

AUSTIN EXPLORATION

www.austinexploration.com



A fully funded 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

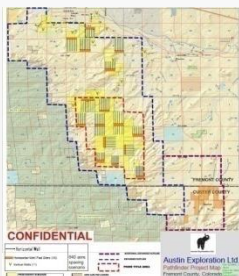
Q2 2012

Forward-Looking Statements

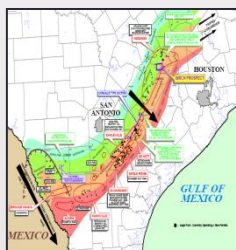
Statements made by representatives of Austin Exploration Limited during the course of this presentation that are not historical facts are forward-looking statements. These statements are based on certain assumptions made by the Austin Exploration Limited based on management's experience and perception 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.

Executive Summary

World Class Assets



Colorado Pathfinder Niobrara
(USA)



Texas Birch Eagle Ford
(USA)

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World Class Technical Team



Dr. Mark Hart
President & CEO
Professor- Colorado School of Mines

World Class Commercial Team



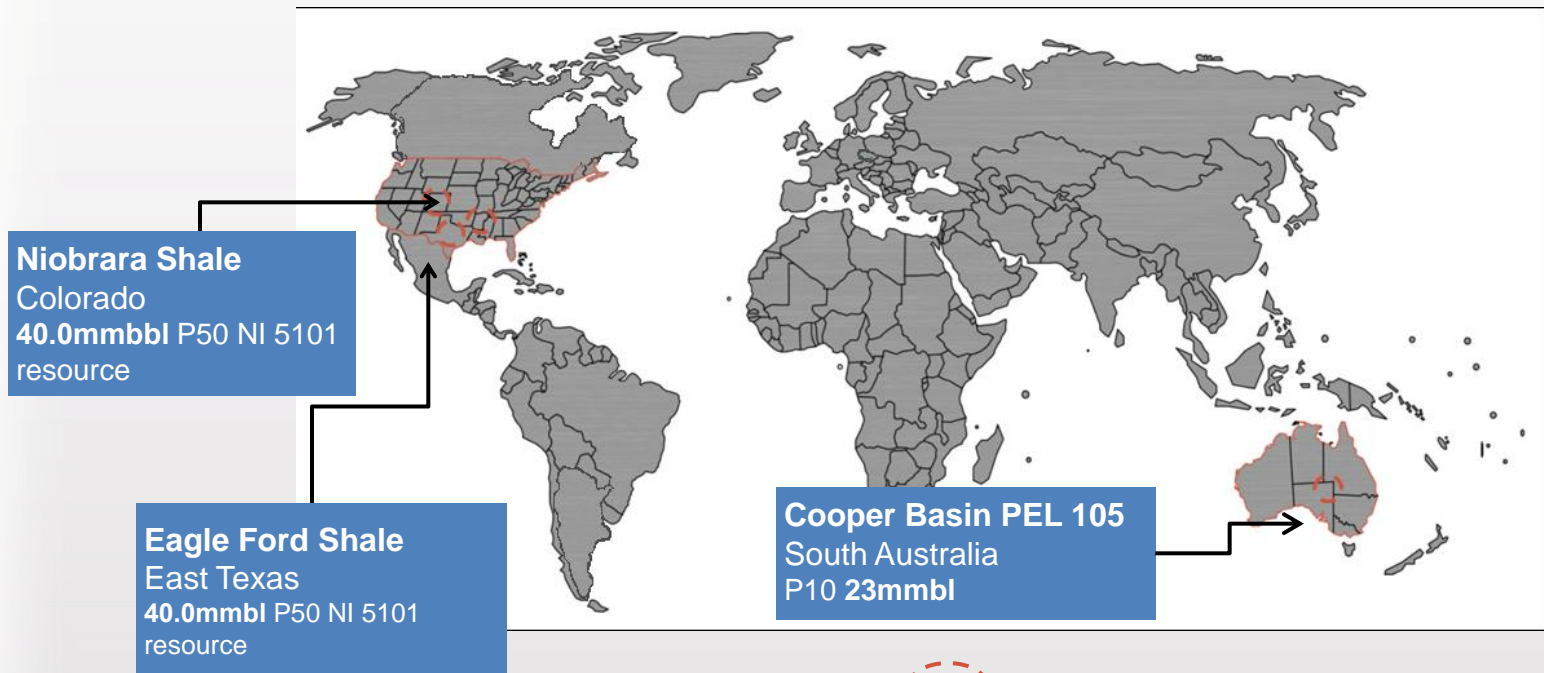
Mr. Richard Cottee
Chairman of the Board



