



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

30 June, 2014

Operations Update

- **Strong oil flows continue in Colorado**
- **Operations progressing well in Texas**
- **Kentucky Business unit surges past 30 Bopd**

Austin Exploration ("Austin" or "the Company") (ASX:AKK) is pleased to provide an operational update for its three North American Business Units:

Colorado Business Unit – Fremont County, Colorado. 11,560 acres (100% W.I.).

C-18#1 exploration well:

As was announced to the market on the 26th of June, drilling operations of the C-18#1 exploration well intersected an oil reservoir whilst drilling at approximately 4500ft. The Company believes that this oil was emanating from the transition zone between the Pierre and Niobrara formations. The Company successfully stabilized the well and made the decision to continue drilling to the bottom of the Niobrara formation. The Company is pleased to report that whilst drilling ahead into the B & C sections of the Niobrara another large pocket of oil was intersected that again flowed naturally to the surface. The Company continues to closely monitor the well whilst drilling and early indications are very positive. The Company intends to continue its exploration drilling to the bottom of the Niobrara formation at which time a series of tests will be run on the well. Results will be communicated to the market when available.

Planning has begun for two Niobrara wells and two Pierre wells which are planned to commence once the Company has finalized its proposed \$40mil debt facility.

Gas Processing Of America – Pathfinder Processing plant:

The construction of the Pathfinder processing plant is now nearing completion and is expected to be operational in July with first revenues in August. The Company will be able to process and sell the heavy liquid gases (propane, hexane, ethane, and butane) providing a boost to cash flows. Gas Processing Of America (GPA) outlaid the capital to install the processing plant, compression plant and the associated infrastructure. GPA will

own and operate the plant, gather and transport the gas, maintain the plant, and market and sell these heavy gases.

Texas Business Unit – Burleson County, Texas. 5000 Ford Property (30% W.I.):

The Company is pleased to report that fracking and completion operations on the Kaiser 2H and the Nemo 1H wells are progressing to plan. Drilling operations on the Redbud 1H well are on track and the Company expects to make an update in coming days.

Planning is underway for a fifth well and details will be communicated to the market shortly.

Mississippi Project – four wells (50%W.I)

Mississippi continues to add favorably to cash flows as the four wells continue to produce approximately 85 Bopd with the M4 well still flowing at 10 Bopd with an increasing oil cut. The middle zone of the Wilcox formation of the M4 well will be perfed in due course.

Kentucky Business Unit – Henderson County, Kentucky. Approx. 4000 acres (100% W.I.)

Production has surged past 30 barrels of oil a day in Kentucky with daily production over the past week averaging 31.3 Bopd. The Business unit is on track to reach its 40Bopd target in 2014. The Company is further pleased to report that work has begun on the Park City gas project.

The Company looks forward to reporting material progress as it occurs.

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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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