



Austin Exploration Limited ACN 114 198 471

Listed on the Australian Securities Exchange ("AKK") and the OTC-QX International in the USA (AUN-XY)

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

20 February 2012

INVESTOR PRESENTATION

Austin Exploration Limited ("Austin") (ASX:AKK) is pleased to provide an Investor Presentation on the Company which has been prepared in relation to the significant capital raising the Company is undertaking.

Yours faithfully

Name: David Nairn
Title: Company Secretary
Ph: (03) 9606 3871



Austin Exploration Limited



A highly leveraged E&P company with an aggressive growth strategy

Our mission is to deliver multiple returns on investment for investors through early entry into large resource projects with significant drilling activity

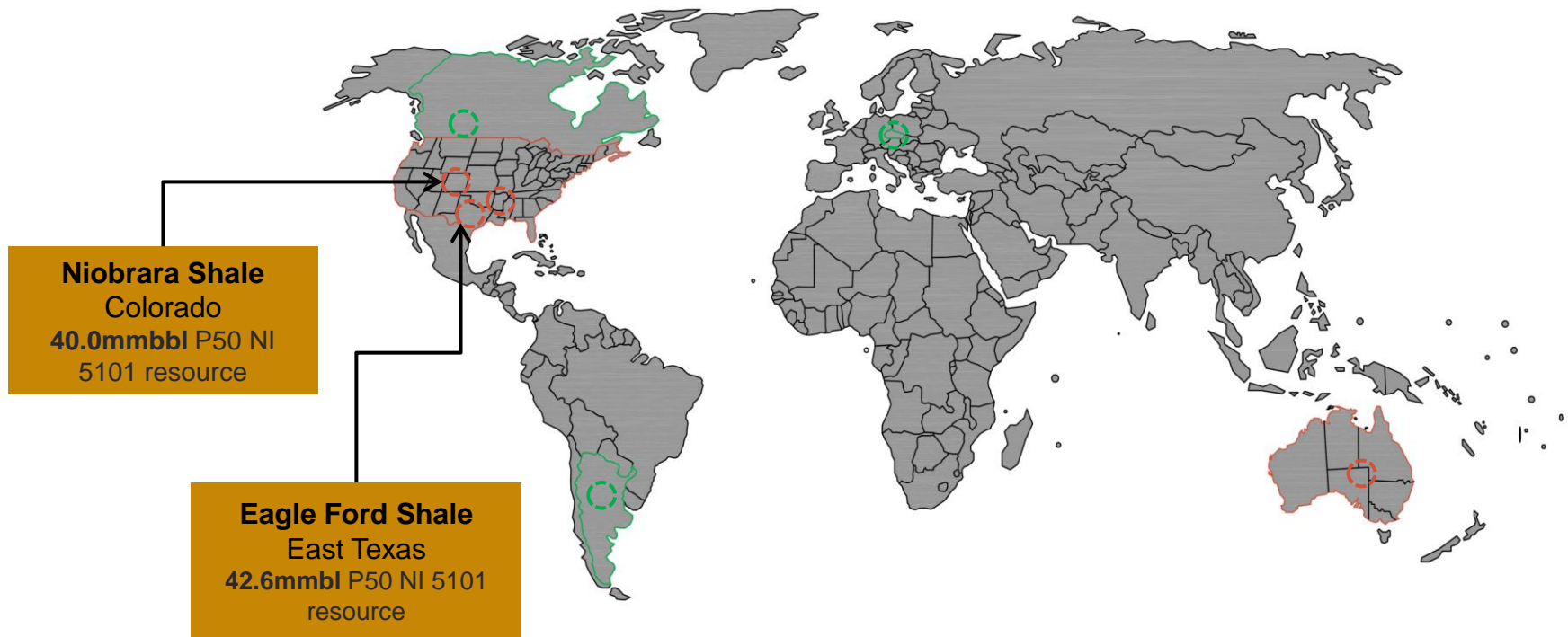
February 2012



Forward-Looking Statements

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.

Significant Worldwide Assets

Focusing on its highly prospective Niobrara and Eagle Ford Shale assets where multiple wells are planned for the coming months



-  Austin Exploration Limited Assets
-  Acquisition Targets

Austin Exploration - Overview

Large Shale Resource Indicates Multiple Return Potential

- Eagle Ford shale in East Texas – **42.6mmbbl** P50 NI 51-101 resource
- Niobrara shale in South Colorado – **40.0mmbbl** P50 NI 51-101 resource
- High working interests provide maximum leverage and control as well as flexibility
- Production from vertical wells in / nearby to both projects de-risks and highlights horizontal development potential
- Moderate success at either project could result in a significant share price re-rating

Aggressive Growth Strategy

- **11 wells planned over the next 12 months**, including horizontal wells in the prolific Eagle Ford and Niobrara areas, and a well in Australia's Cooper Basin partially funded by ASX listed Beach Energy Limited
- Strong news flow and multiple upcoming milestones / share price catalysts
- Planned drilling will secure acreage at both projects

Existing Conventional Assets Cover Overheads

- Mississippi & Kentucky assets provide cashflow
- 60 Boe/d average for December 2011 – cashflow covers salaries and operational overheads
- 44% daily production increase Dec. 2011 vs Dec. 2010
- Additional funds devoted to appraisal of core non conventional assets

Outstanding track record of acquiring attractive acreage at competitive prices

- US operations run by Americans in America
- Favourable commercial transaction terms for recent acquisitions when compared to ASX peers
- Early entry at lower cost/acre prior to regional increase in activity
- Strong technical focus and due diligence has de-risked as much as possible prior to drilling

Investor Highlights

Investment Rationale	Comments
Concentrated footprint in US, focused on prolific Eagle Ford and Niobrara shales	<ul style="list-style-type: none"> • Approximately 150 ~ 300 well locations in the U.S. • Eagle Ford and Niobrara – Top 2 of 3 unconventional oil resources in North America
High quality oil resources and development opportunities to be appraised by multiple wells over coming months	<ul style="list-style-type: none"> • First vertical Eagle Ford well to be completed and tested Q2 2012 • Two additional vertical Eagle Ford wells to be completed and tested Q2/Q3 2012 • First horizontal well in Eagle Ford to be completed and tested Q3 2012 • First horizontal well in Niobrara to be completed and tested Q2/Q3 2012 • Vertical well in Cooper Basin to be partially funded by Beach Energy Limited
Outstanding track record of reserve and production growth at attractive costs	<ul style="list-style-type: none"> • Track record of low cost / high cash flow ratio deals • Consolidated TX land positions with a high degree of control (93.5% WI / 70.125% NRI) • Consolidated CO land positions with a high degree of control (85% WI / 65.01% NRI)
Unrealized potential	<ul style="list-style-type: none"> • Upside potential relative to peers • Potential for significant value creation through production increases
Experienced and motivated management team	<ul style="list-style-type: none"> • Combined 100 years of experience with Standard Oil Company, Consol Energy, Queensland Oil and Gas Corporation, Santos Oil and Gas, CS Energy, PetroZuata, Vincler Oil and Gas, Repsol, Pathfinder, and NRG Energy • Proven track record of transforming a \$20 MM company to \$5.7 BN