Mr. Guy Goudy
Deputy President &
Chief Commercial Officer

Significant Worldwide Assets

Focusing on its highly prospective Niobrara and Eagle Ford Shale assets where multiple wells are planned for the coming months. Continued Engineering focus to increase existing production in Kentucky and Mississippi



Austin Exploration - Overview

Large Shale Resource Indicates Multiple Return Potential

- ▶ Eagle Ford shale in East Texas – 40.0mmbbl P50 NI 51-101 resource
- ▶ First Eagle Ford vertical well exceeded pre-drill expectations flowing at 95BOEPD
- ▶ 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

Austin Exploration - Overview

Existing Conventional Assets Cover Operational Overheads

- ▶ Mississippi & Kentucky assets provide cashflow
- ▶ 60 Boe/d average – 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

Key Considerations	Comments
Experienced Board and motivated management team	<ul style="list-style-type: none"> • Richard Cottee recently joined Board as Chairman • Combined 100 years of experience with Standard Oil Company, Consol Energy, Queensland Oil and Gas Corporation, Santos, Oil Search, CS Energy, PetroZuata, Vincler Oil and Gas, Repsol, Pathfinder, and NRG Energy • Proven track record of transforming \$million companies into \$billion companies
Oversubscribed capital infusion completed in Q1	<ul style="list-style-type: none"> • \$20 million raised at an issue price of 2.9 cents per ordinary share (ASK: AKK), together with a 1 for 2 free attaching listing option, exercisable at \$0.055 cents • \$5 million raised from existing shareholder share repurchase plan (“SPP”)
Committed to continuous drilling program for 2012	<ul style="list-style-type: none"> • Plan to complete first Eagle Ford vertical well by May 2012 with two additional wells to be drilled in Texas • Plan to drill two horizontal Niobrara wells in Colorado in 2012 • Plan to drill at least one well in Mississippi in Q2 2012 • Continuous shallow well drilling program underway in Kentucky
Focused on Project 500 Squared to drive shareholder value for next 15 months	<ul style="list-style-type: none"> • The First 500 -- Strip \$500K of non-technical, non-exploration costs by June 30th 2012 to ensure capital infusion is focused on exploration and generating shareholder value • The Second 500 -- Achieve production of approximately 500 BOPD by December 31st 2012 at a cost structure expected to generate nearly \$10 million net earnings on an annualized basis
Two world class assets in Colorado and Texas with substantial upside potential	<ul style="list-style-type: none"> • Large ownership interests (93.5% Texas Eagle Ford / 85% Colorado Niobrara) • Purchased at the right price through company’s extensive network of connections in the US • Located in America’s most prolific oil & gas basins, surrounded by production and the Majors • World Class Operational teams assembled to maximise probability for success

Corporate Snapshot

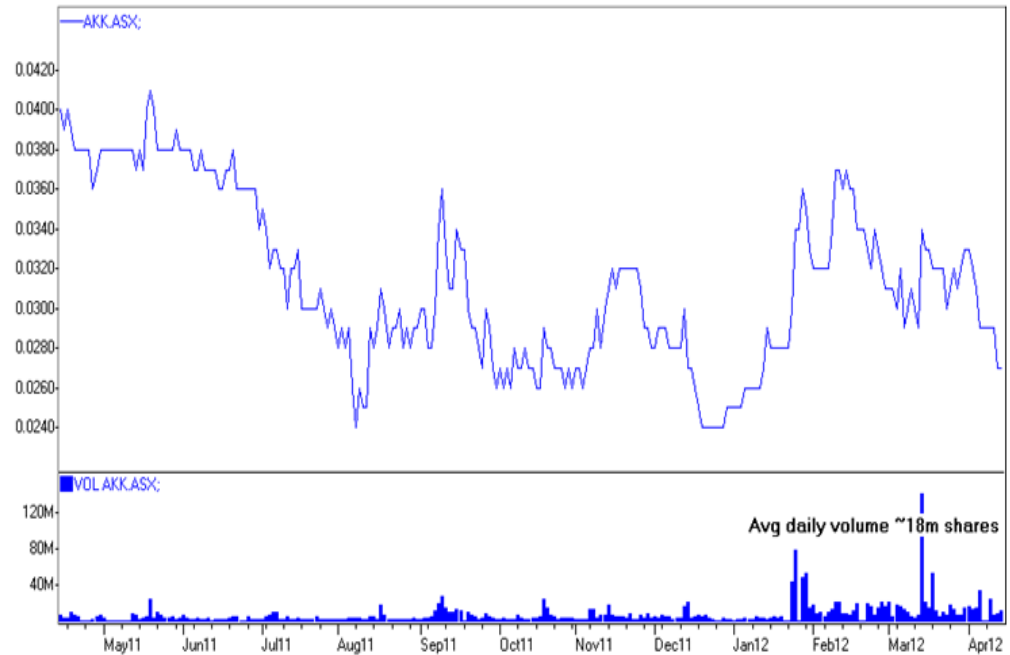
Corporate Statistics

Shares On Issue (ASX : AKK)	1.5b
Market Capitalisation @ \$.03	\$ 45m
Total Options	1.0b
Cash	\$26m
Debt	\$ Nil
Enterprise Value	\$ 19m
USA:OTCQX International ADR (1 ADR : 100 common shares)	Ticker: AUNXY

