



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

12 January 2015

Austin strikes oil on sixth consecutive Eagle Ford well in Texas

- **Seaducer #1H well records 24 hour IP rate of 960 BOEPD (90% Oil)**
- **Sixth successful Eagle Ford well represents a 100% success rate in Texas**
- **Additional production will strengthen Austin's cash flow position**

Austin Exploration ("Austin" or "the Company") (ASX:AKK) today advised that its Seaducer #1H well at Burleson County, Texas has been drilled to a total depth of 16,022 feet, with a 6,934 foot lateral leg, and has recorded an initial daily production rate of 960 BOE per day with approximately 90% liquids content.

The Seaducer #1H well is the sixth production well at Austin's Birch Eagle Ford project, and is being operated through the inclusion of the Company's acreage in its farm-out program in Texas.

Austin's Chief Executive Officer, Dr Mark Hart, said "Six from six really is an excellent outcome for the Company and its shareholders. The Eagle Ford Shale has the lowest production costs of any non-conventional oil basin in the United States and remains economic in this current low oil price environment.

"At \$90 per bbl the Company had been preparing to significantly ramp-up drilling operations in 2014/2015. In response to the drop in the oil price the Company has halted any major expenditures. We have stripped out more than a million dollars in overheads including significant company wide salary reductions. Fortunately the Company has no debt, and with the austerity measures the Company has put in place, the Company is now positioning itself to survive this downturn in oil prices", Dr Hart said.

Austin's COO, Guy Goudy, said, "I am pleased to see another success at our Burleson County project. The Burleson County oil and gas production is a vital source of cash-flow for the Company and will continue to assist in covering the Company's overhead expenses during this volatile period for the oil and gas industry."

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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).

DISCLAIMER:

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.