



USA Office
111 Congress Ave, 4th Floor
Austin Texas 78701
United States of America
T +1 512 391 3803
F +1 512 532 0595

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Australian Offices
Level 50, 120 Collins Street
Melbourne 3000
Victoria
T +61 3 9225 5295
F +61 3 8648 5646

ASX Announcement

AUS-TEX Gueymard No.1 Progress Report

Site location work complete and Drill rig now on site:

Austin Exploration Limited ("Austin") (ASX code: AKK) is very pleased to announce that site work for this prospect is now complete. The well will be operated by Aus-Tex Exploration, Inc., a wholly owned subsidiary of Austin Exploration.

The work-over rig (Moncla No.5) has moved onto the location and has begun operations to re-enter this existing well bore to establish the integrity of the existing 7 inch casing in this.

Assuming the casing integrity is sound, the well will then be cleaned out to 10,300 feet and a new log will be run for the hydrocarbon evaluation. If the casing integrity is not sound, then a drilling rig will be ordered and the well will be sidetracked from the bottom of the 7 inch casing at 1,800 feet to 10,300 feet and then a new log will be run.

Austin Exploration Limited, through its wholly owned subsidiary AUS-TEX Exploration, is entitled to a 50% working interest before payout and a 40% working interest after payout in the Gueymard No. 1.

Our partners, ASX Listed Company Verus Investments Limited and a private Australian investment group, are each entitled to a 25% working interest before payout and a 20% working interest in this prospect after payout.

About the AUS-TEX Gueymard 1 Prospect / Field

The Aus-Tex Gueymard 1 well represents gas behind-pipe and has a development resource potential of 8 billion cubic feet of gas and 250,000 barrels of oil recoverable from three separate and previously identified zones. This resource was determined based on previously conducted electric log analysis, drill stem and production tests by Shell Oil Company on this existing well bore.

The Aus-Tex Gueymard 1 well is within the St. Gabriel Field. This field is located over a salt dome in Ascension and Iberville Parishes, Louisiana (USA), approximately 12 miles south east of the city of Baton Rouge.

Austin Exploration has the opportunity to drill more than one well in the St. Gabriel Field. Current opportunities are focused on exploiting unproduced reserves in wells that have previously produced oil and gas.

About Austin Exploration Limited

Austin Exploration (Austin) is an oil and gas exploration company with a balanced portfolio of hydrocarbon prospects in Australia and the United States.

Austin's business model is to develop a portfolio of hydrocarbon assets with a balance of low-risk prospects combined with a prudent mix of high risk, higher return opportunities based on its capital availability. Utilizing its technical competence and extensive industry network Austin seeks to identify suitable risk profile prospects, conduct an evaluation and then identify suitable farm-in partners.

Austin is listed on the Australian Stock Exchange (ASX code: AKK).

Ends...

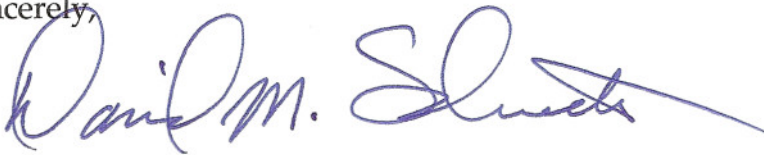
To subscribe to our electronic news service please visit

<http://www.austinexploration.com.au/newsletter.asp>

For general information about Austin Exploration Limited and our projects please visit <http://www.austinexploration.com>

For further information regarding this release please contact Kenneth Hill, Chief Information Officer, Aus-Tex Exploration Inc. Tel: 512-391-3803

Sincerely,

A handwritten signature in blue ink that reads "David M. Schuette". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

AUSTIN EXPLORATION LIMITED

David M. Schuette
Managing Director