



A U S T I N  
E X P L O R A T I O N



Company Presentation

# ON THE WINGS OF THE EAGLE FORD

September 2014

# Disclaimer



Statements made by representatives of Austin Exploration Limited during the course of this presentation that are not historical facts are forward-looking statements. These statements are based on certain assumptions made by the Austin Exploration Limited based on management's experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Austin Exploration Limited, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include risks relating to financial performance and results, availability of sufficient cash flow to pay distributions and execute our business plan, prices and demand for oil and natural gas, our ability to replace reserves and efficiently exploit our current reserves, our ability to make acquisitions on economically acceptable terms, and other important factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The Austin Exploration Limited undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information or future events.



## First three 'Eagle Ford' well results



- ✓ Kaiser # 2H – 30 day Initial Production Rate = 20, 550 BOE (91% Oil)
- ✓ Nemo #1H – 30 day Initial Production Rate = 18, 390 BOE (91% Oil)
- ✓ Stifflemire #1H – 30 day Initial Production rate = 25,890 BOE (87% Oil)
- ✓ Repeatability: 100% Success

# Austin's Team



*The TEAM. It all starts here.*



## US Management Team



***Dr. W. Mark Hart***  
***CEO & Managing***  
***Director***



***Guy Goudy***  
***COO and***  
***Executive***  
***Director***



***Lonny Haugen***  
***CFO***



***Ola Akrad***  
***VP Engineering***  
***& Technology***



***Timothy Hart***  
***VP & GM***  
***Kentucky***  
***Business Unit***



***Juan Carlos***  
***Carratu***  
***VP & GM for***  
***Colorado***  
***Business Unit***



***Aaron Goss***  
***VP & GM***  
***Southern***  
***Business Unit***

# Project Portfolio

*Perfectly Positioned for the US SHALE BOOM*



AUSTIN  
EXPLORATION



# Reserves & Resources



NPV \$401.56 Million / NPV10 \$91.61 Million

Austin Exploration's Gross Contingent Resources						
Projects	Oil Resources,			Solution Gas Resources, BSCF		
	MMBbl (Million Barrels)			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>
Texas-Birch Prospect (Austin Chalk)	3.480	7.080	14.450	19.870	40.490	82.630
Colorado-Pathfinder Prospect (Niobrara)	16.940	21.760	28.360	19.090	24.520	31.960
Yolanda Villarreal	-	0.058	-	-	0.361	-
Kentucky	0.340	0.517	0.755	0.513	1.104	2.264
<b>TOTAL –Contingent Resource</b>	<b>20.760</b>	<b>29.415</b>	<b>43.565</b>	<b>39.473</b>	<b>66.475</b>	<b>116.854</b>

Austin Exploration's Net Reserves			
	Area	Net Oil Reserves (BBL)	Net Gas Reserves (Mscf)
	Texas-Birch-Eagleford	43,368	36,600
	Kentucky	51,931	
Proved Developed Producing	Mississippi	27,834	
Proved Developed Non-Producing	Mississippi	209,976	
Proved Undeveloped	Texas-Birch	1,533,245	633,600
Probable Undeveloped	Texas-Birch	3,553,200	1,468,300
Possible Undeveloped	Texas-Birch	5,271,100	2,178,300
<b>Austin Exploration's Total Net Reserves</b>		<b>10,690,654</b>	<b>4,316,800</b>

Independent Study Gustavson ( August 2014)

# Technical Excellence



*Finding the source of the world's oldest oil fields*

## **Forward thinking**

- First movers - Acquired acreage in **2011**.
- Halcón Resources announces in **2014** the property as being the sweet spot of the Eagle Ford
- 6 well Eagle Ford program underway. First well produced 25,890 BOE in first month
- Significant increase of property values

## **Repeatability**

- Doing it AGAIN in Colorado in the DJ Basin
- 100% of 11,560 acres in the second oldest oil field in the US – Florence Colorado

## **Engineering Excellence**

- First horizontal Niobrara well in Colorado = 403 Boepd ( 24 hour IP)
- Low acquisition entry price + successful exploration = Shareholder Growth & Value

# Eagle Ford & Niobrara



*Focusing on the big two oil basins*

## **Texas - Eagle Ford Shale**

- Stifflemire #1 produced an IP rate of 1066 BOEPD
- Well produced 25,890 Boe in 30 days ( 87% oil)
- Property entirely de-risked
- Proven Operator – Halcón ramping up drilling program
- 3 wells drilled and undergoing completion operations
- Working Interest 30% Net Revenue Interest 22.5%