Corporate Snapshot

Corporate Statistics

Shares On Issue (ASX : AKK)	637m
Market Capitalisation @ \$.037	\$ 23.5m
Total Options	449m
Cash	\$2.5m
Debt	\$ Nil
Enterprise Value	\$ 21m

USA: OTCQX International ADR

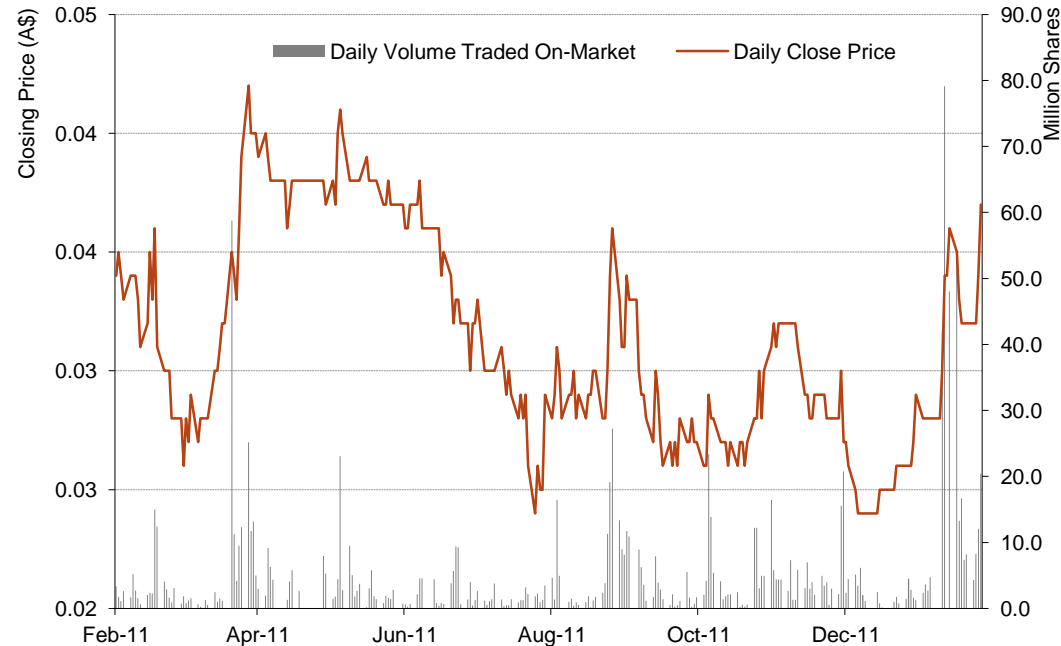
Ticker: AUNXY

Board and Management

Richard Cottee	Chairman ¹
Guy Goudy	CEO & Exec Director
Dr Mark Hart	President & Exec Director
Nigel Hartley	Non-executive Director
Dominic Pellicano	Non-executive Director

1. Effective 22 March 2012

AKK 12 Month Historical Share Price Performance



Experienced Board of Directors

Mr. Richard Cottee, Chairman of the Board (effective 22 March 2012)

Mr. Cottee is the former CEO of the one of Australia's most successful oil and gas industry growth stories – Queensland Gas Corporation, and Mr. Cottee was CEO of Nexus Energy. He was also previously Managing Director for the UK, Norwegian and Scandinavian region for NRG Energy living in London. Mr. Cottee is a lawyer by background and commenced his career with Allen's Arthur Robinson before holding commercial positions with Itochu and Santos Oil and Gas. He also spent six years with Freehills, Allens & Mallensons covering the resource sector and six years as an executive director of Cyprus Australia Minerals

Mr. Guy Goudy, Chief Executive Officer

Mr. Goudy trained at the University of Technology, Sydney (UTS) where he holds various formal qualifications in Business Studies. For the last three years Guy has been the President of Austin's fully owned North American subsidiary Aus-Tex Exploration. Guy has been instrumental in driving the business forward into a cash flow positive operation whilst strategically shifting the focus of the business towards non-conventional Oil and Gas Exploration in North America. During this time Guy has also been a Director on the Board of Austin Exploration. Prior to this Guy was employed in the financial services sector and was an authorized representative with a leading stock brokering and financial advisory firm.

Dr. W. Mark Hart, President & Executive Director

Dr. Hart has more than 35 years of executive experience across a number of major mining and energy companies, including Standard Oil, Newmont Mining Company, Cyprus AMAX Minerals, and NRG Energy. He has been chairman and president of three billion dollar companies and has lived in Italy, Canada, Australia and the US. He is also chairman of MATH Energy 1, Dr. Hart also serves as an Adjunct Professor at the Colorado School of Mines. Dr. Hart has successfully led organizations of between 200 and 10,000 employees in a variety of executive capacities and has a PhD from CSM, an MS from WVU, 2 BS in MechEng/MineEng, AS EEng - FSU, and an MBA.