Board and Management

Richard Cottee	Chairman of the Board
Dr. Mark Hart	President & CEO
Guy Goudy	Deputy President & Chief Commercial Officer
Nigel Hartley	Non-executive Director
Dominic Pellicano	Non-executive Director

AKK 12 Month Historical Price Performance



Experienced Board of Directors



Mr. Richard Cottee, Chairman of the Board

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

Dr. W. Mark Hart, President & Chief 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. Guy Goudy, Deputy President & Chief Commercial 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.



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Experienced Board of Directors



Mr. Nigel Hartley, Non-Executive Director

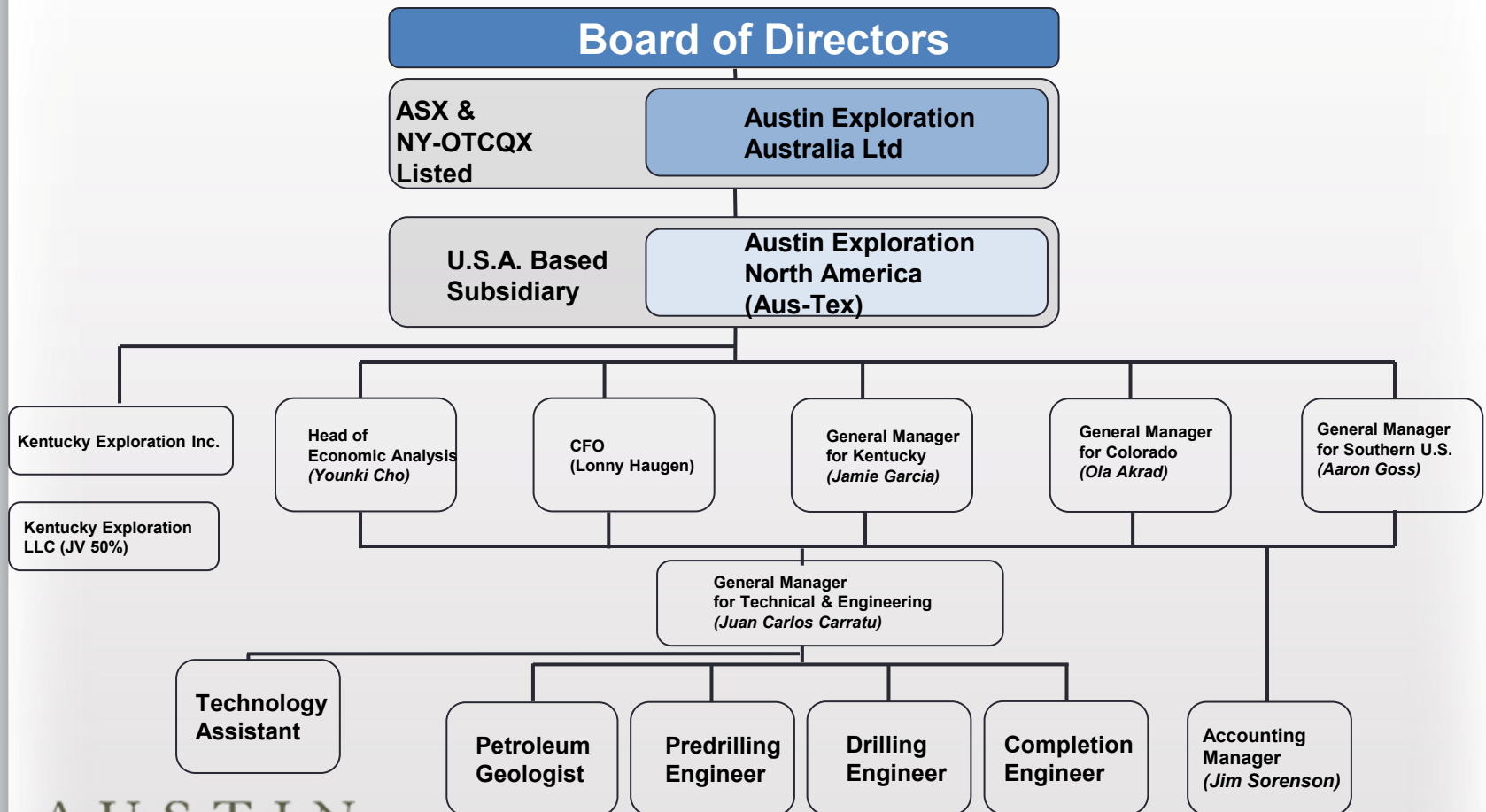
One of Australia's foremost oil executive, 20 year veteran with ASX-listed Oil Search (\$8.1bl ASX listed company). Mr. Hartley has been involved in raising over US\$14 billion for various Oil Search related projects and was instrumental in raising finance for the ExxonMobil led US\$15.7 bl PNG LNG Project.

