



# Austin Exploration Limited

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

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ASX Announcement

Friday 20 June 2008

## Four Additional Wells Drilled at Austin's Park City Project

Australian gas developer, Austin Exploration Limited (ASX code: "AKK") today announced the drilling of four additional wells at the Park City, Kentucky, USA, natural gas project that it acquired seven months ago.

### *The Company announced today:*

- Austin Exploration has continued its intensive drilling activity. Four wells were logged on Friday, June 13<sup>th</sup>, 2008: Aus-Tex PC 15 (David Hennion 2) and Aus-Tex PC 16, 17, 18 (Harlan Tarter 1, 2, and 3). These four wells present probable pay zones in the Fort Payne Formation, New Albany Shale, and/or Coniferous formations, except for the Aus-Tex PC18 (Harlan Tarter 3), which did not reach the Coniferous.
- These four wells will be acidized to stimulate the Fort Payne Formation, in order to increase their initial production rate (IP).
- Consistent with the Company's anticipated timetable announced on 25 March 2008, the acidization process for the Aus-Tex PC1 (Arthur Wilkerson 2A) well commenced on 26 May 2008. At this stage, the only portion of the pay zone anticipated to produce, has been acidized. Production from the Fort Payne zone has produced 10 MCF of gas. The Company plans to acidize the balance of the Fort Payne zone using a different contractor and acid formula.
- A fallback plan for the Aus-Tex PC1 (Wilkerson 2A) is to run 4-1/2" casing and perforate the New Albany Shale. The New Albany Shale would then be fracture stimulated utilizing a slick-water frac technique. This further work is expected to occur before the end of June in accordance with Austin's announced production timetable.
- The next well proposed to be connected to the gathering system will be the Aus-Tex PC10 (James Spillman 2) in the Coniferous formation, which is expected to contain both oil and natural gas. This well will be followed by the Aus-Tex PC2 (Malcolm Doyle 2A) and the Aus-Tex PC9 (James Spillman 1), which are also expected to be productive from the Coniferous formation.
- All initial production flow rates will be announced as each well is connected to the production system, after acidization.

"Our intensive drilling activity has resulted in eighteen wells being drilled to date," Austin Exploration's Managing Director, Mr. David Schuette, said today.

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"With the natural gas processing plant now operating, Austin Exploration is broadly in line with its timetable for gas sales," Mr. Schuette said.

Austin's gas will be purchased by [Atmos Energy Marketing](#) at daily spot market rates ([Henry Hub](#)). Gas will then be distributed into domestic markets across the east coast of the United States by the [Texas Gas Transmission Company](#).

Through an agreement with RET, Austin has the opportunity to drill more than 200 wells in total on the field before the end of 2011.

Austin maintains an undivided 75% Working Interest and a 65.625% Net Revenue Interest in every well it drills at Park City, moving to a 56.25% Net Revenue Interest beginning January 1 next year.

## **MEDIA CONTACT:**

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## **About Austin Exploration Limited**

Austin Exploration (Austin) is an oil and gas development company with assets in Australia and the United States. Utilizing a broad industry network developed from over 30 years of noteworthy investment and acquisition experience by its executive team, Austin seeks to identify suitable development prospects, conduct thorough geological and engineering evaluations and then identify suitable farm-in partners for long-term development of these prospects. Austin is listed on the Australian Securities Exchange (ASX code: AKK). For more information, visit [www.austinexploration.com](http://www.austinexploration.com)

For more information regarding the types of drilling techniques and well stimulation methods used to increase gas flow from wells at Park City, [please visit our oil and gas learning center](#). The company has also provided a [Glossary of Terms](#) that may be helpful to some of our readers. Austin's website hosts a number of data sources and video that provide valuable learning tools for those interested in increasing their understanding of this sector.

## **Competent Persons 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. Mr. Lindsey has over 28 years of experience including prospect generation, operations, deal appraisal and recommendation, economics, and development. 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. Mr. Lindsey also belongs to the Society of Independent Professional Earth Scientists (SIPES). Mr. Lindsey has relevant experience within the industry and consents to the information in the form and context in which it appears.*

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