



# AUSTIN EXPLORATION

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

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**ASX ANNOUNCEMENT**

**21 August, 2013**

## **INDEPENDENT REPORT SUBSTANTIALLY INCREASES AUSTIN'S RESERVES AND RESOURCES**

- **Independent consultant Gustavson Associates estimates P<sub>50</sub> oil up 26% and P<sub>50</sub> gas up 19% at Austin's Texas Birch prospect**
- **Gustavson substantially upgrades Kentucky project**

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Austin Exploration (ASX:AKK) today announced it had received an updated independent consultant's report from Gustavson Associates covering reserves and resource estimates at the Company's flagship Birch project in Texas, and projects in Kentucky. The updated report substantially increases potential oil and gas recoverability in both areas, from initial estimates announced by Austin on 29 August 2012.

Gustavson Associates is also completing an updated report for Austin's acreage in Colorado and in Mississippi, anticipated to be completed once additional wells are drilled in both states.

Gustavson's estimates were based on well data collected across the Company's wells in Texas and Kentucky and historical production data from nearby fields and wells.

### Texas

Gustavson's analysis estimates the P50 probability of 11.98 million barrels of oil and 50.06 billion cubic feet of gas.

The updated report on Texas increases the P<sub>50</sub> oil estimate by 26% and the P<sub>50</sub> gas estimate by 19% from the previous Gustavson report.

A summary of the Gustavson analysis is presented below and an executive summary is included with this announcement:

| Texas Report          | Estimated Ultimate Oil Recovery<br>MMBbl ( Million Barrels) |                 |                 | Cum Production,<br>MMBbl | Oil Resources,<br>MMBbl (Million Barrels) |                 |                 | Solution Gas Resources, BSCF<br>Billion cubic feet |                 |                 |
|-----------------------|---|-----------------|-----------------|--------------------------|---|-----------------|-----------------|--|-----------------|-----------------|
|                       | P <sub>90</sub>   | P <sub>50</sub> | P <sub>10</sub> |                          | P <sub>90</sub>                           | P <sub>50</sub> | P <sub>10</sub> | P <sub>90</sub>                                    | P <sub>50</sub> | P <sub>10</sub> |
| <b>Birch Prospect</b> | 6.14  | 11.98           | 22.40           | 0.196                    | 5.94                                      | 11.79           | 22.20           | 24.55  | 50.06           | 101.22          |

Austin Executive Guy Goudy said the Gustavson Report provides further independent confirmation of the Company’s long term prospects as an oil and gas producer, following the Company’s recent successful drilling campaign in Colorado, Texas, Mississippi, and Kentucky.

“Our ten well drilling programme has confirmed the high prospectivity of Austin’s tenements and provides a sound basis for developing a well pattern to maximise potential across our assets.”

“Each well has confirmed commercial resources of oil and gas which can be readily tapped for market,” Mr Goudy said.

“The Gustavson Report reaffirms the significant potential we see in the Birch prospect and clearly shows we are sitting on world-class rocks in one of the most prolific oil-bearing regions of the United States”, said Lonny Haugen, Chief Financial Officer, Austin Exploration.

“This upgrade provides further confirmation and validation of the Company’s decision to accelerate the development of these projects, through the recently announced farm-out agreements with Halcon Resources and PetroMax as well as substantial resource increases in Kentucky,” Ms Ola Akrad, VP of Engineering and Technology said.

### Kentucky

Following completion of the updated independent resource report by Gustavson, the following resource summary reflects as a substantial increase in oil and gas in Kentucky and is provided below:

| Kentucky Report                       | P <sub>90</sub> | P <sub>50</sub> | P <sub>10</sub> |
|---------------------------------------|-----------------|-----------------|-----------------|
| <b>Oil, MBO (Thousand Barrels)</b>    | 339.7           | 517.3           | 754.5           |
| <b>Gas, MMCF (Million cubic feet)</b> | 512.7           | 1104.2          | 2264.2          |

In addition to the Company’s successful drilling campaign in Kentucky, the Gustavson Report also provides further independent confirmation of the Company’s long term prospects.

“These estimates confirm our high expectations for the Kentucky project,” Mr. Goudy said.

### **About Gustavson Associates**

Gustavson Associates is an oil, gas, and mining consulting firm with over 30 years of extensive international experience. The Company consists of geologists, engineers, economists, and appraisers who serve

organizations and individuals around the world — including mining companies, major oil and gas companies, governments, international banks and financial institutions, project financiers, stock exchanges, international law firms, and individual property owners.

### **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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### **Competent Person Statement**

In accordance with ASX and AIM rules, the information in this release has been reviewed and approved by Mr. David T. Greene, Sr. Reservoir Engineer, Fidelity Exploration and Production Company. Mr. Greene holds a Bachelor of Science Degree in Earth Science and a Master of Science Degree in Petroleum Engineering and has over 30 years of oil and gas experience including exploration drilling, completion and production. His background also includes evaluation, design and implementation of improved and enhanced oil recovery projects as well as pressure transient analysis, fluid properties and petro physics. He is a member of the Society of Petroleum Engineers and the American Association of Petroleum Geologists. Mr. Greene has the relevant experience within the industry and consents to the information in the form and context in which it appears.

### **DISCLAIMER:**

This announcement contains or may contain "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be "forward looking statements." Forward looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this action may be identified through the use of words such as "expects", "will," "anticipates," "estimates," "believes," or statements indicating certain actions "may," "could," or "might" occur. Oil production rates fluctuate over time due to reservoir pressures, depletion or down time for maintenance. The Company does not represent that quoted production rates will continue indefinitely.