



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

25 August 2014

Independent report values Austin's Texas Birch acreage at US\$401.56 Million

- Independent report estimates Austin's net oil and gas reserves at 12,687,266 BOE
- All Eagle Ford oil and gas resources have now been upgraded to reserves
- 5000 acre Birch property estimated total reserves now at 61,031,300 BOE
- Austin's net acreage valued at a NPV of US\$401.56 million and a NPV10 at US\$91.61 million

Austin Exploration (ASX:AKK) today announced a significant uplift in its oil and gas reserves for its Texas Birch Project following an independent evaluation as of August 22, 2014 by Gustavson Associates., Inc. a worldwide leader in independent oil and gas reserve and resource evaluations.

The Gustavson Independent report estimates Austin's net oil and gas reserves at 12,687,266 BOE and the total 5000 acre property to contain total oil and gas reserves of 61,031,300 BOE. This BOE (barrel of oil equivalent) calculation is derived from adding the total amount of oil, the total amount of gas and the total amount of natural gas liquids.

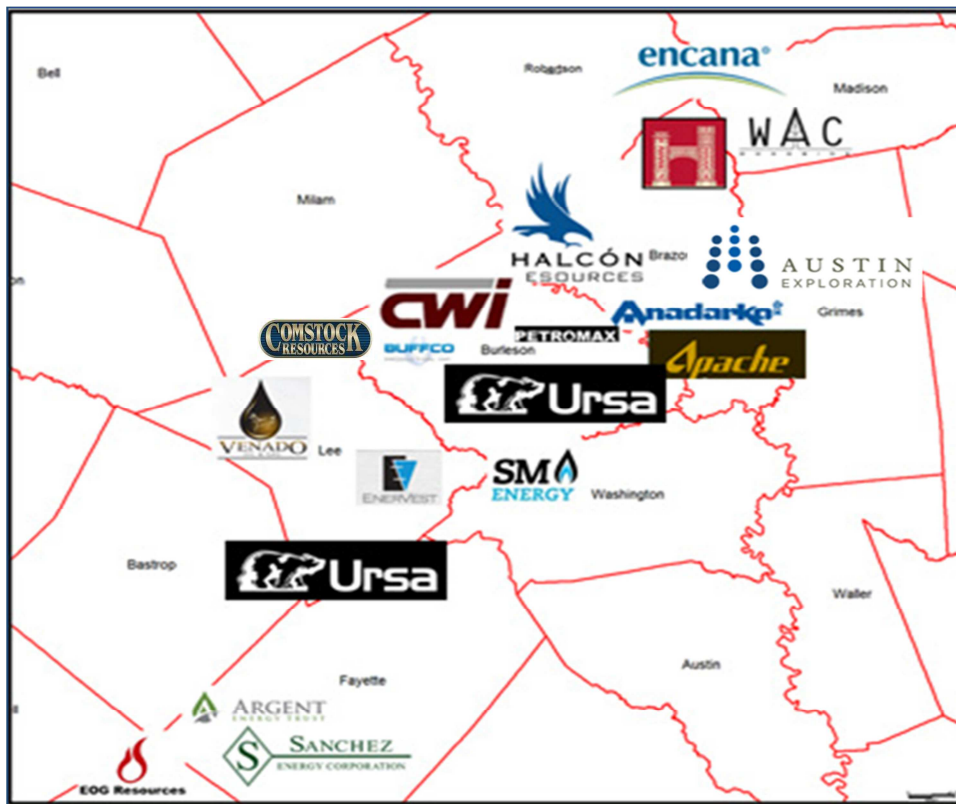
In a material development for the Company all of the Eagle Ford contingent resources have now been moved into the reserves category.

The upgraded reserves for oil and gas, Net Present Value and the Net Present Value discounted at 10% for the Birch property in Texas are as follows:

Reserves Category	Number of Wells/Locations	Gross Reserves in Austin Acreage			Austin Net Reserves			Net Present Value, millions of US\$ Discounted at	
		Oil (MBbl)	GAS (MCF)	Natural Gas Liquids (MBbl)	Oil (MBbl)	GAS (MCF)	Natural Gas Liquids (MBbl)	0%	10%
Proved Developed Producing	2	304.9	365.1	54.8	43.4	36.6	13.3	\$3.13	\$1.45
Proved Undeveloped	25	6,814.4	6,814.4	1,022.2	1,533.2	633.6	230.0	\$61.58	\$20.87
Total Proved (1P)	27	7,119.3	7,179.5	1,076.9	1,576.6	670.2	243.3	\$64.71	\$22.32
Probable Undeveloped	116	15,791.9	15,791.9	2,368.8	3,553.2	1,468.3	533.0	\$135.58	\$37.26
Proved Plus Probable (2P)	143	22,911.2	22,971.3	3,445.7	5,129.8	2,138.5	776.2	\$200.29	\$59.58
Possible Undeveloped	142	23,427.2	23,427.2	3,514.1	5,271.1	2,178.3	790.7	\$201.27	\$32.03
Proved plus Probable plus Possible (3P)	285	46,338.4	46,398.6	6,959.8	10,400.9	4,316.8	1,566.9	\$401.56	\$91.61

The above figures are calculated on \$80 per barrel of oil and \$4.23 per MCF of gas.

This significant upgrade comes on the back of the highly successful Eagle Ford drilling campaign that is currently taking place in Burleson County, Texas. The Map below illustrates the US major oil companies that have established positions and are reporting significant and repeatable results from the Eagle Ford Shale in this part of Texas.



Map of East Texas shows the majors are moving in to Burleson County

Austin Exploration C.E.O. and M.D. Dr Mark Hart said, “The Gustavson Reserves Report validates the potential we saw in this acreage when we acquired it in 2012, and confirms the billion dollar potential of this project. These reserves underpin and solidify the future for Austin and I am particularly pleased for our long term shareholders who have shared our belief in this project from the beginning”, Dr Hart said.

A summary of the reserves report has been posted to the Company’s website and can be found at:

www.austinexploration.com/reserves-and-resources/

About Gustavson Associates

Gustavson Associates is an oil, gas, and mining consulting firm with over 30 years of extensive international experience. The Company consists of geologists, engineers, economists, and appraisers who serve organizations and individuals around the world — including mining companies, major oil and gas companies, governments, international banks and financial institutions, project financiers, stock exchanges, international law firms, and individual property owners.

www.gustavson.com/

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).

Media Contact

Martin Debelle, Citadel

+61 2 9290 3033

+61 409 911 189

mdebelle@citadelpr.com.au

Competent Person Statement

In accordance with ASX and AIM rules, the information in this release has been reviewed and approved by Mr. David T. Greene, Sr. Mr Greene holds a Bachelor of Science Degree in Earth Science and a Master of Science Degree in Petroleum Engineering and has over 30 years of oil and gas experience including exploration drilling, completion and production. His background also includes evaluation, design and implementation of improved and enhanced oil recovery projects as well as pressure transient analysis, fluid properties and petro physics. He is a member of the Society of Petroleum Engineers and the American Association of Petroleum Geologists. Mr. Greene has the relevant experience within the industry and consents to the information in the form and context in which it appears.

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.