



# 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

30<sup>th</sup> July 2013

## Austin Closes Eagle Ford Shale Farm-Out Deal with Halcón Resources

- Drill to earn farm-out program to consist of three horizontal Eagle Ford wells
- Estimated cost of three wells to be approximately USD \$24 - \$27 million
- USD\$1.9 million upfront payment for drilling exclusivity & purchase of wells

The Board of Austin Exploration Limited ("Austin" or the "Company") today announced signing of an agreement with Houston-based Halcón Resources Corporation ("Halcón") for further drilling in the Eagle Ford shale at the Company's Birch Project in Burleson County, Texas.

Under the farm-out agreement, Halcón will earn a 70% interest in the Birch Project by funding 100% of the drilling costs on the next three Eagle Ford wells. The total estimated cost for the three horizontal wells is projected to be USD \$24 - \$27 million (\$8 - \$9 million per well). The three well farm-out agreement covers approximately 4,221 acres.

The capital, production and profit for all wells drilled after the three aforementioned wells will be shared on a 70% (Halcón)/30% (Austin) basis.

Austin will also receive a \$1.9 million upfront payment for an 18 month exclusive drilling option during which time the farm-out wells must be drilled. Also included in the sale is a 70% interest in Austin's B1 Krueger and B3 Schwartz Galbreath wells and associated acreage. Due-diligence for the purchase of these wells is expected to be completed in August 2013.

Austin Exploration Chairman, Richard Cottee, commented, "This is a major vote of confidence in Austin's Eagle Ford acreage and in our team's ability to identify high potential assets in key oil regions. Halcón is a proven operator with significant knowledge and expertise specific to the Eagle Ford shale formation.

"The financial benefit to Austin from the Birch farm-out is hugely significant. First, we continue to share the benefits of developing a world class Eagle Ford shale asset; second, Austin can concentrate our efforts on developing our, much larger prospect, in the Niobrara which is already well-advanced and has proven commercial hydrocarbons", Mr Cottee said.

The Company looks forward to the commencement of drilling and intends to keep the market updated on material progress.

### **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 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. 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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