



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

14th March 2013

Pathfinder C11-12 No.1 HZ well continues to flow oil and gas

- Wells flows 403 BOE naturally to the surface over 24 hours

Pathfinder Prospect, Fremont County, Colorado (85% of 11,500 acres)

Pathfinder C 11 – 12 No. 1 HZ Well:

Austin Exploration (ASX:AKK) advises that crude oil and gas continues to flow naturally to the surface at its Niobrara project in Colorado.

The Company's engineering team has been on-site 24 hours a day monitoring the well and the performance of surface facilities. These facilities have been successfully completed and the system is working efficiently which has allowed for the well to flow oil naturally to the surface since Monday .

During this 24-hour period on 13 March 2013 the well flowed a total of 403 BOEPD. This is made up of 211 BO & 1,150,000 SCF of gas, resulting in a gas-oil ratio (GOR) of 5476 scf/stb.

As a result, Austin will now move to the next phase of production testing by putting the well on pump, which is expected to achieve consistent and steady production. The Company believes that maximum oil (liquids) volumes will be extracted with the well on pump, which has been designed to operate efficiently whilst at the same time being able to produce gas up the casing side of the wellbore.

The unexpected volume of gas that the well is producing will add additional economic value that was not initially accounted for, and will further add to the Company's in-ground reserves and cash flows.

Austin is highly encouraged by the exploration success achieved on its first horizontal well at the Pathfinder project, which is a credit to the Company's engineering team whose ability to drill successful and commercial wells in unexplored areas adds significant value to its assets.

The Company is working diligently to install a gas compression unit so the gas can be transported to sales. This is a short term solution and Austin believes that in the longer term, maximum profitability of the Pathfinder project will be achieved by laying gas lines and connecting in to the nearest major pipeline which is approximately 5 miles away.

This latest result from the C11-12 No.1 HZ well highlights the potential of this field, which has been unlocked by early exploration success.

PICTURES FROM THE PATHFINDER LOCATION



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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).

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