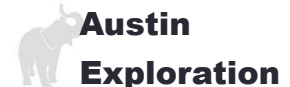
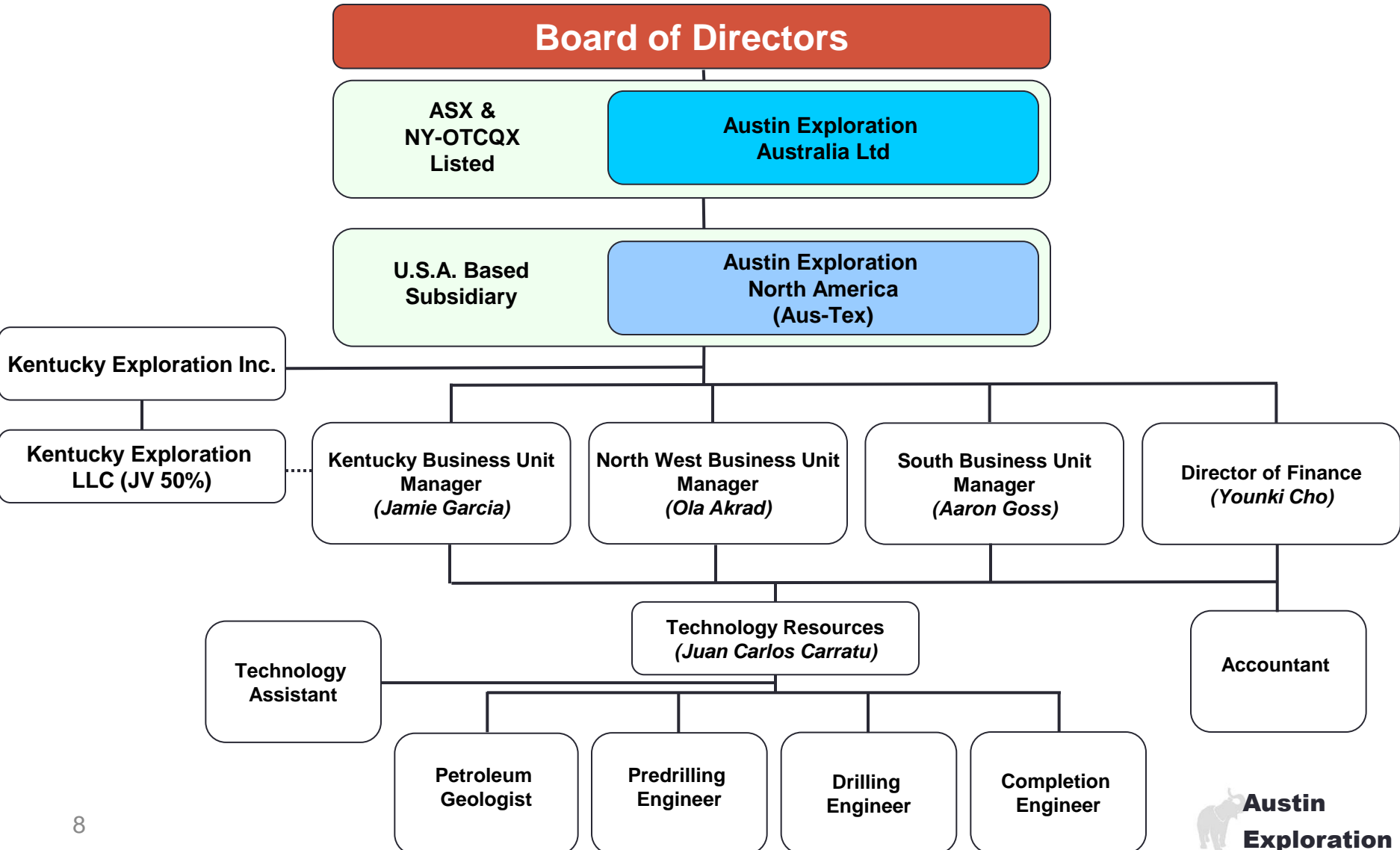
Mr. Nigel Hartley, Non-Executive Director

One of Australia's foremost oil executive, 20 year veteran with ASX-listed Oil Search (\$8.1bl ASX listed company). Mr. Hartley has been involved in raising over US\$14 billion for various Oil Search related projects and was instrumental in raising finance for the ExxonMobil led US\$15.7 bl PNG LNG Project.

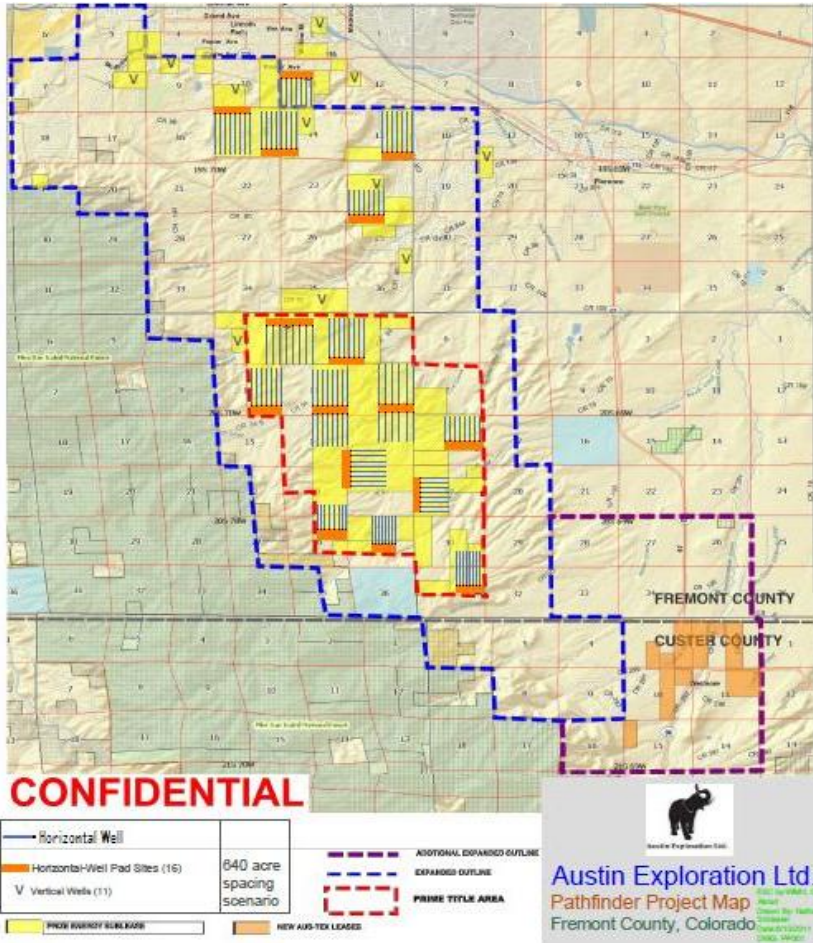
Mr. Dominic Pellicano, Non-Executive Director

Mr. Pellicano has been in private practice as a Certified Practicing Accountant (CPA) and has extensive experience in financial management and corporate governance. Mr. Pellicano also has experience as a director and shareholder of various other private companies. Mr Pellicano has a Bachelor of Law from Monash University in Victoria.

