



# 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

21<sup>st</sup> March 2013

## Project 500-squared hits performance targets

- **Company-wide average production of 547 BOE per day**
- **More than \$1 million in corporate overheads removed**

Austin Exploration (ASX:AKK) announced that it has achieved the Project 500-squared targets set by the Board in March 2012, after reaching company-wide (gross) average daily production/capacity of 547 BOE.

Current per-well contribution to this total is outlined in the following table:

State / Prospect	Average daily capacity (oil/BOE)
<b>Colorado</b>	
Pathfinder Hz No.1 (still stabilising due to natural oil and gas flow pulsations)	403 (211 BO + 192 BOE)
<b>Texas</b>	
Yolanda	15 (In stable production)
B1 Eagle Ford vertical (Birch prospect)	10 (BOE) – Gas line installed
B3 (Birch prospect)	Work over rig & Swab rig on-site to remove drilling fluids and chalky sludge sediment which is causing down-hole obstruction.
<b>Mississippi</b>	
Ellislie	20 (In stable production)
Commencement	40 (In stable production)
Bourke	40 (In stable production)
<b>Kentucky</b>	
Multi Shallow well program	19 (In stable production)
<b>TOTAL DAILY AVERAGE CAPACITY (Gross)</b>	<b><u>547 BOE</u></b>

The second target of the Project 500-Squared Project was the removal of \$500,000 in non-technical, non-exploration company expenditures. Over the past 12 months more than \$1 million in corporate overheads have been eliminated, double the original target.

Colorado Pathfinder Niobrara and Texas Birch Eagle Ford properties have all revealed the presence of oil and natural gas. With gas prices currently rising in the US, this gas has afforded Austin the opportunity to sell to

dual markets simultaneously which has added additional economic benefit to the Company. Many of the major oil Companies in the US are now seeking this dual benefit of both oil and gas from one well bore as the Company has to only outlay the capital for one well. This requires gas gathering and associated equipment systems and the Company is currently reviewing its options.

Austin Exploration non-executive Chairman, Richard Cottee, said achieving these targets moved the Company towards self-reliance where revenue from oil production funded all recurrent expenditure, and all company CapEx could be pushed into exploration and development of our key land holdings in the Niobrara and Eagle Ford.

“The 500-Squared Project was set as a stretch target that has been comfortably surpassed by the Austin Exploration team”, Mr Cottee said.

“The fact that we have achieved our production target 3 months ahead of schedule highlights the strength of our assets and technical team.

“This result moves us another significant step towards full self-reliance where oil and gas production can fund the rapid exploration and development of our high prospectivity fields and creates options for potential farm-outs.

“Every dollar saved from unnecessary expenditure is a dollar that can be invested in the Company’s future and a dollar that doesn’t have to be raised to fund exploration and development”, Mr Cottee said.

#### **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 (AUNXY).*

#### **DISCLAIMER:**

This announcement contains or may contain “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be “forward looking statements.” Forward looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this action may be identified through the use of words such as “expects”, “will”, “anticipates”, “estimates”, “believes”, or statements indicating certain actions “may”, “could,” or “might” occur.