



# AUSTIN EXPLORATION

Listed on the Australian Securities Exchange (“AKK”) and the OTC-QX International in the USA (AUN-XY)  
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ASX ANNOUNCEMENT

13<sup>th</sup> May 2013

## Drilling success in Eastern Texas infers significant value to Austin’s Birch project

- **Halcon Resources announces successful Eagle Ford drilling results in Burleson and Brazos Counties and an aggressive expansion program to acquire 150,000 acres primarily in these Counties**
- **Extensive Eagle Ford drilling taking place in Burleson County by major oil and gas companies such as Apache, Anadarko, Clayton Williams and Halcon Resources**

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### **Birch Eagle Ford Property, Burleson County Texas (100% of 5000 acres)**

Austin Exploration (“Austin” or “the Company”) advises that the recent Eagle Ford drilling results announced by Halcon Resources, a Houston-based oil and gas company, have confirmed the potential value of the Company’s 100% owned Birch Property in Burleson County, Texas.

Halcon announced that it has drilled 7 successful horizontal wells into the Eagle Ford shale in Eastern Texas. The 7 wells averaged production rates of 894 BOEPD with 30 day averages of 694 BOEPD.

On the back of this successful drilling, Halcon has announced an aggressive expansion program to increase its acreage position in Eastern Texas from 50,000 acres to 150,000 acres – primarily in Burleson and Brazos, with parts of Milam, Robertson, Leon and Grimes Counties also targeted.

Overall drilling activity has increased significantly over recent months in Burleson County with companies such as Andarko, Apache, Clayton Williams adding to the list of major oil Companies who are targeting the Eagle Ford Shale and the Austin Chalk.

These recent results in Burleson, and surrounding counties, validates the extensive geologic and engineering due diligence that was undertaken by Austin’s technical team prior to acquiring this project in early 2011 at a stage when very few Eagle Ford wells had been drilled in this part of Texas. Importantly, this foresight afforded the Company the opportunity to secure acreage which value has increased substantially on the back of these recent results.

The Company can confirm that it has been contacted by several companies seeking to acquire 100% of its Birch property. Austin is committed to finding suitable farm-out partner to jointly develop its Eagle Ford and Austin Chalk acreage.

As previously announced to the market, Austin has drilled 3 vertical exploratory wells at its Birch Prospect in Texas, and has hit oil in all three wells.

Gustavson and Associates completed an Independent resources evaluation of the Birch property for the Company in 2012. On a P50 basis the resources report estimated that 16.5 Mil barrels of oil equivalent were recoverable from this 5000 acre property.

Austin successfully drilled its first Eagle Ford pilot vertical well in 2012. The Company's Birch #1 Krueger well produced at initial rates of 95BOEPD. This well substantially de-risked the forward drilling program for the Company and makes this an ideal location to drill a low-risk, high impact horizontal Eagle Ford well.

Combined with Austin's successful 2012 exploration and de-risking program, and the recent success in Burleson and surrounding counties, the Company is now advancing farm-out discussions with several major international oil companies and looks forward to jointly developing this highly prospective project.

The Company will announce material progress of these negotiations as it occurs.

Chairman of Austin Exploration **Richard Cottee, said:** "While we were quite confident of the value of our property in Burleson County, the results that Halcon have announced appear to confirm the findings of our engineering and geological work and our high expectations for our property in Burleson County.. We expect this timely announcement for Halcon will help us find the quality of partner we are seeking to jointly develop our Eagle Ford Asset," Mr Cottee said.

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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:**

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