Deep US Based Management Team



Niobrara Project



Location

- Fremont & Custer County, Colorado
 - T 18-21S, R68-70W
- Acreage: 11,560 acres
 - Fairly contiguous acreage with a flat terrain
- Primary target: Niobrara formation

Appraisal Plan

- Drill first horizontal well in Q2 2012 and complete in Q3 2012
- Potential for approximately 100 to 200 wells
 - 16 horizontal well pads
 - 6 - 8 wells per pad
 - Niobrara TD 5,000 – 7,000 ft
 - 2,000 – 5,000 ft laterals
 - Top of Pierre formation depth 1,400 ft

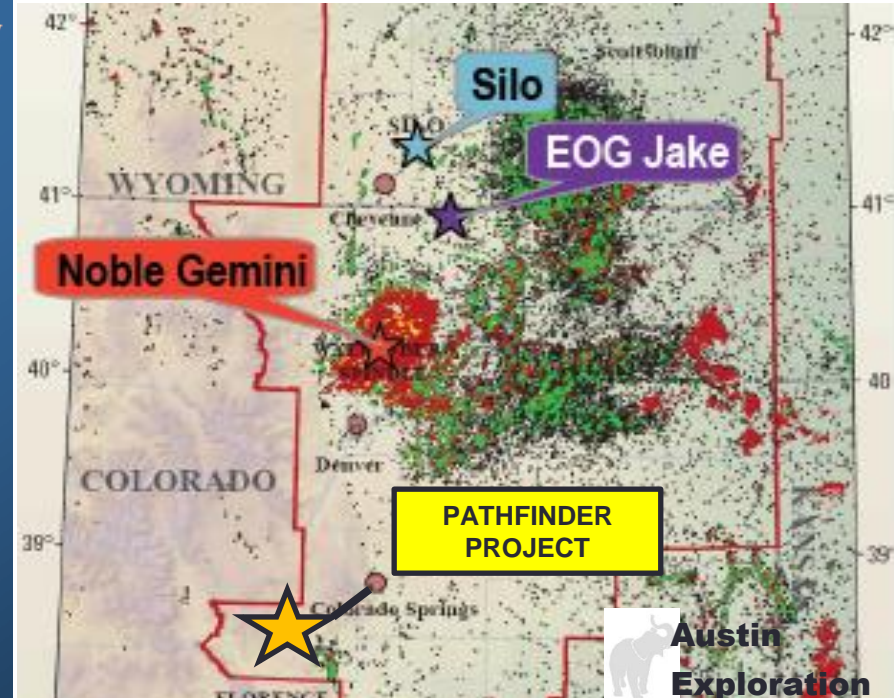
Niobrara Project

Appraisal, not exploration

- Surrounded by proven oil production emanating from Niobrara shale
- Evidence of thick Niobrara section, average Niobrara thickness is 560 feet
- Evidence of high quality oil (39 API) in drill stem test
- Evidence of high resistivity in very thick sections (up to 350 feet)
- Natural fractures and good log porosity (10% - 12%)

Wells That Sparked the Play

- EOG Resources: #2-01H Jake, Weld Co.
 - 3Q 2009; Max rate to sales 1,558 Bopd
 - 3,800-ft. lateral, TMD 11,838 ft.
 - Made 50,000 Bo in 1st 90 days on line
- Noble Energy: #1-99H Gemini K, Weld Co.
 - Made 60,000 Boe in 1st 60 days on line
 - EUR = 500,000 Boe
 - Best well in Wattenberg
- SM Energy: #1-H Atlas, Laramie Co., WY
 - Produced 1,700 bo per day 1st week on line



Targeted Niobrara Horizontal Well Economics

Individual Well Profile

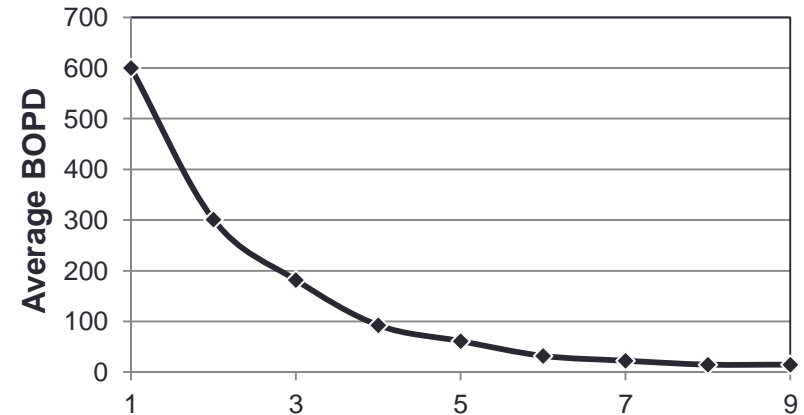
Initial Production	600 BOPD
EUR (gross)	280,000 Bbls
Cost Per Well	\$5,000,000
Payout	5 months
NPV ⁽¹⁾	\$7 Million
IRR	+100%

Field Development Data

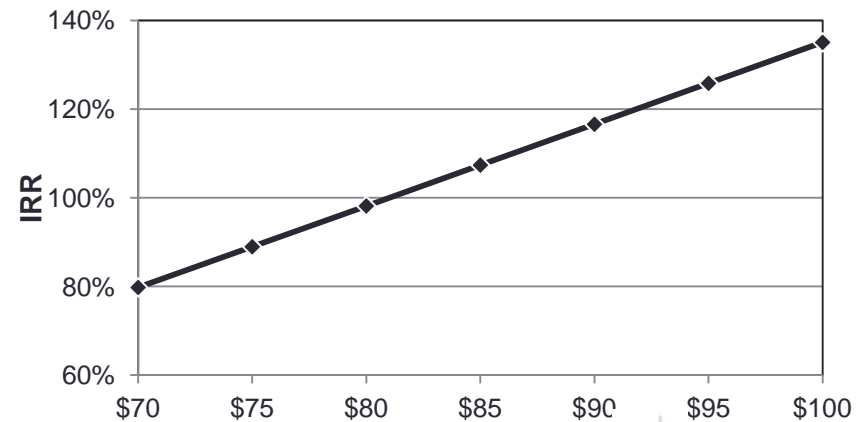
Acreage	11,560 acres
Locations at 640 acre spacing (6-8 per pad)	100 – 200
Average WI / NRI	85.00% / 65.01%

(1) NPV is calculated at \$99.8/Bbl with 340 working days for 20 years. The price of oil is used based on February 9, 2012 . NPV is based on low case scenario

Individual Well Type Curve



Oil Price Sensitivity (\$/BO WTI)



