



# 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

27<sup>th</sup> May 2014

## Pathfinder gas processing plant ahead of schedule

- **Processing facilities being moved onto well pad**
- **Implementation unlocks value of the Pathfinder project**
- **Gas Processing Of America to outlay all capital for the gas processing equipment**

Austin Exploration (ASX:AKK) announced today that the installation of the first gas processing plant at its Pathfinder project in Colorado, USA, is ahead of schedule with the processing facilities now in transit to the Company's property.

As was announced to the ASX on March 19, 2014, the Company executed a gas processing agreement with Gas Processing of America, Inc. (GPA) to process and sell the heavy liquid gases (propane, hexane, ethane, and butane) allowing the methane to be sold as pipeline quality gas and optimizing development of the Company's oil and gas project in Fremont County, Colorado. GPA will provide the capital to install the processing plant, compression plant and the associated infrastructure, act as owner/operator, gather and transport the gas, maintain the plant, and market and sell the gas.

Austin Exploration Chief Executive Officer and Managing Director, Dr. Mark Hart said: "Implementation of the agreement with GPA and installation of the equipment is critical to the ongoing success of the Company. This critical step unlocks a tremendous amount of value of the Pathfinder project."

Chief Operating Officer Guy Goudy stated: "The Company's reserve and resource report indicates the Pathfinder's 11,560 acres potentially holds 24.520 BCF of gas. This first phase allows for the immediate sale of all heavy gases and processes the gas into pipeline quality gas that can now be moved into the Colorado Interstate Gas (CIG) pipeline. The installation of the processing equipment gives us direct access to these high value resources and the revenue flow from sales."

Discussions are progressing to install the main north-south gas pipeline to connect the Pathfinder field to the main CIG pipeline. This will allow for maximum profitability for the field with more than 200 potential drilling locations.

Pictures below show the gas processing equipment for the Pathfinder Project:



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**ABOUT AUSTIN EXPLORATION:**

Austin Exploration is an Oil and Gas Company with a portfolio of oil and gas assets in the United States. In 2010, Austin strategically shifted its core focus towards non-conventional shale exploration and production. 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 has an interest in over 5,000 acres in Texas in the Eagle Ford Shale and the Austin Chalk. Austin has producing oil and gas wells in Colorado, Texas, Mississippi and Kentucky. Austin has built a world class Board and Management team with proven company

builders to derive maximum value from its oil and gas properties. 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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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. Oil production rates fluctuate over time due to reservoir pressures, depletion or down time for maintenance. The Company does not represent that quoted production rates will continue indefinitely.