



# 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

28<sup>th</sup> September 2012

## September Operations report

- **4000ft Horizontal well successfully drilled in Colorado**
- **Drilling fluids continue to flow-back to surface at Birch # 3 well in Texas**
- **Plans to drill Cooper Basin PEL 105 well with Beach Energy (Operator) have begun**

The Board of Austin Exploration Limited (ASX: "AKK") - on behalf its wholly owned US subsidiary AusCo Petroleum Inc - is pleased to advise on the following operational updates:

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

**Pathfinder C 11 – 12 No. 1 Well:**

The Company has successfully drilled a 4100ft horizontal leg to a total measured depth (MD) of 9870 ft at its Pathfinder project in Colorado. The 4100 foot (approx 1,250 metre) leg of this well was drilled successfully with no operational issues experienced during drilling. The drilling of the horizontal leg of the well was successful while staying in the zone of interest that the Company determined to have the best formation characteristics and pay potential within the Niobrara Formation. Hydrocarbon shows were encountered throughout the drilling of the horizontal leg.

The Company will now immediately move forward with preparations to complete and frac the well. A multi-stage hydraulic fracturing stimulation treatment is expected by the end of October. Logging data, cutting analysis, and pressure tests will be used to design the hydraulic fracturing treatment. Oil flow results expected in time for the Company's AGM in November.

**Birch Prospect, Texas. (93.5% of 5000 acres)**

**Birch #3 Schwartz/Galbreath Well:**

The well continues to flow-back drilling fluids to the surface under natural pressure. Approximately 50,000 barrels of drilling fluids were used to drill the 4000 ft horizontal leg of this well. Although it takes more time, it is preferable that the well expel these fluids naturally rather than being lifted out by a pump jack. Austin's engineering team continues to monitor the well around the clock in expectation that oil production is imminent. Results will be communicated to the market as soon as they become available.

**PEL 105 Cooper Basin, South Australia.**  
**50/50 Joint Venture with Beach Energy (ASX: BPT)**

The Company has received notification from Beach Energy (ASX:BPT), as the Operator for this project, that preparations are underway to drill the Pirie #1 well in calendar quarter 1 of 2013. The PEL 105 licence area in the Cooper Basin has been flood-affected since 2009 and drilling on the block has not been possible since that time. Following these extensive delays the Company is pleased that that planning preparations to drill this project have begun. Under the existing Joint Operating Agreement, Beach Energy will pay for the first \$1.75 million. Following this, the costs will be split 50/50 to through to the completion of the well.

PEL 105 is an area of approximately 5000 acres and is located approximately 60 kilometres north of Moomba in South Australia. As announced previously, estimated recoverable reserves on a P50 basis for this well are 2 Million barrels of oil.

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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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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.