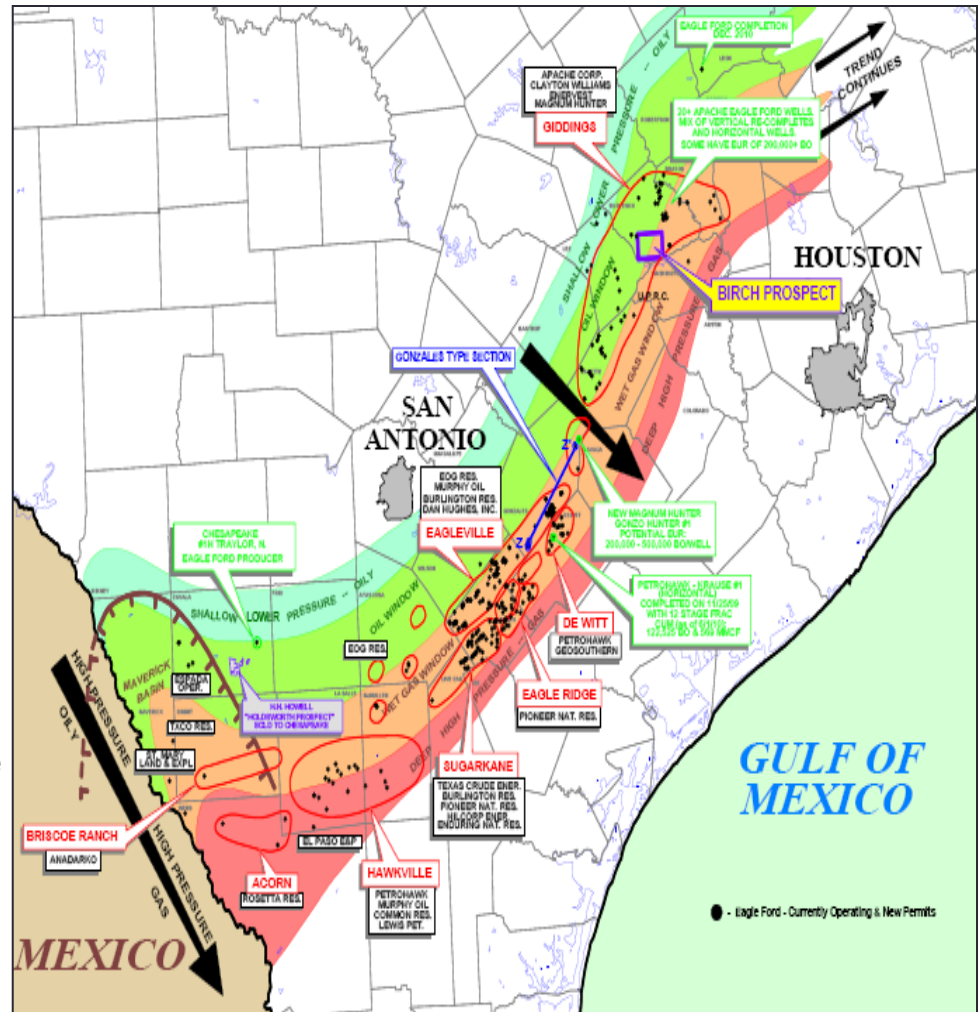
Eagle Ford Project

Location

- Burleson county, Texas
- Acreage: 5,000 acres
- Primary target: Eagle Ford formation
- Oil/wet gas window

Appraisal Plan

- First vertical well (Krueger #1) successfully drilled to 9,325 feet
- Second and third vertical wells to commence Q2 2012 and all will be tested Q2/Q3 2012. Best of three to be completed as Austins first horizontal Eagle Ford well
- Potential horizontal well IP > 600 BOPD
- Initial development plan of approximately 50 wells



Eagle Ford Project

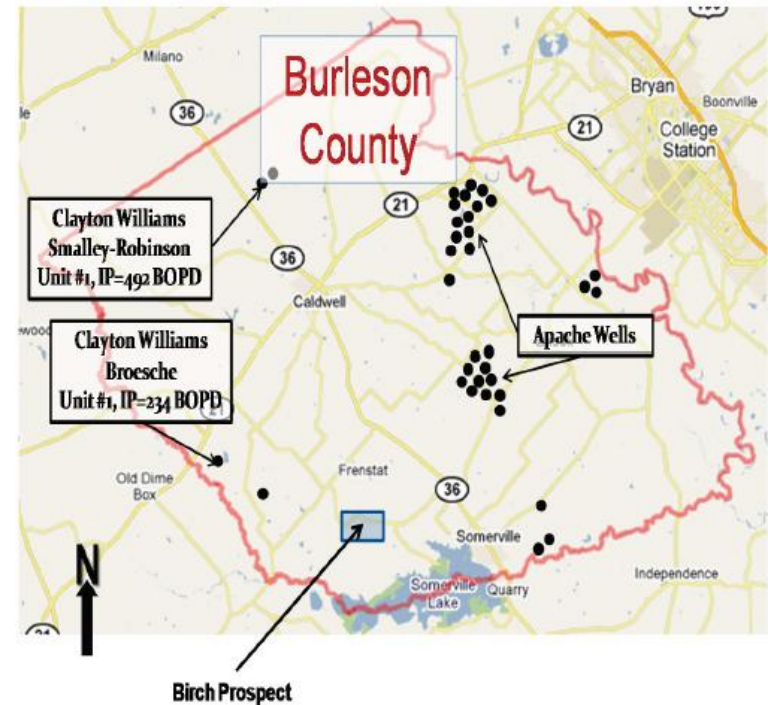
Appraisal, not exploration

- Importantly, located in oil/wet gas window of the play
- Interpreted thickness of 300 feet in Eagle Ford formation
- Results of 12 nearby wells, all with production, have been analysed by Austin as part of its drill planning
- Austin's first Eagle Ford well (drilled Jan 2012, due to be flow tested Q2 2012) has provided evidence of:
 - 7 hydrocarbon bearing zones
 - Oil production likely from Eagle Ford
 - Gas production likely from Taylor sands

Crude oil in mud pit of Austin's First Eagle Ford Well



Recent/nearby activity



Targeted Eagle Ford Horizontal Well Economics

Individual Well Profile

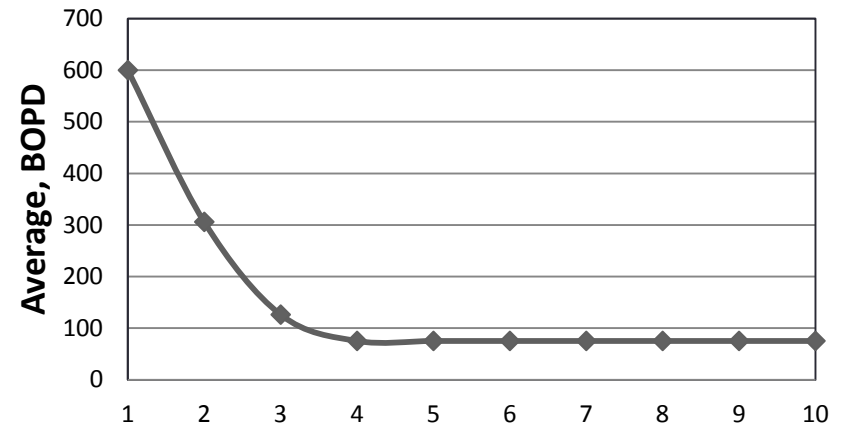
Initial Production	600 BOPD
EUR (gross)	264,000 Bbls
Cost Per Well	\$6,500,000
Payout	8 months
NPV	\$7 Million
IRR	~100%

