



AUSTIN EXPLORATION

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

ASX ANNOUNCEMENT

23rd April 2014

Drilling of Second and Third Eagle Ford Wells Underway in Texas

- **Austin's second and third carried horizontal wells operated by Halcón Resources have been spud**
- **Total carried drilling and completion costs of two horizontal wells is approx. USD \$18-20 million**
- **Stifflemire 1H well completed in March with 1,0666 BOEPD IP continues to outperform expectations**

Austin Exploration (ASX: AKK) announces the next step of its Eagle Ford drilling campaign with the spud of two additional horizontal wells operated by Halcón Resources at its Birch Property in Texas.

The Kaiser 2H well and the Nemo 1H well will be the second and third wells, respectively, of a three well farm-out program with Halcón Resources. Each horizontal Eagle Ford well will be drilled to a planned total measured depth of approximately 17,500 feet with an 8,000 to 10,000 foot lateral.

Under the terms of the farm-out agreement, Halcón Resources will earn 70% of 4,255 acres with an additional 140 surface acres by drilling three wells into the Eagle Ford Shale formation. At approximately USD \$8-10 million per well, the total cost of the three wells is expected to be approximately USD \$27-30 million, and Austin is to be carried on these costs.

This accelerated drilling program comes on the back of the successful Stifflemire 1H well. As previously announced on the 26th of March, the well went into production at a rate of 1,066 BOEPD. Due to this successful result, Austin was notified by Halcón Resources that a decision was made to drill the next two Eagle Ford wells in tandem. Halcón Resources has publically announced that it believes the Birch property is in the sweet spot of the East Texas Eagle Ford play.

Based on the Stifflemire 1H well results, the Company plans to pursue debt as an option for the ongoing and long term development of its world class oil and gas properties in Colorado and the Texas. The Company expects to be in a position to announce further details on this in the near future. Combined, these two properties have more than 300 possible drilling locations for horizontal wells which have the potential to grow Austin into a billion dollar energy business.

Austin's CEO and MD, Dr. Mark Hart, commented, "This is an exciting period for Austin and its shareholders with the big result from our first well with Halcón Resources providing a strong basis for the accelerated development of the field. The well continues to outperform our expectations and the Company looks forward to reporting the 30 day flow rate shortly. We have a lot of irons in the fire right now and everything is starting to come together nicely."

With the success of the Stifflemire 1H well, the Company has re-engaged Gustavson and Associates, an independent Oil and Mining appraisal firm in Denver Colorado, to update its Oil and Gas Reserves and Resources. Given the significant oil and gas flows, the Company's oil and gas reserves will be categorized as proven and, importantly, bankable.

The Company will release material results of drilling operations as they become available.

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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-QX International in the United States (AUN-XY).

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