



# 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

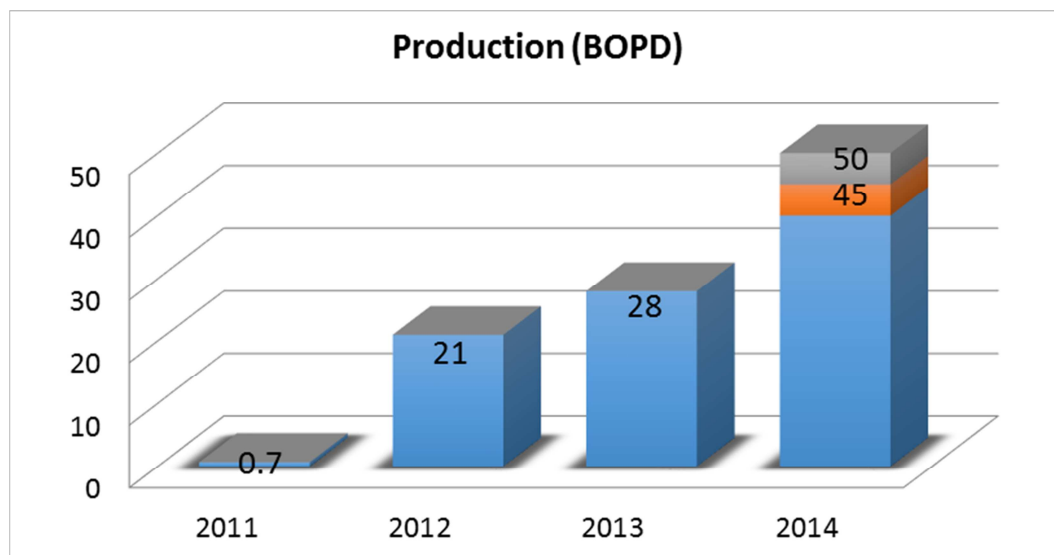
10 December, 2014

## Kentucky Oil Production Update

- Record production levels achieved in 2014
- Low cost, high impact production program provides essential cash flow boost

The Board of Austin Exploration ("Austin" or "the Company") (ASX:AKK) is pleased to announce further growth in the Kentucky business unit, with record production levels of 48 BOPD achieved in 2014. This increase in production continues to provide a low risk source of cash flow for the Company.

Austin Exploration's Kentucky operation has achieved continual growth over the last three and a half years. The Kentucky operation started at 0.7 barrels of oil per day in 2011 and has grown it to a maximum of 48 barrels of oil per day this year. Importantly this has been achieved without any lost time safety accidents and no phase one environmental incidents.

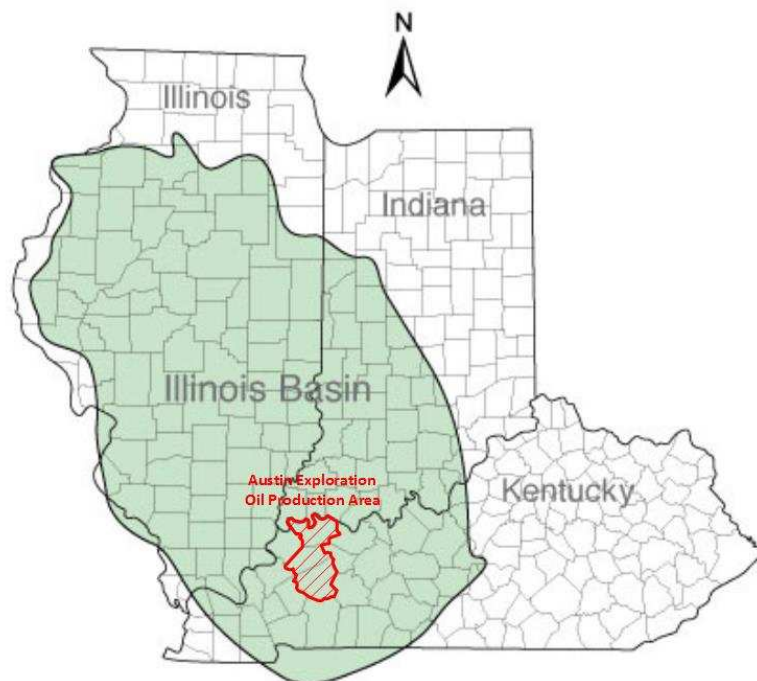


Austin VP for the Kentucky Business unit, Mr. Tim Hart, said the Kentucky business unit now controls over 4000 acres in some of the most prolific oil producing counties in the state, including Webster, Henderson, Hopkins, Larue and Edmonson Counties.

“The majority of our acreage is located in Western Kentucky in the Illinois Basin. Operating in this basin provides a low cost, low risk environment that allows the Kentucky operation to be a major cash flow contributor to the company. The Illinois Basin is rapidly becoming one of the largest oil producing basins in the US and we are pleased to have secured a substantial 4000 acre position in this basin,” Mr Hart said.

Austin’s C.O.O Guy Goudy commended the Kentucky Business Unit for their ongoing focus on cash flow management.

“The Kentucky Business Unit is achieving record production levels whilst continually finding ways to strip out costs and remain profitable during these times of low oil prices,” Mr Goudy said.



The Illinois Basin has over 60 pay zones (depths in which oil has been produced). It has produced over 4.5 billion barrels of oil and has 4.1 billion barrels in estimated future recoverable reserves. The Basin currently produces around 15.2 million barrels of oil annually and has a 36% overall recovery efficiency which is the highest in onshore development within the US. Annual Oil and Gas production from the Illinois Basin is valued at over USD\$3.5 Billion.

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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).

## **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.