Field Development Data

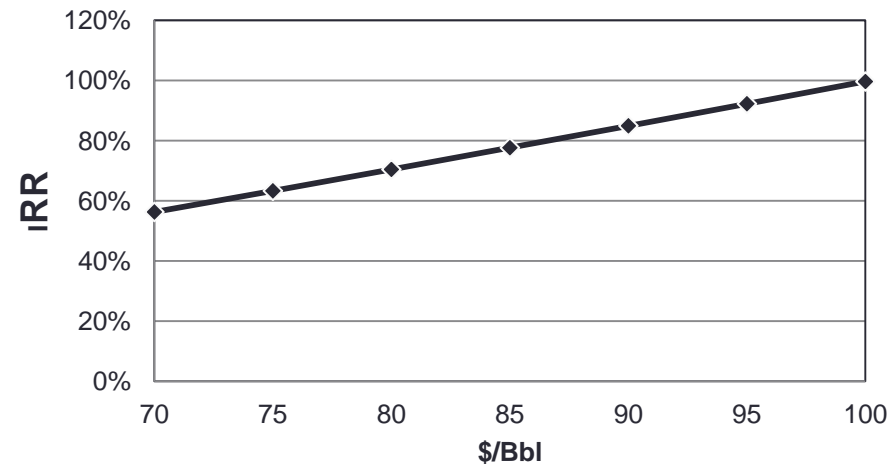
Acreage	5,000 acres
Locations at 160 acre spacing	64
Average WI / NRI	93.50% / 70.125%

- (1) NPV is calculated at \$99.8/Bbl with 340 working days for 20 years. The price of oil is used based on February 9, 2012. NPV is based on low case scenario
 (2) 20 Bbls are added to gas

Individual Well Type Curve



Oil Price Sensitivity (\$/BO WTI)



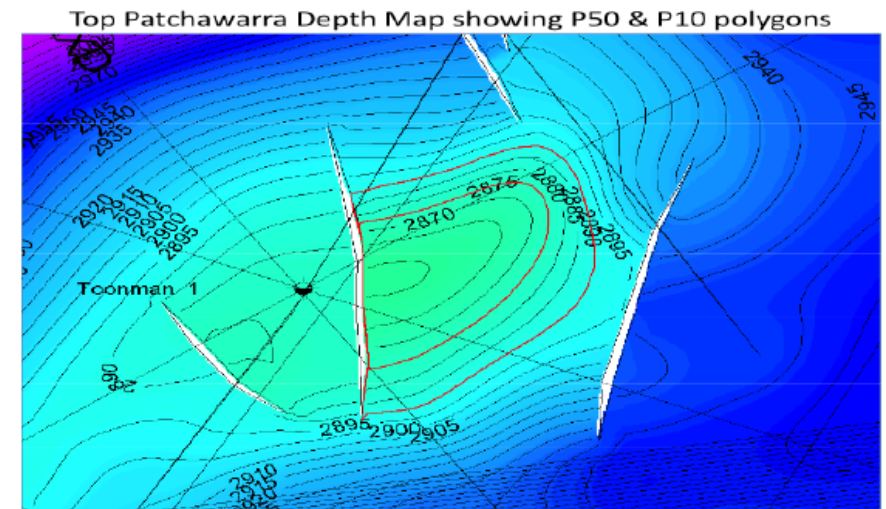
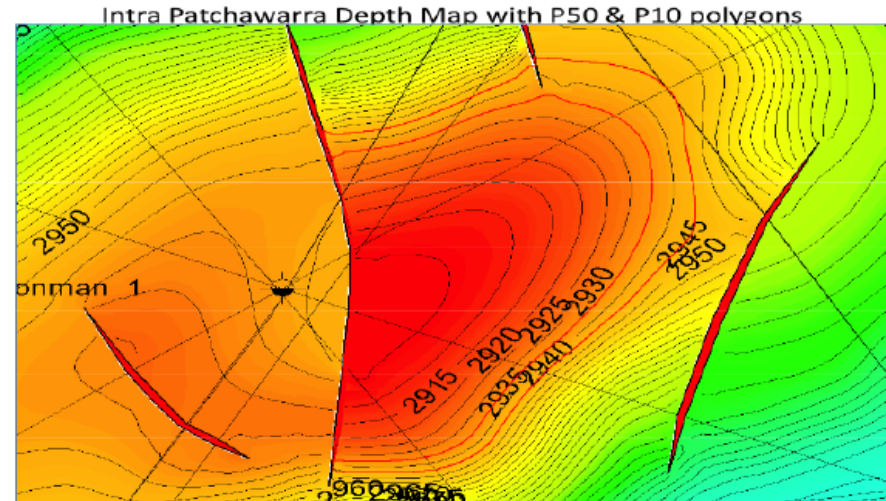
PEL 105 Cooper Basin Project

• Location

- Cooper Basin, Australia
- Acreage: 5,000 acres
- Targets: Patchawarra and Tirrawarra formations
- Interest: AKK holds a 50% working interest

• Exploration Plan

- Pirie-1 well expected to spud Q2/3 2012
- Joint venture partner Beach Energy Limited to fully fund first \$1.75 million expenditure
- Unrisked P10 and P50 reserves estimated at 23 million and 2 million barrels of oil respectively
- Estimated recovery of 1 Million barrels of oil per well
- Estimated well life of nine years
- Estimated spacing allows for five additional wells on the license



Current Producing Assets

Kentucky

Park City Field

- 17 gas wells over 900 acres
- Potential for gas gathering control
- Securing an extra 800 acres in Park City (McCombs & Parsley leases)

Sebree Field

- 4 wells with 1 injection system
- Potential for extra 8 wells

WW Field

- Potential for 6 wells from Dacy and Aldridge fields
- Enhance the production by fracking 6 wells

Magnolia Field

- Potential of oil & 2 majors gas lines – Duke Energy and Ark Chemical
- Securing an extra 1,500 acres

Mississippi

Ellislie

- Adams County, Mississippi
- TD at 6585 ft
- Production from Wilcox formation
- 50% WI & 37.5% NRI
- Current production is ~ 40 BOPD

Commencement

- Adams County, Mississippi
- TD at 6650 ft
- Production from Baker Sand and Ratcliff formations
- 50% WI & 37.5% NRI
- Current production is ~ 65 BOPD

