



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

29th April 2013

LETTER OF INTENT EXECUTED TO FARM-OUT 30% OF PATHFINDER NIOBRARA PROJECT

Pathfinder Prospect, Fremont County, Colorado - 11,500 acres

Austin announces that it has signed a non-binding Letter Of Intent to farm-out 30% of its Pathfinder Niobrara Project in Fremont County. Austin has been working diligently with its new partner over the past 30 days and the first phase due-diligence is now complete.

Under the proposed agreement Austin will:

- Farm-out 30% of its 85% Working Interest in the project
- Will be carried for 100% of the drilling costs of the next 2 horizontal wells that will be capped at USD\$12mil
- Pay for drilling costs that exceed \$6 million per well (For Austin's 85% interest)
- Maintain a 55% interest in the project and will remain as the operator of record

Both Companies have now entered into a 90 day exclusivity period to complete the second and final phase of due diligence. Austin looks forward to reporting material progress as it occurs.

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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 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. Austin also has a highly prospective Oil and Gas Licence, 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. 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.