



# 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**

**4<sup>th</sup> July 2013**

## Birch Eagle Ford Property

- **Three well farm-out progressing well**
- **Additional one well farm-out progressing well on 645 acre block**
- **Birch farm-out program worth approximately USD\$32 million**

### Birch Eagle Ford Project – Burleson County, Texas

Austin Exploration (“Austin” or “the Company”) is well advanced in its proposed farm-out program at its Birch Eagle Ford project in Burleson County, Texas.

In May 2013, Austin announced it had entered into a Letter Of Intent with a major US oil company to farm-out approximately 4,400 acres, in exchange for drilling 3 horizontal wells with an approximate value of USD\$24 million (\$8m per well).

Austin’s 100% owned Birch block comprises more than 70 individual lease tracts that have had to go through legal due diligence. Austin advises that due diligence has confirmed that all land titles have now been fully checked and are in good standing. Regulatory checks are now being conducted on Austin’s Birch exploratory wells, in which Austin will be selling a 70% interest as a part of the farm-out package. Both companies continue to work diligently to close the farm-out deal.

The Company is also in the final stages of completing another farm-out agreement with a private, Texas-based oil company with regards to a separate 645 acre Birch block. Formal documents are expected to be completed in coming weeks, at which time details of the agreement and partner will also be announced.

This additional farm-out will complete the 5,000-acre Birch farm-out program with Austin to be carried on 4 wells with an approximate value of USD\$32 million.

The Company can also report that work continues on its Pathfinder Niobrara farm-out, gas gathering and processing programs.

Austin Exploration looks forward to completing these farm-out deals and will announce its partners at such time.

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#### **ABOUT AUSTIN EXPLORATION:**

*Austin Exploration is an Oil and Gas Company with portfolio of oil and gas assets in the United States. Austin has 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 Texas, Mississippi and Kentucky. 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).*

#### **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.