MS #3 – Bourke #4 well

- Plan to drill in 2nd quarter 2012
- 50% WI & 36% NRI

Texas

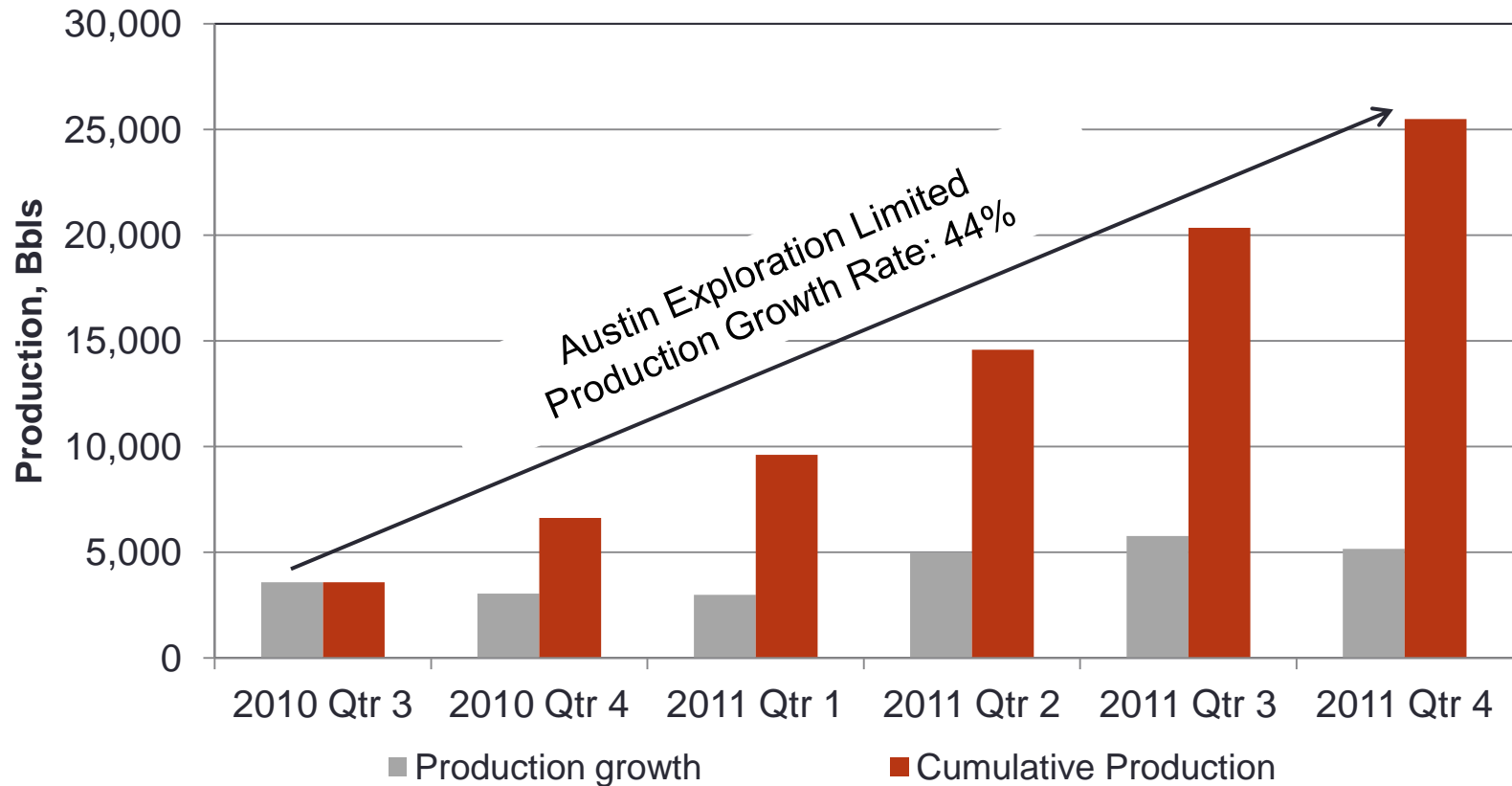
Yolanda

- Dimmit County, Texas
- 36% WI & 27.36% NRI
- Produce natural gas and oil from Austin Chalk formation
- Two laterals (B & E)
- Initial production was 230 Bbls
- Production averaged ~ 23 BOPD

Krueger #1

- Drilled
- Currently process in completion

Proven Production Growth



- Significant production growth over short period of time
- Net Austin Exploration Limited
average daily production: ~ 60 BOPD as of Dec. 2011

2012 Proposed Drilling Schedule

Proposed 2012 Drilling Schedule (1)

Shale

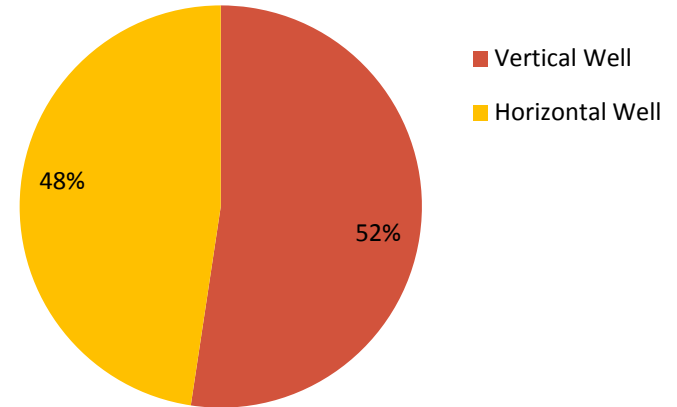
- Q2 Frack first vertical well in Eagle Ford (2)
- Q2 Drill and frack second vertical Eagle Ford well
- Q2/Q3 Drill and frack third vertical Eagle Ford well
- Q3 Complete best of first three vertical Eagle Ford wells as horizontal well
- Q2 Spud first horizontal well in Niobrara
- Q3 Frack first horizontal well in Niobrara
- Q4 Spud second horizontal well in Niobrara

Conventional

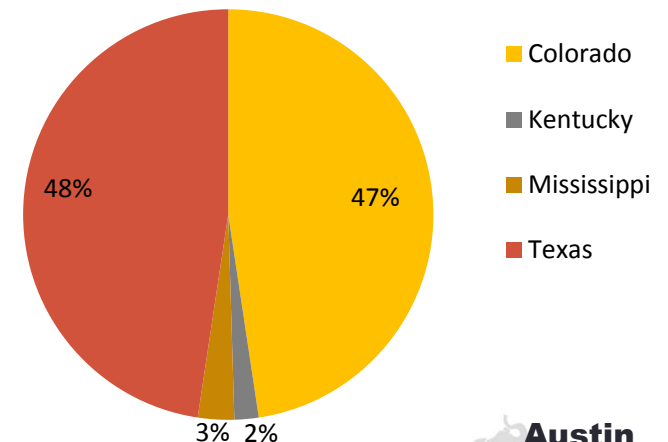
- Q2 Drill one vertical Parker well in Mississippi
- Q2/3 Drill four vertical Coniferous wells in Kentucky
- Q2/3 Drill one vertical well in Cooper Basin PEL 105

