



Austin Exploration Limited

Based in Adelaide Australia: listed on the Australian Securities Exchange ("AKK")

ASX Announcement

28 June, 2010

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

North Carrizo, Yolanda Villarreal #1 oil well – Market Update #1

- **First oil target objective anticipated to be reached this week**
- **Oil and Gas show on mudlog at 3,123 feet**

Dear Sir/Madam,

The Board of Austin Exploration Limited (ASX: "AKK") is pleased to provide the following progress report on drilling of the North Carrizo, Yolanda Villarreal #1 oil well located in Dimmitt County, Texas. Aus-Tex Exploration, Inc, Austin's 100% owned USA subsidiary acquired this prospect in May 2010 and the well was spud on June 16, 2010.

Updates since the company's June 16 market release

- Operator has completed all remaining site work
- Drilled 4,260 vertical feet with no issues to date. Drilling remains on schedule.
- An oil and gas show was seen on the mudlog at 3,123 feet in the San Miguel sand.
- Drilling will continue to vertical target depth
- Seven inch casing will now be set
- First objective - Austin Chalk B Zone will be achieved this week. The # 1 well has two target zones, the B Zone (Upper Austin Chalk) & the E Zone (Lower Austin Chalk). A 2500 foot lateral is planned in the B Zone to a measured depth of 7499 feet (4865 feet of true vertical depth) and a second 2500 foot lateral is planned for the E Zone to a measured depth of 8237 feet (5440 feet of true vertical depth).
- Drilling through completion of both target zones is expected to take another 20 days.



Austin Exploration Limited

Based in Adelaide Australia: listed on the Australian Securities Exchange ("AKK")



About the North Carrizo, Yolanda Villarreal #1

This well represents the largest oil well to be drilled to date by Aus-Tex since the company was recapitalized in October last year.

- Daily production estimates for this well have been calculated by the third party reservoir engineer to range between 250 to 950 BOPD
- As previously announced, Reservoir engineers have calculated the North Carrizo prospect reserve potential at 200,000 to 250,000 barrels of oil
- Aus-Tex will control a 45% WI through casing point, a 36% WI after casing point and a 27.36% NRI
- The operator has extensive experience with drilling in Austin Chalk formations and an excellent success record. They have been involved in a continuous drilling program since 2004. The program has produced 15 drilled locations, 14 are currently producing with an additional 14 Proven undeveloped locations identified. Lowest production from any single well is 250 barrels of oil per day.

Austin Exploration Limited

Based in Adelaide Australia: listed on the Australian Securities Exchange ("AKK")

HELD INTEREST

Interest Holder	WI BCP	WI ACP	Net Revenue Interest
Aus-Tex Exploration, Inc.	45%	36%	27.36%
Other Investors	55%	64%	48.64%
Prior Mineral Owners	0%	0%	24.00

COMPETENT PERSON'S STATEMENT

In accordance with ASX and AIM rules, the information in this release has been reviewed and approved by Mr. Stanley L. Lindsey, Chief Geologist, Austin Exploration Limited. Mr. Lindsey holds a Bachelor of Science Degree in Geology with a minor in Chemistry and has over 30 years of oil and gas experience including exploration, development, operations, acquisitions and divestitures. His background also includes mapping, utilizing integration of 2-D and 3-D seismic with subsurface data and reserve calculations. He is a Certified Petroleum Geologist and has been a member of the American Association of Petroleum Geologists and the Houston Geological Society since 1979. He also belongs to the Society of Independent Professional Earth Scientists (SIPES). He is a Certified Petroleum Geologist by The American Institute of Professional Geologists (CPG #11331) and The American Association of Petroleum Geologists (CPG# 4005). Mr. Lindsey has the relevant experience within the industry and consents to the information in the form and context in which it appears.

MEDIA AND INVESTOR CONTACT:

Guy Goudy
Company Director
Austin Exploration Limited
0414 888 814
guyg@austinexploration.com

Kenny Hill
VP of Operations and Investor Relations
Aus-Tex Exploration, Inc
(01) 512 423-2547
Kenny@austinexploration.com

Please visit the company web site for more information on this property and other projects that the company maintains an interest in. <http://www.austinexploration.com/>

ENDS