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.

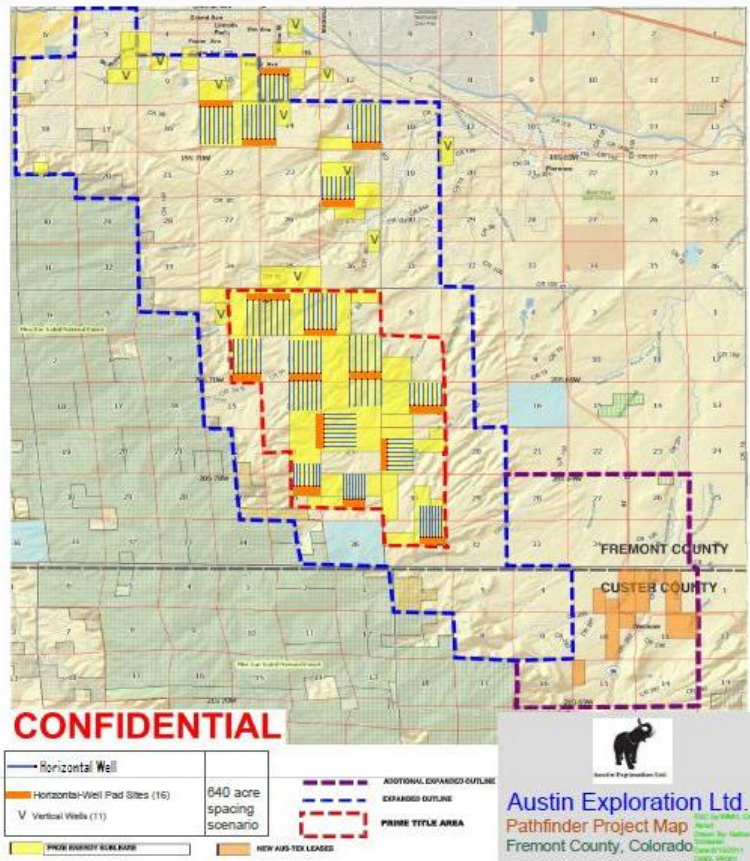


Deep U.S. Based Management Team



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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

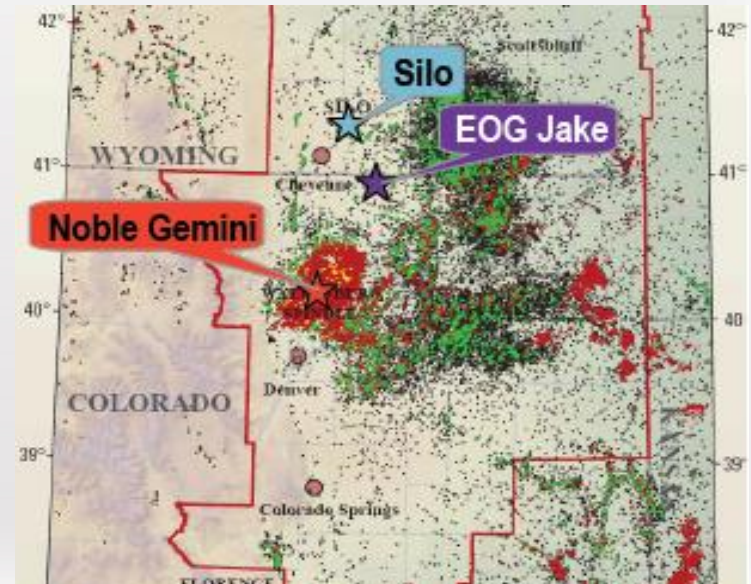
- Drill first horizontal well in Q2 2012 and complete in Q3 2012
- Potential for approximately 100 to 200 wells
 - 16 horizontal well pads
 - 6 - 8 wells per pad
 - Niobrara TD 5,000 – 7,000 ft
 - 2,000 – 5,000 ft laterals
 - Top of Pierre formation depth 1,400 ft

