



# 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

26<sup>th</sup> March 2014

## First well in the Eagle Ford with Halcón flowing at 1,066 BOEPD

- **First horizontal well with Halcón Resources Corporation exceeds expectations**
- **Result significantly re-rates Austin's Birch Property in East Texas**
- **Plans to drill the second Eagle Ford well with Halcón are underway**

The Board of Austin Exploration ("Austin" or "the Company") (ASX:AKK) today announced its first well with Halcón Resources Corporation in the Eagle Ford is flowing oil and gas, and has recorded an initial production rate of 1066 BOEPD with an 87% oil cut. The Stifflemire #1H well is still being flowed back following a 30 stage frac, and is flowing consistently at rates over 1000 BOEPD. The well was successfully drilled to a total measured depth of approximately 17,000 ft with an 8000 ft horizontal leg into the Eagle Ford Shale. The well was also vertically drilled and cored.

This result will lead to a significant increase of the proved oil and gas reserves contained within the Birch project. Importantly, the Company believes these reserves will be bankable and allow Austin to access debt capital for the future development of the property.

Stifflemire #1H is the first well of a three well farm-out program with Halcón, whereby Halcón will free-carry Austin for the cost of three horizontal wells to earn a 70% interest of the Birch Project. The cost to drill these wells is approximately \$10 million per well.

Austin Exploration Managing Director and Chief Executive Officer, Dr. Mark Hart, said, "The oil flow from our first Eagle Ford well with Halcón gives confidence for our highest expectations for the future potential of the wider field which has the capacity for another 100 drilling locations. It proves the value we saw in this property when we acquired it in 2011. It also confirms the decision to bring world class operator Halcón to the project to advance the drilling program. The success at Eagle Ford will generate the revenue needed to fund the further development of our projects", Dr Hart said.

Austin Exploration Chief Operating Officer, Guy Goudy, said, "This is a great reward, particularly for our long term shareholders who have supported the Company and its US based Management team. The Eagle Ford break-through is the start of something special for Austin and we expect to further build on this momentum at our flagship Pathfinder project in Colorado. The oil and revenue from the Eagle Ford, the Gas Processing Agreement in the Colorado Niobrara field and the recognition of our technical work by the industry at the recent Rocky Mountains Awards together create a solid platform for shareholder value", Mr Goudy said.

Plans to drill Austin's second well in the Eagle Ford with Halcón are underway. Material updates on the project will be announced when available.

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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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