

# 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

29 August 2012

## Gustavson Associates Independent Resources Report

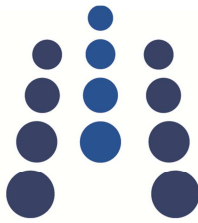
- Independent consultant Gustavson Associates has confirmed the potential of Austin Exploration's two flagship projects in Colorado and Texas.
- The international oil, gas and mining consultant makes P50 (50% probability) ultimate recovery estimates of 31.28 Million barrels of oil and 66.53 Billion cubic feet of gas at the Company's two flagship properties in Colorado and Texas
- Company fully funded to meet its June 30 2013 drilling commitments
- Company controls 93.5% of 5000 acres in Texas and 85% of 11,500 acres in Colorado

Austin Exploration (ASX:AKK) has received the independent consultant's report from Gustavson Associates covering resource estimates of the Company's flagship projects in Colorado and Texas.

Gustavson's analysis estimated reserves ranging from P90 probability figures of 22.3 million barrels of oil and 40.5 billion cubic feet of gas to P10 probability figures of 45.87 million barrels of oil and 114.9 billion cubic feet of gas.

A summary of the Gustavson analysis is presented below and an executive summary is attached to this report:

	Estimated Ultimate Oil Recovery MMBbl ( Million Barrels)			Cum Production, MMBbl	Oil Resources, MMBbl ( Million Barrels)			Solution Gas Resources, BSCF 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>	5.36	9.53	17.51	0.19	5.17	9.34	17.32	21.41	42.01	82.99
<b>Pathfinder Prospect</b>	16.94	21.76	28.36		16.94	21.76	28.36	19.09	24.52	31.96
<b>TOTAL</b>	<b>22.30</b>	<b>31.28</b>	<b>45.87</b>		<b>22.11</b>	<b>31.09</b>	<b>45.68</b>	<b>40.51</b>	<b>66.53</b>	<b>114.95</b>



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Gustavson's estimates were based on drilling data collected across the Company's wells in Colorado and Texas as well as a collection and correlation of historical production data from nearby fields and wells.

Austin Exploration Chairman Richard Cottee said that following the Company's successful drilling campaign the Gustavson Report provides the first independent confirmation of the Company's long term prospects as an oil and gas producer and provides validation to accelerate production at the Company's two flagship projects in Colorado and Texas.

“These estimates confirm our high expectations of our two main projects. Each well has confirmed attractive commercial reserves of oil and gas which can be readily tapped for market”, Mr Cottee said.

“In each case our initial drilling programme has confirmed the high prospectivity of the whole exploration tenement and provides a sound basis for developing a well pattern to maximise potential.

“This report reaffirms the billion dollar potential we see in both the Pathfinder and Birch prospects and clearly states we are sitting on world-class rocks in two of the most prolific oil-bearing regions of the United States”, Mr Cottee said.

“The Gustavson report estimates provide a strong confirmation that we can make the Company a self-sustaining explorer and oil and gas producer during 2013, in line with our 500-squared program” Mr Cottee said

Gustavson Associates is an oil, gas, and mining consulting firm with over 30 years of extensive international experience. Their 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. An executive summary from Gustavson Associates is attached to this report.

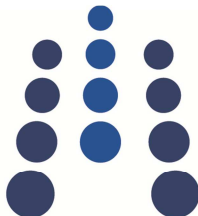
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## **ABOUT AUSTIN EXPLORATION:**

*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.

**Preliminary Resources Evaluation Report  
Birch and Pathfinder Prospects  
Burleson County, Texas, and  
Fremont and Custer Counties, Colorado**



**Prepared on Behalf of  
Austin Exploration, Limited**

**August 27, 2012**

**Submitted By:**

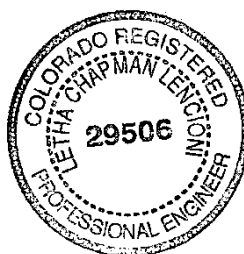


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A handwritten signature in blue ink, appearing to read "Letha C. Lencioni".

**Letha C. Lencioni**  
**Registered Petroleum Engineer**  
**State of Colorado #29506**

**Submitted By:**



**GUSTAVSON ASSOCIATES**  
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## **1. EXECUTIVE SUMMARY**

Gustavson Associates LLC (the Consultant) has been retained by Austin Exploration Limited (the Client, Aus-Tex) to prepare a Report regarding the reserves and resources underlying the acreage position owned by Aus-Tex in the states of Texas, Colorado, Kentucky, and Mississippi. This Preliminary Report presents the resource estimates for the two largest assets, the Birch Prospect in Burleson County, Texas; and the Pathfinder Prospect in Fremont and Custer Counties, Colorado. This Report is limited to a report on the reserves and potential undiscovered oil and gas resources underlying the acreage position. This Report does not attempt to place a value thereon.

The Birch Prospect comprises 5,000 +/- gross and net acres, with the primary targets being horizontal wells in the Eagle Ford Shale and the Austin Chalk. The Austin Chalk has produced 192 MBO from four vertical wells, now inactive, on this property, and numerous horizontal wells in neighboring counties. The Eagle Ford produces from several wells in Burleson County. Our resources estimates were based on a probability distribution of expected ultimate recovery (EUR) based on analysis of the performance of these wells, and the likely number of locations to be drilled in the prospect area.

The Pathfinder Prospect comprises 11,560 +/- gross and net acres, with the primary target being horizontal Niobrara wells. Historical production from the Pierre Shale in the Florence Field has occurred from this property, but is not considered a major target for further development. No horizontal Niobrara wells have been produced nearby. Resource estimates for this prospect were based on a probability distribution of expected ultimate recovery (EUR) based on analysis of the performance of horizontal Niobrara wells located elsewhere in Colorado and Wyoming, and the likely number of locations to be drilled in the prospect area. Resource estimates are summarized below.

	Oil EUR, MMBbl			Cum Production, MMBbl	Oil Resources, MMBbl			Solution Gas Resources, BSCF		
	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>
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