(1) Subject to funding
 (2) Krueger #1 has been successfully drilled and will be completed in Q2
 (3) Niobrara seismic programme planned for Q2/3

Drilling Activities



Capital Investment



Long Term Outlook

Base Case

Projected	2012	2013	2014	2015	2016	2017
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Revenue

Colorado	4.80	31.84	65.74	103.39	134.73	175.13
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Texas	2.80	28.14	61.78	88.52	119.86	149.72
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Others	2.72	3.81	4.35	4.66	4.94	5.19
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Total Revenue	10.33	63.79	131.87	196.57	259.53	330.05
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- Expense	6.00	6.00	9.00	11.00	16.00	18.00
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- Tax	0.52	6.00	8.50	11.00	15.50	18.00
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Cash Flow	3.81	54.68	116.98	176.04	231.46	296.05
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High Case

Projected	2012	2013	2014	2015	2016	2017
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Revenue

Colorado	5.24	34.74	71.72	112.79	198.76	325.23
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Texas	2.80	30.25	67.12	96.33	183.34	314.64
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Others	2.72	3.81	4.35	4.66	4.94	5.19
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Total Revenue	10.76	68.79	143.19	213.78	387.04	645.05
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- Expense	6.00	6.00	10.00	20.00	50.00	100.00
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- Tax	0.54	3.35	6.93	10.36	18.71	31.14
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Cash Flow	4.22	59.45	126.25	183.42	318.33	513.92
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(1) Assumes long term capital funding secured.

(2) Others include Kentucky and Mississippi.

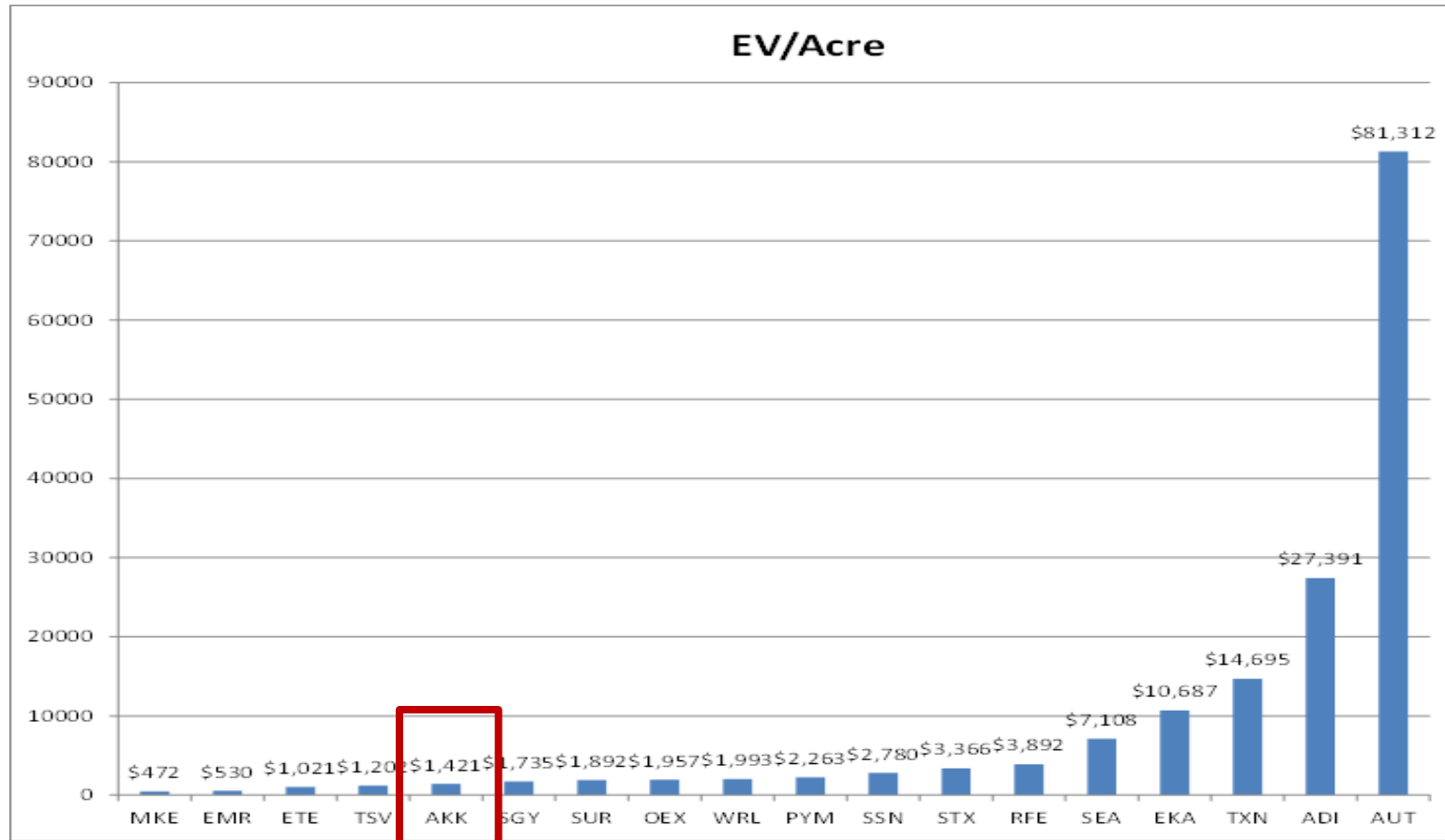
(3) All cases are projected at \$85/bbl and \$2.5/Mscf with 340 working days (only consider severance tax).

(4) The initial production of the base and high cases are 550 BOPD and 600 BOPD (45%, and 50% based on 1,200IP).

(5) The daily production of the base and high cases are estimated to be 17,000 BOPD and 37,000 BOPD at the end of year 6.

(6) The IRR of the base and high cases are estimated to be 158% and 180% at \$85/bbl and \$2.5/Mscf with 340 working days.

Peer Comparison



- A peer comparison highlights the significant value uplift possible for Austin as it proves-up its Eagle Ford and Niobrara Shale Projects

Source: Hartleys Research

Recap – Investment Highlights

- ▶ Substantial exposure to Niobrara and Eagle Ford development; positive results are expected from multiple wells over coming months
- ▶ Stable long life, oil weighted development with numerous repeatable drilling opportunities per 51-101 independent analysis conducted in 2011
- ▶ Proven acquisition and early development performance track record
- ▶ Knowledgeable and motivated Board and management team with proven track record and significant US experience
- ▶ Capital infusion will fund healthy growth with multiple wells to be drilled and tested over coming months

Corporate Information

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