## **Colorado – Niobrara Shale**

- Austin discovered the source of 2nd oldest oil field in the world
- First horizontal well produced at 403 Boepd
- 11,560 acres, potential for 250 wells at 40 acre spacing
- Gas processing and sales of heavy gasses to commence in August 2014
- Working Interest 100% - Net Revenue Interest 75%

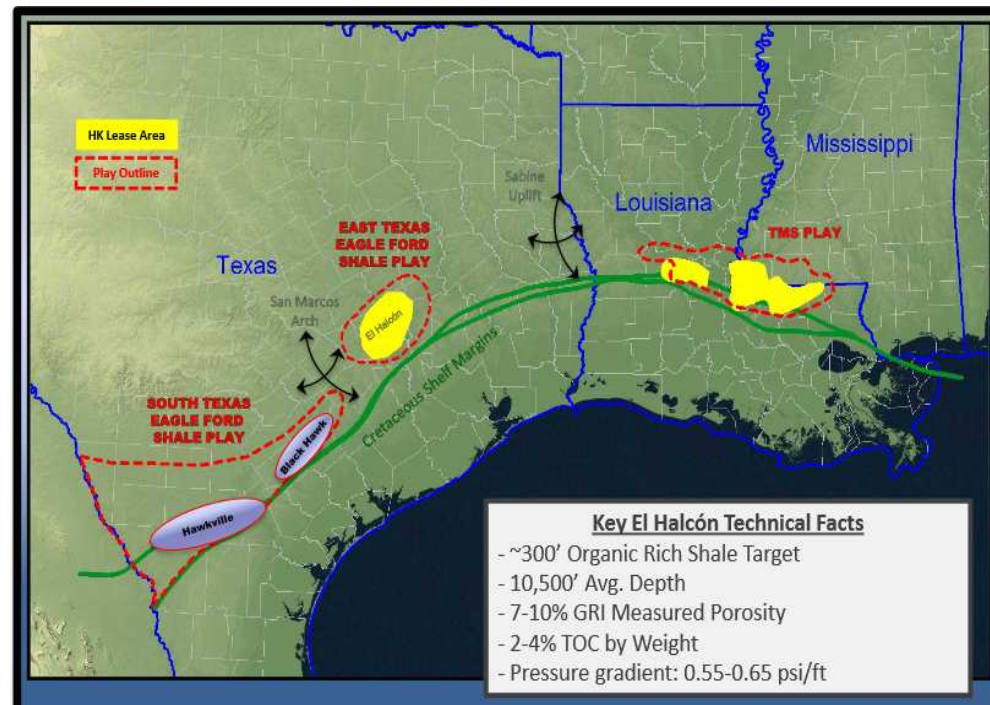


# Eagle Ford Shale – Texas



*Confirmed by Halcón in 2014 as the new Eagle Ford ‘Sweet Spot’*

Owner	Working Interest (WI)	Net Revenue Interest (NRI)
Austin Exploration (AKK)	30%	22.5%