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

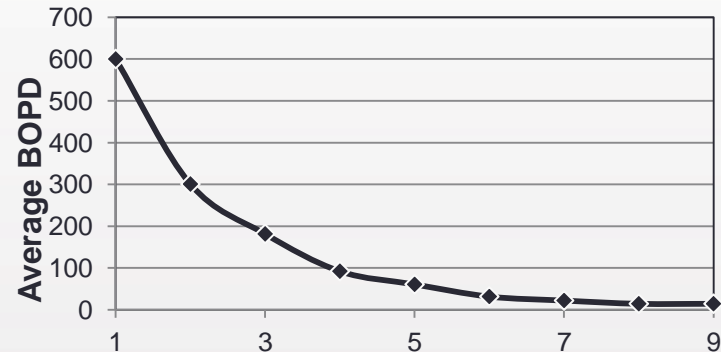


Targeted Niobrara Horizontal Well Economics

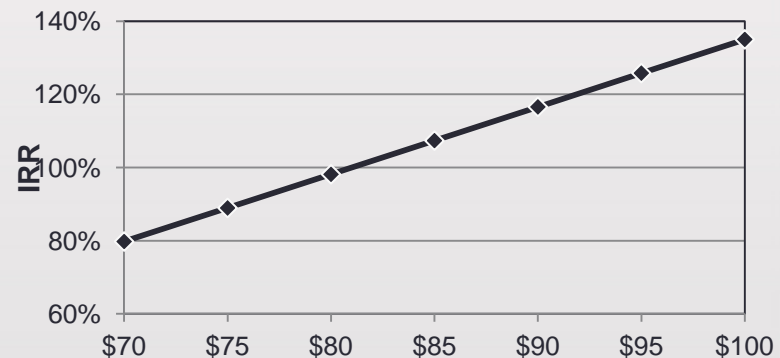
Individual Well Profile	
Initial Production	600 BOPD
EUR (gross)	280,000 Bbls
Cost Per Well	\$5,000,000
Payout	5 months
NPV ⁽¹⁾	\$7 Million
IRR	+100%

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%

Individual Well Type Curve



Oil Price Sensitivity (\$/BO WTI)



(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

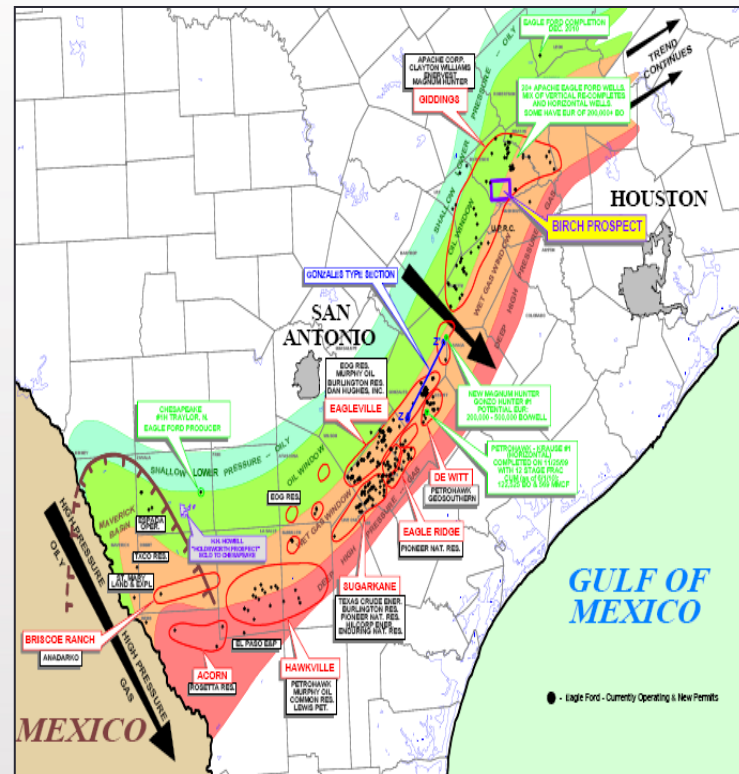
Eagle Ford Project

► Location

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

► Appraisal Plan

- Successfully drilled vertical well into the Eagle Ford Shale at 9325 ft with an IP rate of 95 BOPD
- Second and third vertical wells to commence Q2/Q3 2012 and all will be tested Q3 2012. Best of three to be completed as Austin's 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, currently being flow tested) has provided evidence of:
 - 7 hydrocarbon bearing zones
 - Oil production from Eagle Ford Shale
 - Gas production from Taylor sands

