



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

14 September 2012

GAS FLOWS EXCEED ALL EXPECTATIONS AT THE COMPANY'S BIRCH #3 WELL IN TEXAS

- **Gas flows at a rate 800,000 MCF in first day of testing**
- **Flow testing of oil to begin over the weekend**
- **Company controls 93.5% of 5000 acre Birch prospect in Burleson County, Texas.**

Austin Exploration (ASX:AKK) is very pleased to announce to its shareholders that large quantities of natural gas are flowing from its Birch # 3 Schwartz/Galbreath well in Texas.

Observations during drilling caused the Company to estimate a high case of gas flows of 500,000 MCF. Today's result has significantly surpassed those expectations and, if confirmed this excellent result will significantly add to the Company's future projected cash flows.

This excellent result will afford the company the ability to serve a dual oil and gas market in Texas.

The Company is highly encouraged by the strong rates of gas that the well is producing as it prepares to begin flow testing of oil over the weekend. The Company expects to be in a position to release these results to the market towards the end of next week.

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ABOUT AUSTIN EXPLORATION:

Austin Exploration is an Oil and Gas Company with assets in Australia and the United States. Austin has strategically shifted its core focus towards non-conventional shale exploration in the United States. 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 over 5,000 acres in Texas in the Eagle Ford Shale and the Austin Chalk. Austin has producing oil

and gas wells in Texas, Mississippi and Kentucky. Austin also has a highly prospective Oil and Gas Licence, PEL 105, in the Cooper Basin of South Australia. The company's wholly owned US Subsidiary, Aus-Tex Exploration Inc, turned cash flow positive in January 2011. To face future opportunities, Austin has strengthened its board and management teams. Austin is listed on the Australian Securities Exchange (ASX code: AKK) and on the OTC-QX International in the United States (AUN-XY).

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.