# Eagle Ford Project



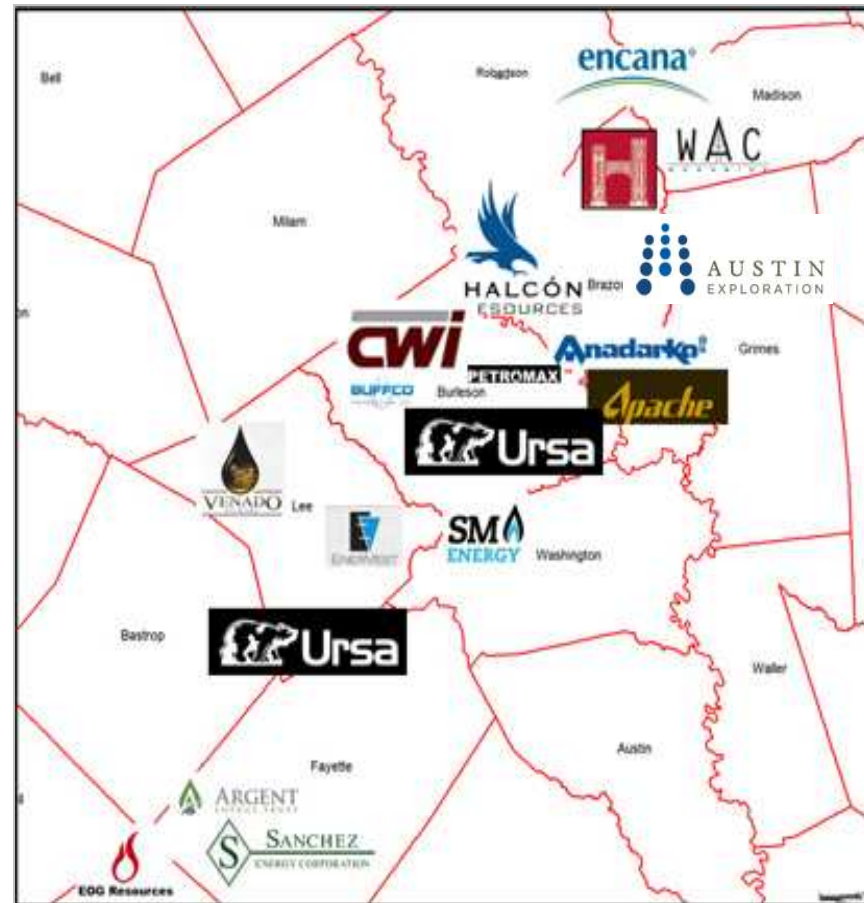
## FIVE EAGLE FORD WELLS SUCCESSFULLY DRILLED IN 2014

- Halcón Resources – free carried for three 10,000 ft horizontal wells in 2014
- PetroMax Operating – carried for a 10,000ft horizontal well in 2014/2015
- ~ \$8 - \$10M/well (30% Working Interest / 22.5% Net Revenue Interest)

## Next Steps:

- 3 additional wells have been successfully drilled and are currently being completed. Expecting results in the near term
- Drilling of Fifth Eagle Ford well currently underway.
- Well #6 to commence in Sept
- Future wells able to be covered by debt following reserves certification

*Significant project position surrounded by the majors*

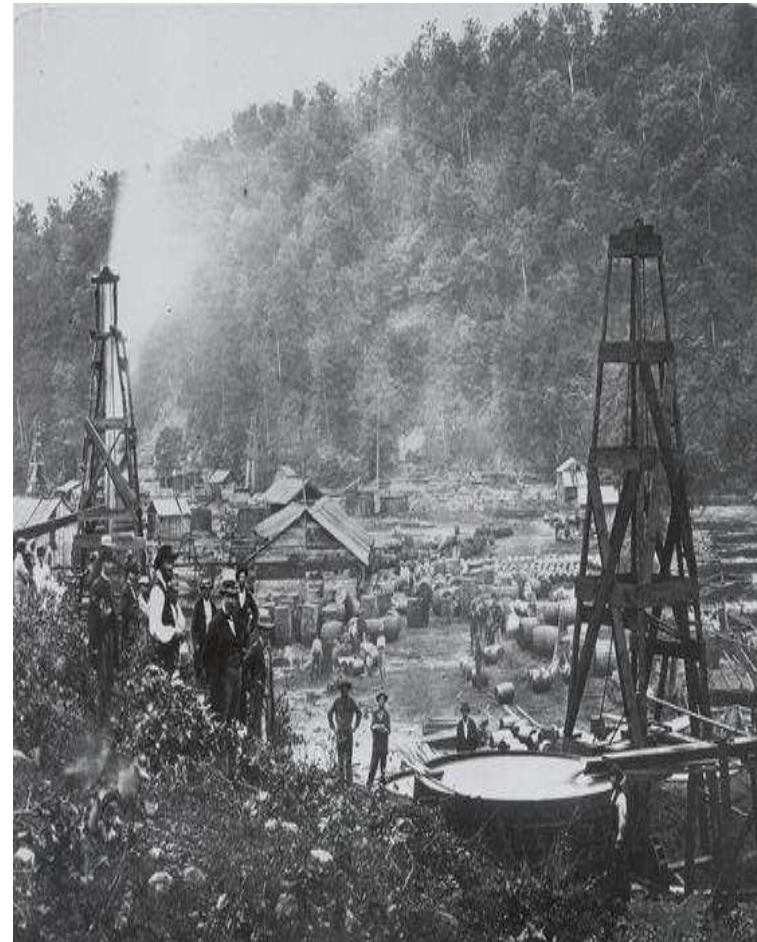


# Austin Pathfinder Project



## Second oldest oil field in the US

- In 1862, oil was discovered in Oil Creek
- In 1862, oil discovered is good API quality with low water production
- The Pierre formation is from the Cretaceous age
- 15.5 million barrels of oil have been produced in the Pierre formation from over 1,000 wells
- *In 2012 Austin started producing from the Niobrara Shale, source rock for the Pierre formation*