Recent/nearby activity



Targeted Eagle Ford Horizontal Well Economics

Individual Well Profile

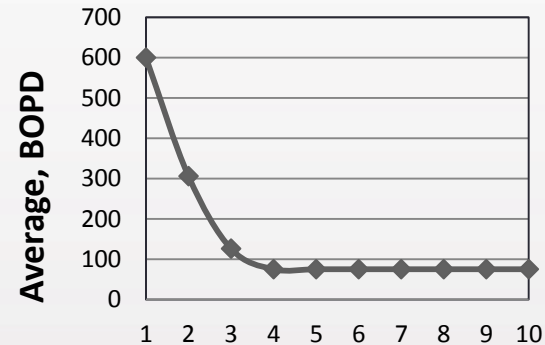
Initial Production	600 BOPD
EUR (gross)	264,000 Bbls
Cost Per Well	\$6,500,000
Payout	8 months
NPV	\$7 Million
IRR	~100%

Field Development Data

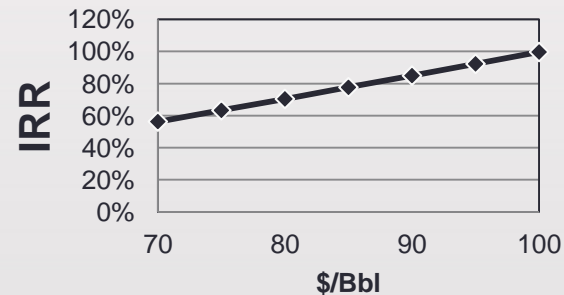
Acreage	5,000 acres
Locations at 160 acre spacing	64
Average WI / NRI	93.50% / 70.125%

- (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)



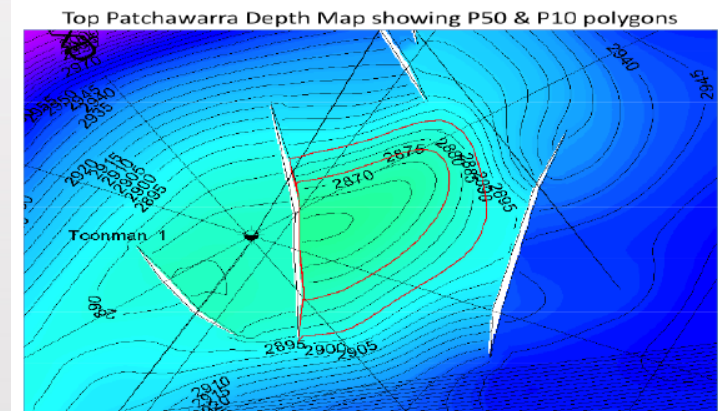
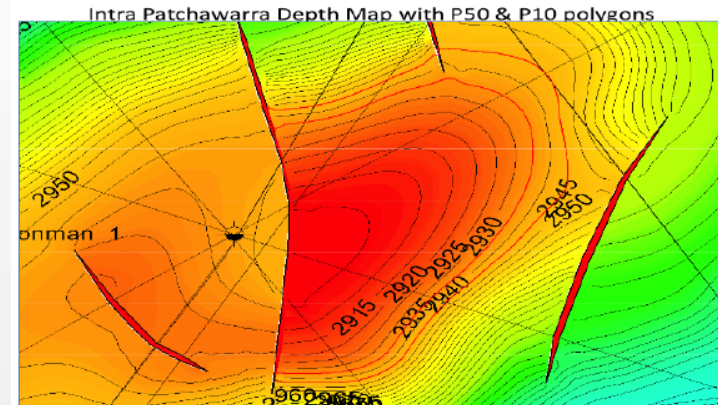
PEL 105 Cooper Basin Project

► 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 be drilled in 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 ~ 35 BOPD

Commencement

- Adams County, Mississippi
- TD at 6650 ft
- Production from Baker Sand and Ratcliff formations
- 50% WI & 37.5% NRI
- Current production is ~ 60 BOPD

