Austin Exploration Limited

Building a balanced portfolio of hydrocarbon prospects

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ASX Announcement
Well Name: Southwest Edwards (V. Montgomery 29-6 #1 Well –
Hinds Co., Mississippi, US)

Drilling to begin at Southwest Edwards

Austin Exploration Limited ("Austin") (ASX code: AKK) is pleased to advise today that re-entry drilling has commenced at the Southwest Edwards well, located in Hinds County, Mississippi, US.

The Southwest Edwards oil and gas prospect, on trend with excellent production from several Upper Cretaceous reservoirs, is substantiated by subsurface control, 2-D seismic lines, a 3-D seismic survey and will involve re-entering a previously drilled well and sidetracking 600-800 feet northwest.

The well is designed to test apparent logged pay in two Rodessa Sands at a total depth of 13,250 feet.

David Schuette, Austin Managing Director, said: "Southwest Edwards represents a significant opportunity for our company due to the potential oil and gas reserves at this site.

"The potential reserve from the project is 2.86 billion cubic feet of gas and 1,096,000 barrels of oil.

"We're excited by the commencement of drilling and look forward to the drilling results," he said

Ends…

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

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. Utilising 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 Securities Exchange (ASX code: AKK).

Statement of Working Interests

Southwest Edwards		
Party	Cost Bearing interests through completion to First Sales	Cost Bearing interests %/NRI% of the Parties After Completion, to First Sales & all Subsequent Wells
Austin Exploration	* 0%	25% / 19%
Flex Energy LLC	41.1750%	50% / 38%
Private Australian Investor	29.4125%	12.5% / 9.5%
Verus Investments Limited	29.4125%	12.5% / 9.5%
TOTAL	100.000%	100% / 76%
* Aus-Tex Interest	Aus-Tex, by agreement with private investors will be carried through completion and to first sales in the Test Well	

Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. David M. Schuette (Managing Director), Mr. Donald F. Reck Jr. M.S (Chief Technology Officer) of the company, and Mr. Phillip T. Lelande (CEO Flex Energy). All individuals are full-time employees, officers and/or are leading the company's drilling and operations. Mr. Reck has been a member of the American Association of Petroleum Geologists since 1976. Mr. Lelande is a member of the Society of Petroleum Engineers and served on the API Board of Directors.

Austin Exploration has sufficient experience of relevance to the styles of hydrocarbon entrapment and the types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person(s) as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

For more detailed information on these executives please visit the Austin Exploration Limited website at http://www.austinexploration.com/OurTeam.asp