# Pathfinder Niobrara Project



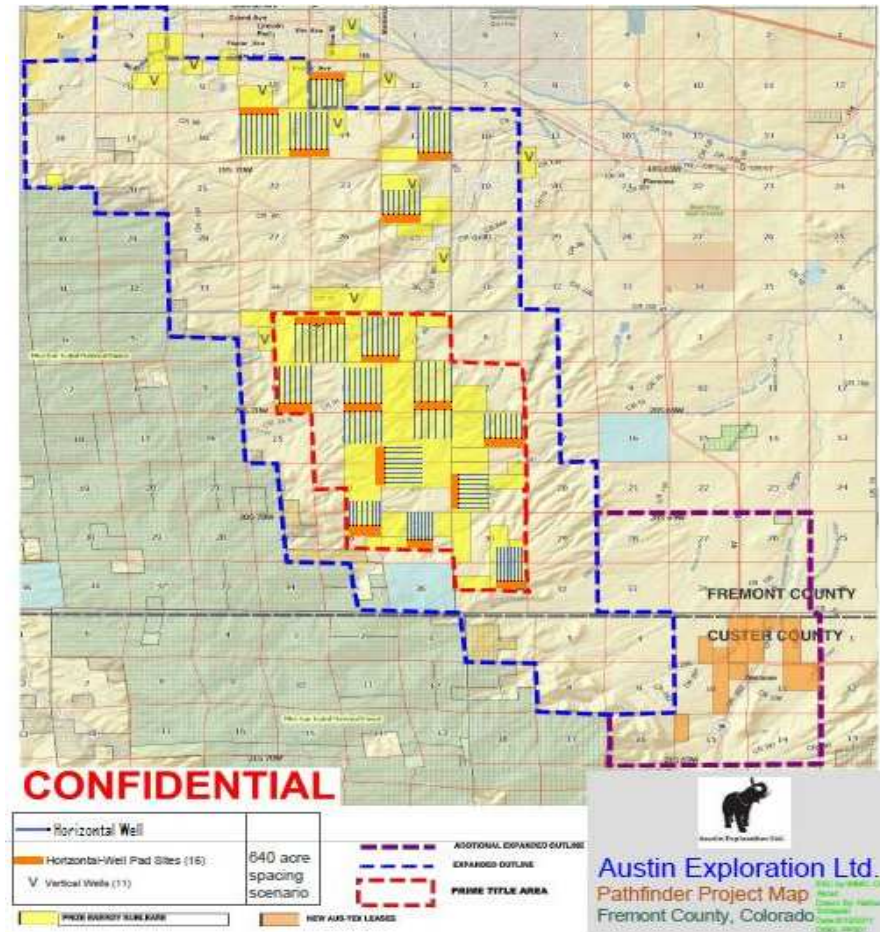
100% of 11,560 – BIG enough for 200+ wells

## Proven targets

- Niobrara formation
- Pierre Shale

## Exploration success

- Well #1 – Successful vertical exploration well
- Well #2 successfully drilled with 16 frac stages over a 4100ft horizontal leg – IP RATE: 403 BOEPD
- Well #3 – Exploration well successfully intersects 2 free flowing oil formations
- Well #4 – Spudded in August



# Pathfinder Niobrara Project

*Looking better than the best*



	<b>DJ Basin Niobrara</b>	<b>Pathfinder Niobrara</b>
<b>Depth (ft)</b>	6,000-8,000	5,000-5,450'
<b>Thickness (ft)</b>	150-300'	250-500'
<b>Porosity (%)</b>	6-10%	8-12%
<b>Water Saturation (%)</b>	35-90%	20-50%
<b>Thermal Maturity (Ro)</b>	0.5-1.4+%	1%
<b>Resistivity (ohm-m)</b>	Cutoffs 20-30	Cutoffs 30-40
<b>Reservoir Pressure (psi/ft)</b>	0.42-0.6 psi/ft	0.5 psi/ft
<b>Gas-oil-ratio (GOR)</b>	0-10,000+	0-10,000+
<b>Frac'ability of rock</b>	Brittleness varies, 250' frac length	Brittleness varies, 400' frac length
<b>Lithology</b>	Chalk/Marlstone, multiple intervals	Chalk/Marlstone, multiple intervals
<b>Clay Content</b>	10-40%	15-40%
<b>Total Organic Carbon</b>	3%	2-4%