MS #3 – Bourke #4 well

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

Texas

Yolanda

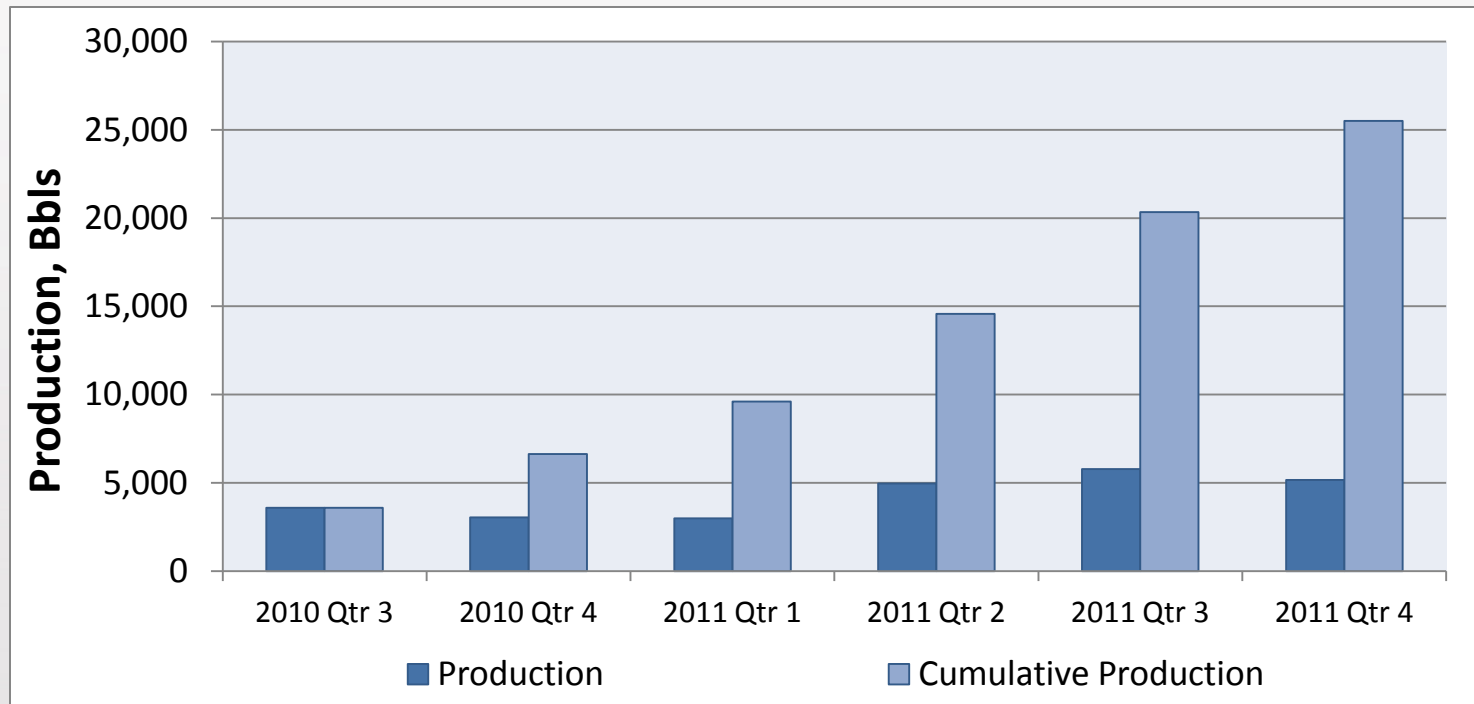
- Dimmit County, Texas
- 36% WI & 27.36% NRI
- Produce natural gas and oil from Austin Chalk formation
- Two laterals (B & E)
- Initial production was 230 Bbls
- Production averaged ~ 22BOPD

Krueger #1

- Drilled
- Currently process in completion

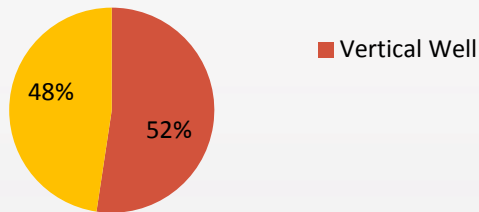
Proven Production Growth

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

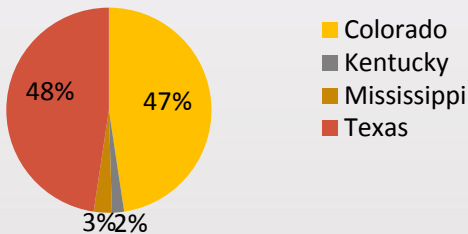


2012 Proposed Drilling Schedule

Drilling Activities



Capital Investment



Proposed 2012 Drilling Schedule ⁽¹⁾

Shale

- ▶ Q2 Frac first vertical well in Eagle Ford
- ▶ Q2/Q3 Drill and frac second vertical Eagle Ford well
- ▶ Q3 Drill and frac third vertical Eagle Ford well
- ▶ Q3/Q4 Complete best of first three vertical Eagle Ford wells as horizontal well
- ▶ Q2 Spud first horizontal well in Niobrara
- ▶ Q3 Frac first horizontal well in Niobrara
- ▶ Q4 Spud second horizontal well in Niobrara

