



ASX ANNOUNCEMENT

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Austin's First Eagle Ford Well Successfully Flows at 95 BOEPD from Vertical Well

Significant Uplift in Production Expected from Horizontal Drilling

- **Austin's first Eagle Ford well, Krueger #1, exceeds pre-drill expectations, flowing at 95 BOEPD on a 24 hour test**
- **High oil content (approximately 75% oil) confirms Austin's position in the productive oil window of the Eagle Ford**
- **Initial production from Eagle Ford horizon only – Taylor Sand to be tested in April**
- **Infrastructure being prepared at site for long term flow testing with production to commence in April**
- **Potential for significant uplift in production from horizontal drilling and multi-stage fracture stimulation**
- **2 new vertical wells and 1 horizontal well to be drilled at Austin's Eagle Ford Shale Project over coming months**

Austin Exploration Limited ("Austin" or "the Company") (ASX: AKK) is pleased to advise that its first Eagle Ford well, Krueger #1, has exceeded pre-drill expectations, producing 95 BOE from a 24 hour initial production test. The vertical well was tested only from the Eagle Ford horizon, following a hydraulic frac (slick water, proppant) treatment, and flowed 75 barrels of oil and 150 million cubic feet of gas over the 24 hour production test period through a 19/64" choke at a pressure of 400 psi.

Commenting on the successful testing of the well, CEO Guy Goudy stated: "The high flow rate from Austin's first Eagle Ford is a strong demonstration of the value of the Company's 5,000 acre Eagle Ford project. Furthermore these results validate Austin's decision to maintain a high working interest (93.5%) in this exciting first drill program. The success of this first Eagle Ford well also highlights the exceptional capabilities of Austin's US-based technical team".

Mr Aaron J Goss, Austin's South Business Unit Manager said: "We are very excited about the Eagle Ford formation results as it exceeded our high case expectation of 60BOPD from the vertical completion. We are now working on the Taylor Formation as we believe these two formations will yield the greatest returns of the 7 hydrocarbon bearing zones. The additional 5 zones will be entered in the future with a view to provide additional shareholder value".

Over the next month, the Krueger #1 well will test the Taylor Sands, which during drilling encountered gas shows of up to 955 max gas units. It will then be placed on mechanical pump for long term flow testing and production.



Austin Exploration Limited ACN 114 198 471

Listed on the Australian Securities Exchange (“AKK”) and the OTC-QX International in the USA (AUN-XY)

Two further vertical wells will be drilled by Austin at its Eagle Ford project over the coming months, with the best of these first three wells to be re-entered for a multi-stage horizontal “HiWay” frac. Evidence from other horizontal wells in the Eagle Ford suggests potential for a significant uplift in production from a horizontal multi-stage frac. Austin believes that a 10 stage frac has the potential to provide a 10-fold uplift in production rates.

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About Austin’s Eagle Ford Shale Project:

The Eagle Ford Shale trends across Texas from the Mexican border to East Texas, roughly 50 miles wide and 400 miles long with an average thickness of 250 feet. It rests between the Austin Chalk and the Buda Lime at a depth of approximately 8,000 to 10,000 feet in the project area. It is the source rock for the Austin Chalk and the giant East Texas Giddings Field – 6 counties: Bastrop, Burleson, Fayette, Lee, Brazos, and Washington.

Austin’s Eagle Ford Shale project is located in the oil/wet gas window of the play, which has proven to be the most productive area of the play, with an interpreted thickness of ~300 feet. Austin acquired its Eagle Ford Shale interests for an average of only ~\$400 per acre, well below industry peers, following a detailed due diligence including an independent technical report and analysis of 12 nearby wells, all with production. The independent technical report prepared for Austin as part of its due diligence suggested potential initial production rates of >800 bopd and NPV per well of up to \$7 million, with potential for 31 wells.

About Austin Exploration:

Austin Exploration is an Oil and Gas Company with assets in Australia and the United States. Austin has strategically shifted its core focus towards non-conventional shale exploration in the United States. The Company has 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 5000 acres in Texas in the Eagle Ford Shale. Austin has producing oil and gas wells in Texas, Mississippi and Kentucky. Austin also has a highly prospective Oil and Gas License, PEL 105, in the Cooper Basin of South Australia. The company’s wholly owned US Subsidiary, Aus-Tex Exploration Inc, turned cash flow positive in January 2011. Austin is listed on the Australian Securities Exchange (ASX code: AKK)