*Austin was first to successfully drill and produce from a horizontal well into the Niobrara in the Florence Field*

# Pierre Wells in Florence

*15 million barrels produced – Right next to us*

- Property held by mining companies prior to Austin
- Oil reserves in virgin territory
- Quick pay back with low capital cost & low risk wells
- Provides fast cash flow
- Drilled simultaneously with Niobrara wells
- 1st in the area to apply state of the art exploration techniques
- (Satellite imaging analysis while integrating geological structure analysis, subsurface geology, surface geochemistry study and 2D Seismic)

# Pathfinder Gas Gathering & Processing



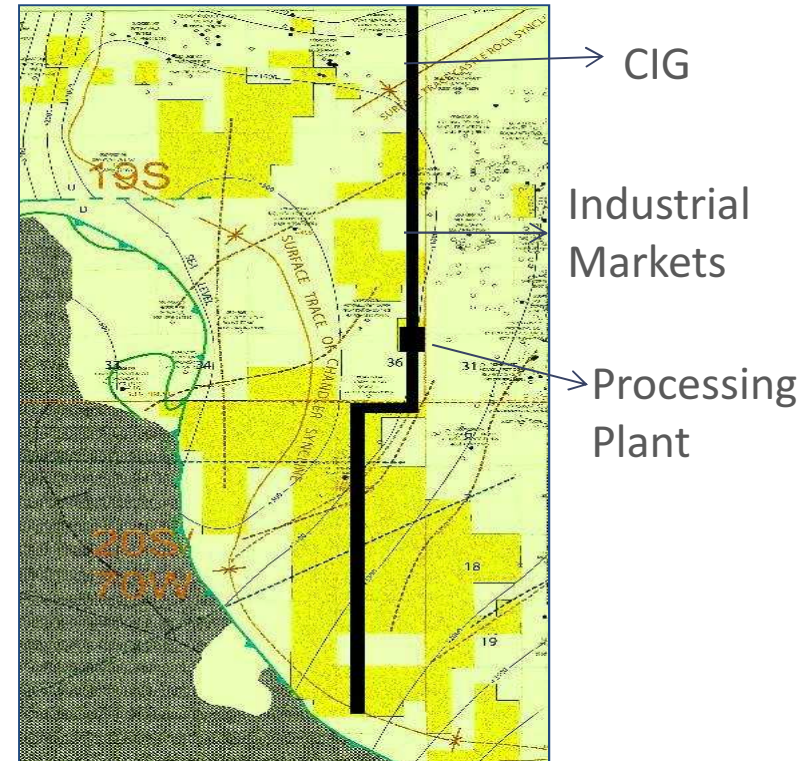
AUSTIN  
EXPLORATION

*Converting 24 Billion Cubic Feet of Gas into revenue*

- Gas Processing Plant begins operations in August
- Processes valuable heavy gases and boosts cash flow
- Converts gas into pipe line quality
- No Capital outlay for Austin