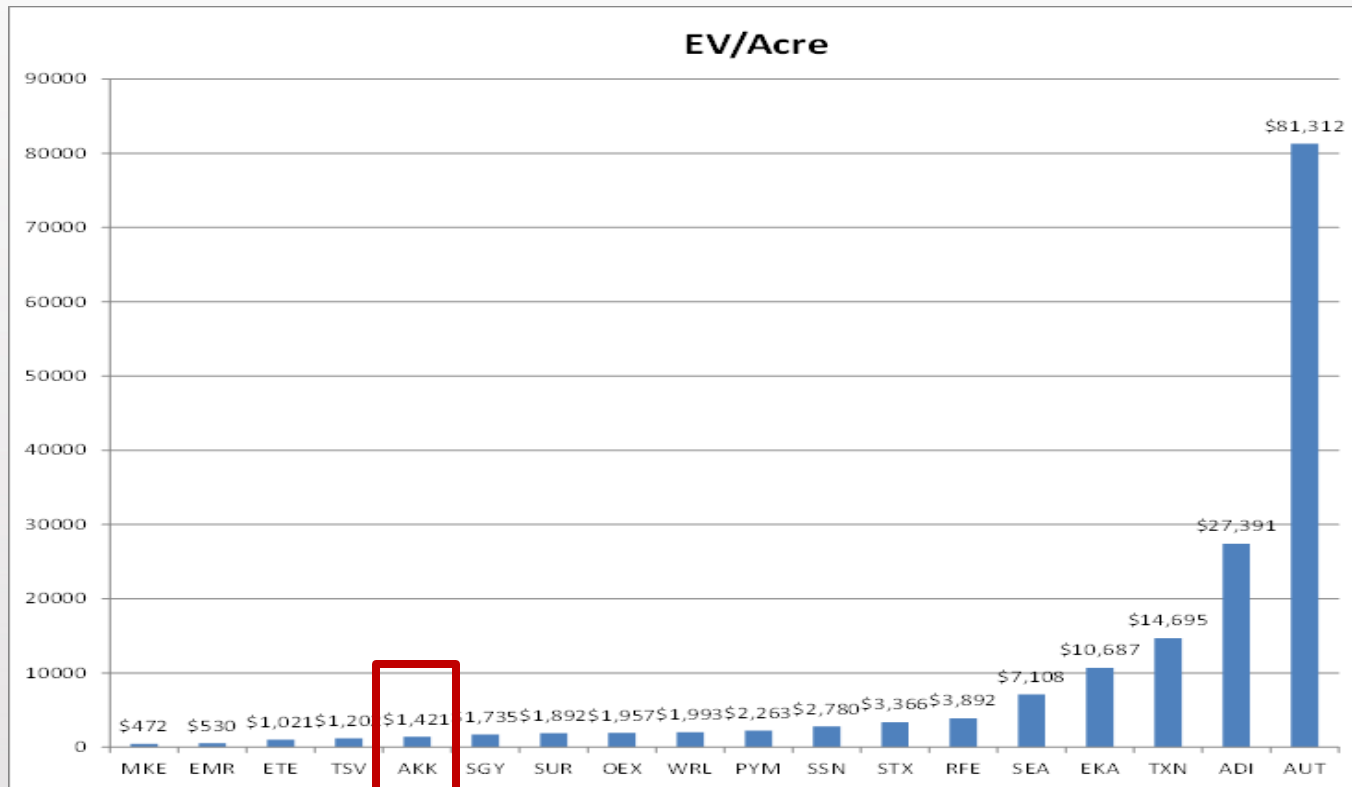
Conventional

- ▶ Q2 Drill one vertical Parker well in Mississippi
- ▶ Q2/3/4 Drill four wells in Kentucky
- ▶ Drill one well in Cooper Basin PEL 105

- Krueger #1 has been successfully drilled and will be completed in Q2
- Niobrara seismic programme planned for Q2/3

Peer Comparison

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



Recap – Investment Highlights

- ▶ World class assets. World class technical team. World class commercial team.
- ▶ Knowledgeable Board and motivated management team with proven track record and significant US experience.
- ▶ Focused on Project 500 to drive shareholder value for next 15 months
 - The First 500 - Strip \$500K of non-technical, non-exploration costs by 30/06/2012 to ensure capital infusion is focused on exploration and generating shareholder value
 - The Second 500 - Achieve production of approx. 500 BOPD by 30/06/2013 at a cost structure expected to generate nearly \$10 million net earnings on an annualized basis.
- ▶ Substantial upside exposure with assets located in Colorado Niobrara and Texas Eagle Ford, some of America's most prolific oil & gas basins.
- ▶ 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.
- ▶ Fully funded operations resulting from oversubscribed capital infusion of \$25 million raised in Q1 2012. Proceeds to be invested directly in the ground.

Corporate Information

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