



ASX ANNOUNCEMENT

31<sup>st</sup> January 2012

## Production Testing of Eagle Ford Well to Commence in February

- Initial analysis provides evidence of 7 hydrocarbon bearing zones
- Gas production likely from Taylor Sands
- Oil production likely from the Eagle Ford
- Production testing will commence in February with a view to having Austin's first Eagle Ford well in full production during this quarter
- Company controls 93.5% of 5000 acre Eagle Ford Shale prospect

The Board of Austin Exploration Limited ("Austin") ("the Company") (ASX: "AKK") is pleased to advise that production testing is due to commence shortly at the Krueger #1 well, the first well on the Company's Eagle Ford Shale project at the Birch Prospect in Burleson County, Texas, USA.

Drilling of the well was completed to a total depth of 9,325 feet in December 2011. Following completion of the well, Austin's technical team identified seven hydrocarbon bearing zones, including the Taylor Sand, the Eagle Ford and the Austin Chalk. As a result of the multiple potential production zones, the Company's engineering team was required to prepare a detailed engineering completion plan to enable each of the horizons to be properly assessed, which resulted in the delay to production testing from previous guidance.

Austin's detailed review of well results to date provides the Company with confidence that, at a minimum, economic gas production should be possible from the Taylor Sands formation, present from 6,540 feet – 6,615 feet depth, in addition to economic oil production from the Eagle Ford, present from circa 8,830 feet – 9100 feet.

Austin expects that commercial production of both oil and gas from the Krueger #1 well will commence in the first quarter 2012.

Commenting on the well, Austin's Chief Executive Officer, Mr Guy Goudy said, "We are delighted with the prospectivity that is being unveiled at our Birch prospect. The presence of 7 hydrocarbon bearing zones is seen as very encouraging by the Company and provides great confidence in the expected results from this and future wells drilled at the Birch Prospect. As a result the Company has decided to

# Austin Exploration Limited ACN 114 198 471

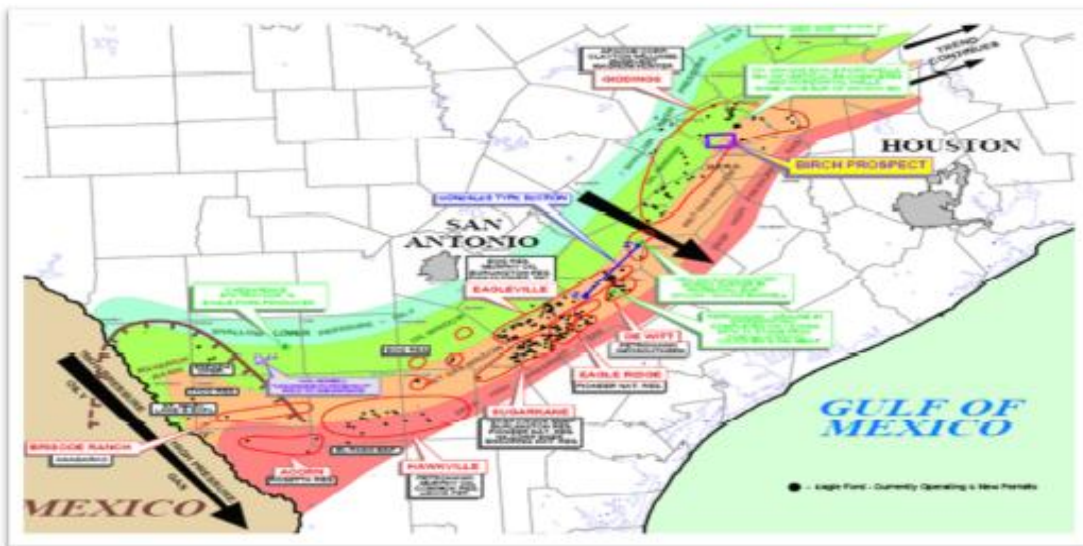
Listed on the Australian Securities Exchange ("AKK") and the OTC-QX International in the USA (AUN-XY)

proceed with the construction of roads and drill pads in preparation for the second and third wells at the Birch Prospect."

"The initial success adds further to our confidence in the Birch Prospect which has the ability for 32 horizontal wells at 160 acre spacing across the 5,000 acre land holding," Mr Goudy said.



*Crude Oil accumulation in the Mud Pit*



*Project location, demonstrating location in oil/wet gas window of the play*

7985 W. 16<sup>th</sup> Ave, Lakewood • Denver, Colorado 80214  
Level 1, 160 Queen Street • Melbourne, VIC 3000  
GPO Box 2850 • Melbourne, VIC 3001

# Austin Exploration Limited ACN 114 198 471

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

---

## **About Austin’s Eagle Ford Shale Project**

The Eagle Ford Shale trends across Texas from the Mexican border to East Texas, roughly 50 miles wide and 400 miles long with an average thickness of 250 feet. It rests between the Austin Chalk and the Buda Lime at a depth of approximately 8,000 to 10,000 feet in the project area. It is the source rock for the Austin Chalk and the giant East Texas Giddings Field – 6 counties: Bastrop, Burleson, Fayette, Lee, Brazos, and Washington.

Austin’s Eagle Ford Shale project is located in the oil/wet gas window of the play, which has proven to be the most productive area of the play, with an interpreted thickness of ~300 feet. Austin acquired its Eagle Ford Shale interests for an average of only ~\$400 per acre, well below industry peers, following a detailed due diligence including an independent technical report and analysis of 12 nearby wells, all with production. The independent technical report prepared for Austin as part of its due diligence suggested potential initial production rates of >800 bopd and NPV per horizontal well of up to \$7 million, with potential for 32 wells.

## **MEDIA INVESTOR CONTACT**

Guy Goudy

Chief Executive Officer

Austin Exploration Limited

[GuyG@AustinExploration.com](mailto:GuyG@AustinExploration.com)

[Phone: c/o HLB Mann Judd 03 9606 3888](tel:0396063888)

## **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 Americas most prolific oil and gas basins. Austin controls more than 11,000 acres in Colorado in the Niobrara Shale and over 5000 acres in Texas in the Eagle Ford Shale. 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)*