



AUSTIN EXPLORATION

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

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AUSTIN'S KENTUCKY PRODUCTION INCREASES BY 25% PRODUCTION REPLISHED TO OVER 25 BARRELS/DAY

- **Management increases Kentucky oil production from 0.7 BOD during 2011 to over 25 BOPD in 2013**
- **Low risk, low cost shallow drilling program provides additional operating cash flows**

Austin Exploration ("Austin" or "the Company") announced its engineering team has replenished normal declining production and has boosted production by 25% to a stabilized rate of 25 BOPD, up from 20 BOPD in 2012. This represents an overall increase in Kentucky production from 0.7 BOD during 2011.

"The Kentucky operations are important to Austin Exploration and its private Australia investment partner as this operation provides an additional stream of cash flow to run the business," said Lonny Haugen, Chief Financial Officer, Austin Exploration.

"Two of the newly drilled wells are the deepest wells drilled on any of Austin's Kentucky properties to date, at approximately 2500' to 3000' deep. These were drilled at the lowest cost ever for Austin's Kentucky operations and with the largest well bores at 8 3/4". Currently vertical wells, they have been drilled as potential targets for 1000' horizontal legs."

Tim Hart, VP & General Manager of the Eastern Business Unit, said he was delighted the team has been able to add to the Kentucky production.

"Austin Director Dominic Pellicano had the vision to invest in the Kentucky Illinois Basin Formation some four years ago," said Mr Hart.

"New wells on the Tapp Lease, Tapp lease extension, Magnolia lease and efficiency improvements in existing lease wells at Russell and Majors are all contributing."

“Following an 8-month operations, geology, and engineering study of the Kentucky properties, we are proud of our Kentucky team’s efforts to achieve this production replenishment and we believe that there is more production on the horizon from the approximately 3000 acres under control in Kentucky,” said Austin Executive, Guy Goudy.

Kentucky operations have secured 5 drilled production wells for under \$100,000 and the Board of Directors approved a budget for \$330,000 for 3 wells, which the Company expects will generate additional cash flow in phase 3 for 2014.

A significant operations and engineering study is also underway for the inactive 18 gas wells in the Park City operations that have been idle for approximately 3 years due to a dispute between ATMOS and non-Austin landholders related to a remote gas line and processing facility. This evaluation may allow these wells to come into operation to provide gas-to-electricity conversion to power the Kentucky electrical grid. The same engineering and planning study is being applied to the Magnolia field.

These Kentucky wells are low cost, long life, generally in excess of 20 years, and the Company believes they will continue to add essential production and cash flow and ultimately increase shareholder value.

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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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