



ASX ANNOUNCEMENT

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For Immediate Release

The Manager
Companies Announcements Officer
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AUSTIN ANNOUNCES FURTHER U.S. EXPANSION PLAN WITH ACQUISITION OF 5000-ACRE EAGLE FORD SHALE PROJECT, TEXAS

- **Austin to acquire 5000-acre lease positioned in the over-pressured zone of the oil and wet gas window in the Eagle Ford Shale, Texas, USA**
- **Low cost acquisition of US\$400 per acre**
- **Austin to control 93.5% working interest and 70.125% net revenue interest**
- **Preparation underway for initial three-well drilling programme**
- **Austin acreage surrounded by majors including Apache, EOG Resources, Petrohawk, BP.**

Dear Sir/Madam,

The Board of Austin Exploration Limited (ASX: "AKK") - on behalf its wholly owned US subsidiary Aus-Tex Exploration Inc- is pleased to announce that it has signed an option agreement to acquire 5000 acres in the highly-prospective Eagle Ford Shale in the United States.

The new shale prospect – to be known as the Birch Prospect – is located in Burleson County, Texas, and will be the largest acquisition for Austin since its listing on the ASX in July 2006.

The discovery of the Eagle Ford Shale as a major new natural oil and gas reservoir has led to intense exploration and development interest among oil and gas industry participants. The Eagle Ford Shale underlies the renowned Austin Chalk petroleum formation and is considered by leading geologists to be the original source of hydrocarbons that are now found in the Austin Chalk above it.

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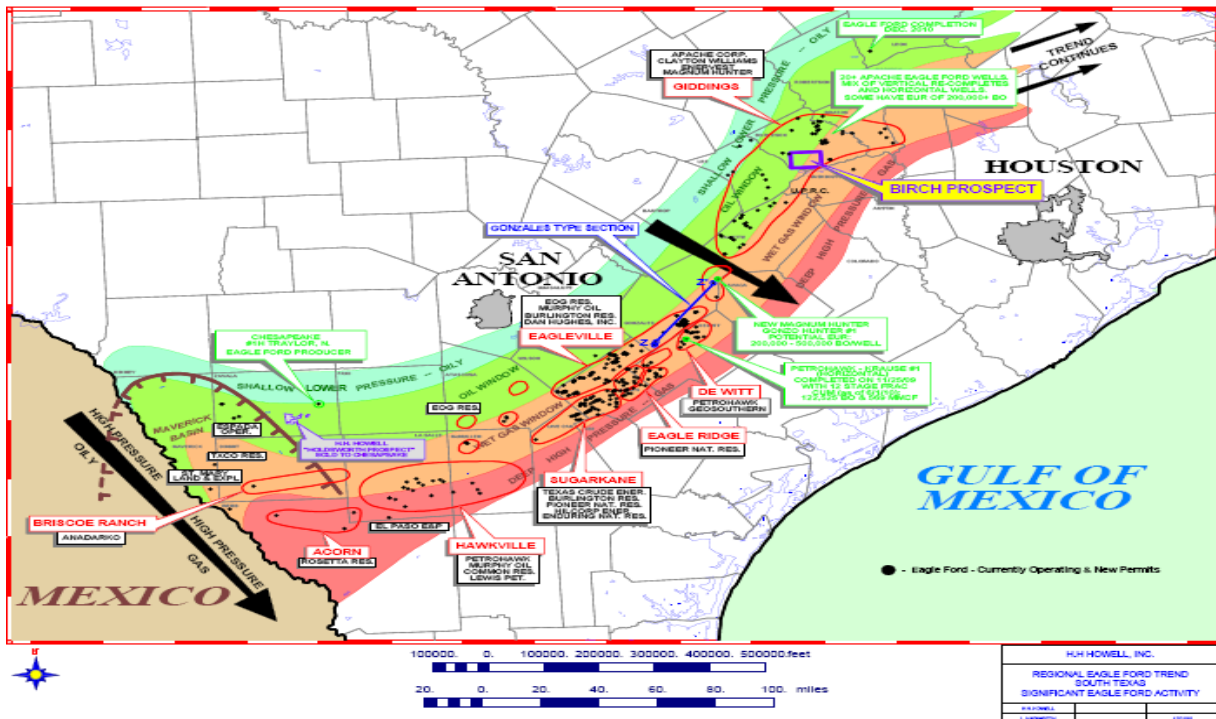
Listed on the Australian Securities Exchange ("AKK")

"Securing an option and placing the necessary deposit over 5,000 acres in the prolific Eagle Ford Shale – and with a controlling position – provides Austin with further significant company-building potential," said Mr Guy Goudy, President of Aus-Tex.

"Aus-Tex has secured the Birch Prospect acreage for the low cost of US\$400 per acre, compared with the most recent transaction in Burleson which was for a considerably higher amount per acre," Mr Goudy said.

"This acquisition truly reflects the astute industry knowledge and depth of contacts and networks that Dr Mark Hart, our CEO, brings to Austin Exploration," he said.

"Neighboring blocks are being acquired by other companies for considerably more per acre from Industry peers. Through being able to deal directly with the landholders and the ability to eliminate the need for the middle men, Aus-Tex is well positioned to acquire acreage at substantially lower prices than its own peers."



The Birch Prospect lies in the North Eastern section of the Eagle Ford Trend of Southern Texas USA. The acreage lies in the midst of the originally developed vertical Giddings (Austin Chalk) field and

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straddles the oil and wet gas windows for the Eagle Ford Shale. Geologic mapping and analysis confirm the Birch Prospect lies within the over pressured zone of the oil and wet gas window of the Southern Texas Eagle Ford trend. The prospect has no depth limitations and leaves open the opportunity to explore the Georgetown and Buda formations when natural gas exploration once again becomes viable. Austin has signed a Memorandum Of Understanding (MOU) that secures the option over the full 5000 acres until July 31, 2011.

There are currently 24 major oil and gas companies conducting operations in the Southern Texas Eagle Ford trend including Anadarko, Apache Corp, BP, Cabot Oil & Gas, Chesapeake Energy, ConocoPhillips, El Paso, EOG Resources, Exxon-XTO, Forest Oil, Goodrich, Hilcorp, Lewis Petro Properties, Murphy Oil, Petro Hawk, Pioneer Resources, Reliance, Rosetta Resources, Sharon Energy, Shell, SM Energy, St. Mary Land & Exploration, Swift Energy, Talisman, TXCO Resources.

Aus-Tex Engineering staff is nearing completion of its due diligence which is expected to be completed within the next 30 days. The current study reveals an average Eagle Ford thickness of approximately 300 feet which dips gently to the South East. It ranges in depth from 8,000 – 12,000 feet. Analogous Eagle Ford wells on trend when vertically drilled & fraced typically produce on initial flows of 250 BOPD and up to 1200 BOPD when horizontal drilling techniques are applied.

"The Company looks forward to providing further information to shareholders and the market generally as it progresses towards developing this very significant asset," Mr Goudy said.

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