for over three days. Analysis of the water sample has confirmed that the Gatchell zone is water wet.

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The forward plan is to set a bridge plug immediately above the Gatchell then perforate and flow test the Eocene Domengine which had oil shows and elevated resistivities.

Depending on the results of this test, an additional zone in the Kreyenhagen may also be tested.

Mark Ohlsson
Company Secretary
6 September 2012

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