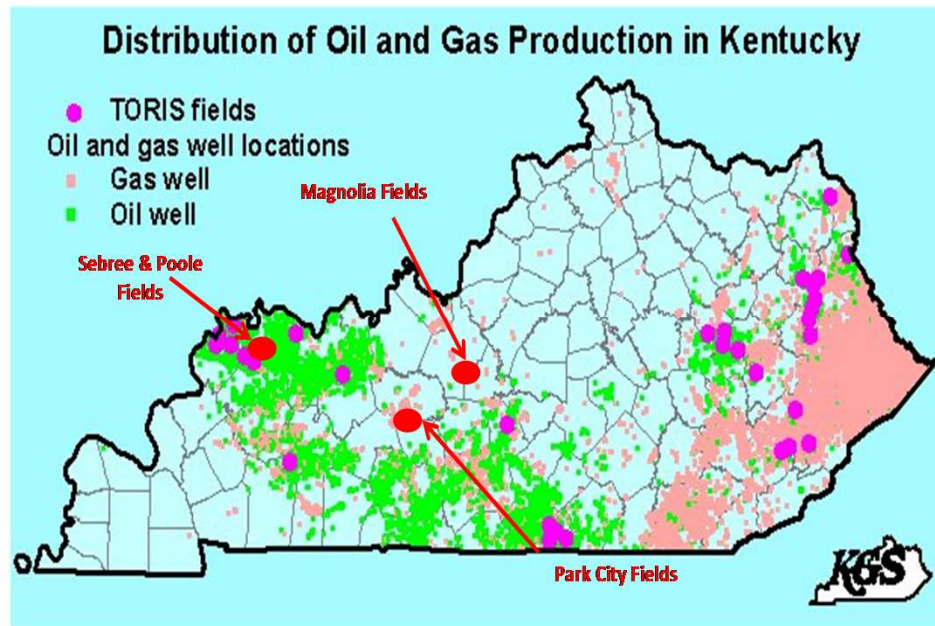
Pathfinder Gas Processing Plant



- Work Underway on main North – South pipeline
- Significant boost to revenue on completion

# Kentucky Conventional

With a 4,000-Acre position, the Joint Venture has steadily enhanced operations by increasing production to 35 BOPD from 0.7 BOPD in 2012



Source: Kentucky Geological Survey, Modified.

## 4 Operating Oil Fields

20 Leases ~ 3000 acres

Poole	Sebree	Magnolia	Park City
<ul style="list-style-type: none"> <li>• Tapp</li> <li>• Dacy</li> <li>• Aldridge</li> </ul>	<ul style="list-style-type: none"> <li>• Russell</li> <li>• Ralph Majors</li> <li>• Ted Majors</li> </ul>	<ul style="list-style-type: none"> <li>• Kirkpatrick</li> <li>• Milby</li> <li>• Clopton</li> <li>• Laird</li> <li>• East Magnolia</li> <li>• Mt. Sherman</li> </ul>	<ul style="list-style-type: none"> <li>• Spillman</li> <li>• Tarter</li> <li>• B. Sanders</li> <li>• O. Sanders</li> <li>• Henion</li> <li>• Houchin</li> <li>• Doyle</li> <li>• Reynolds</li> <li>• Wilkerson</li> <li>• R. Henion</li> </ul>

Source: Austin Exploration



# Mississippi Conventional



Adams County, Mississippi is successfully operating and developing the Wilcox Formation



**Adams  
County,  
MS**

Well Name	IP	Depth	Formation
Ellislie No. 1	82 BOPD	6,445' – 6,450' TVD: 6,585'	Armstrong Sands
Armstrong No. 1A	135 BOPD	6,445' – 6,450' TVD: 6,650'	Baker Sands
Bourke No. 4 (MS #3)	248 BOPD	6,108' – 6,111' TVD: 6,410'	Parker Sands
Bourke No. 5 (MS #4)	10 BOPD	6,500'	Parker & Campbell Sands

# Investment Rationale

- ✓ Austin's 20,000 acres across five proven hydrocarbon basins in the US expected to support more than 300 wells
- ✓ 100% success in exploration drilling
- ✓ Low price entry into two of the most prolific oil basins in the United States – the Eagle Ford Shale in Texas & The Niobrara shale in Colorado
- ✓ Pathfinder gas processing and sale agreements in place
- ✓ Company transitioning to debt for ongoing development
- ✓ Technical expertise identifies best opportunities
- ✓ Operator expertise minimises risk and cost

# Summary



## *Texas Birch – Eagle Property is de-risked:*

- ✓ Kaiser # 2H – 30 day Initial Production Rate = 20, 550 BOE ( 91% Oil)
- ✓ Nemo #1H – 30 day Initial Production Rate = 18, 390 BOE ( 91% Oil)
- ✓ Stifflemire #1H – 30 day Initial Production rate = 25,890 BOE ( 87% Oil)

## *Colorado Pathfinder property:*

- ✓ First Horizontal exploration well produced 24 hour IP rate of 403 BOEPD
- ✓ Gas processing plant up and running providing boost to cash flows
- ✓ Hydrocarbons hit in all three exploration wells drilled
- ✓ Recent exploration success in Niobrara highly encouraging

## **PROVEN TRACK RECORD.**

# Corporate Snapshot



## Corporate Statistics

ASX Code	AKK
Shares on Issue	2.62 b
Market Capitalisation \$0.02	\$52M
Cash	\$3M
Enterprise Value EV	\$49M

USA: OTCQX International ADR ticker:  
(1 ADR: 100 common shares) AUNXY \$2.05

## AKK 12 Month Historical Price Performance



## Board and Management

Richard Cottee	Chairman
Dr. Mark Hart	CEO & Managing Director
Guy Goudy	COO and Executive Director
Dominic Pellicano	Non-Executive Director

# Corporate Information



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