



# Austin Exploration Limited

*Building a balanced portfolio of hydrocarbon prospects*

24 September 2007

## **ASX Announcement**

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

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## **Southwest Edwards Production Testing Concluded**

Austin Exploration Limited ("Austin") (ASX code: AKK) today confirmed that testing of the previously identified thirty foot of potential pay has concluded. Although the log results were encouraging, the identified zone was perforated at multiple points and no oil or gas was recovered.

The Company and the operator have agreed to plug and abandon this well as a dry hole and focus on production testing at the Jeter Branch Prospect and a yet to be announced additional prospect.

David Schuette, Austin Managing Director, said: "I'm disappointed that this drilling effort has resulted in a dry hole, however, Austin has other quality prospects identified and funded to mitigate just this type of outcome. Now we move on to Jeter Branch.

The company is now acquiring a production rig for the Jeter Branch Prospect and intends to test previously identified potential pay shortly. Austin now owns a 50% working interest and a 37% net revenue interest in this prospect.

Estimates of the amount of oil or natural gas believed to be recoverable from known Jeter Branch reservoirs under existing economic and operating conditions are 136,000 barrels of oil and 2.1 billion cubic feet of gas.

**Ends...**

### **For further information contact:**

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## 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

<b>Southwest Edwards</b>		
<b>Party</b>	<b>Cost Bearing interests through completion to First Sales</b>	<b>Cost Bearing interests %/NRI% of the Parties After Completion, to First Sales &amp; all <u>Subsequent Wells</u></b>
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%
<b>TOTAL</b>	100.000%	100% / 76%
<b>* Aus-Tex Interest</b>	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. Donald F. Reck Jr. M.S (Chief Technology Officer) of the company and Mr. David M. Schuette (Managing Director) of the company. All individuals are either a full-time employee, officers and/or are leading the company's drilling and operations efforts.

Mr. Reck has been a member of the American Association of Petroleum Geologists since 1976 and the chief geologist for DMS Exploration since 2000. Prior to that date, he has consulted to many USA oil and gas exploration companies including Rio-Tex Inc., Trio Exploration, Medders Oil Co., Texaco, Conoco and Strategic Petroleum. Mr. Reck is also a former Exploration Geologist with Tenneco Oil and Conoco. He has consulted to Geoscience Data Management, Inc. and Advanced Micromagnetics. He holds Bachelor of Science degree in geology from Grand Valley State College in Allendale Michigan and a master of science in geology from Sul Ross University in Alpine Texas.

Mr. Schuette is founder of DMS Exploration, an independent Texas oil and gas operator. Prior to founding DMS Exploration, he held executive positions with French Petroleum and Torch Energy Advisors in Houston, Texas. Mr. Schuette has over 20 years experience as an advisor to and as an investor in the USA oil and gas industries.

Mr. Schuette and Mr. Reck have 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. Mr. Schuette and Mr. Reck hereby consent to the inclusion of the information in this release and the form and context in which it appears

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