



Austin Exploration Limited

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

ASX Announcement

21 July, 2010

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

North Carrizo, Yolanda Villarreal #1 – (Day 34 market update)

- **Drilling phase of operations concluded; Completion thru production phase now underway**
- **Cumulative Austin Chalk Hydrocarbon shows (Oil & Gas) of 951 feet from both "B" and "E" zones**
- **Continual 3-20 ft gas flare encountered during drilling of lower "E" zone**

Dear Sir/Madam,

The Board of Austin Exploration Limited (ASX: "AKK") is pleased to provide the following progress report on drilling of the North Carrizo, Yolanda Villarreal #1 oil well located in Dimmitt County, Texas. Aus-Tex Exploration, Inc, Austin's 100% owned USA subsidiary acquired this prospect in May 2010 and the well was spud in June 16, 2010.

- The drilling phase of the Yolanda Villarreal #1 has now been concluded and the operator is now preparing the well for completion through production.
- All targeted depths have been met.
 - a total vertical depth of 5,480 feet
 - a "B" lateral of 2,500 feet
 - a "E" lateral of 2,000 feet
- To contain the well's down-hole fluids, a 7,000 pound packer has been set at 3,750 feet.
- In preparation for the completion of the well, site work has now begun to remove the current rig and all support infrastructure. This process should take approximately six days.
- A work-over / completion rig and oil storage tanks will then be setup and completion operations will begin. Testing to determine the optimal oil production rate will then commence.



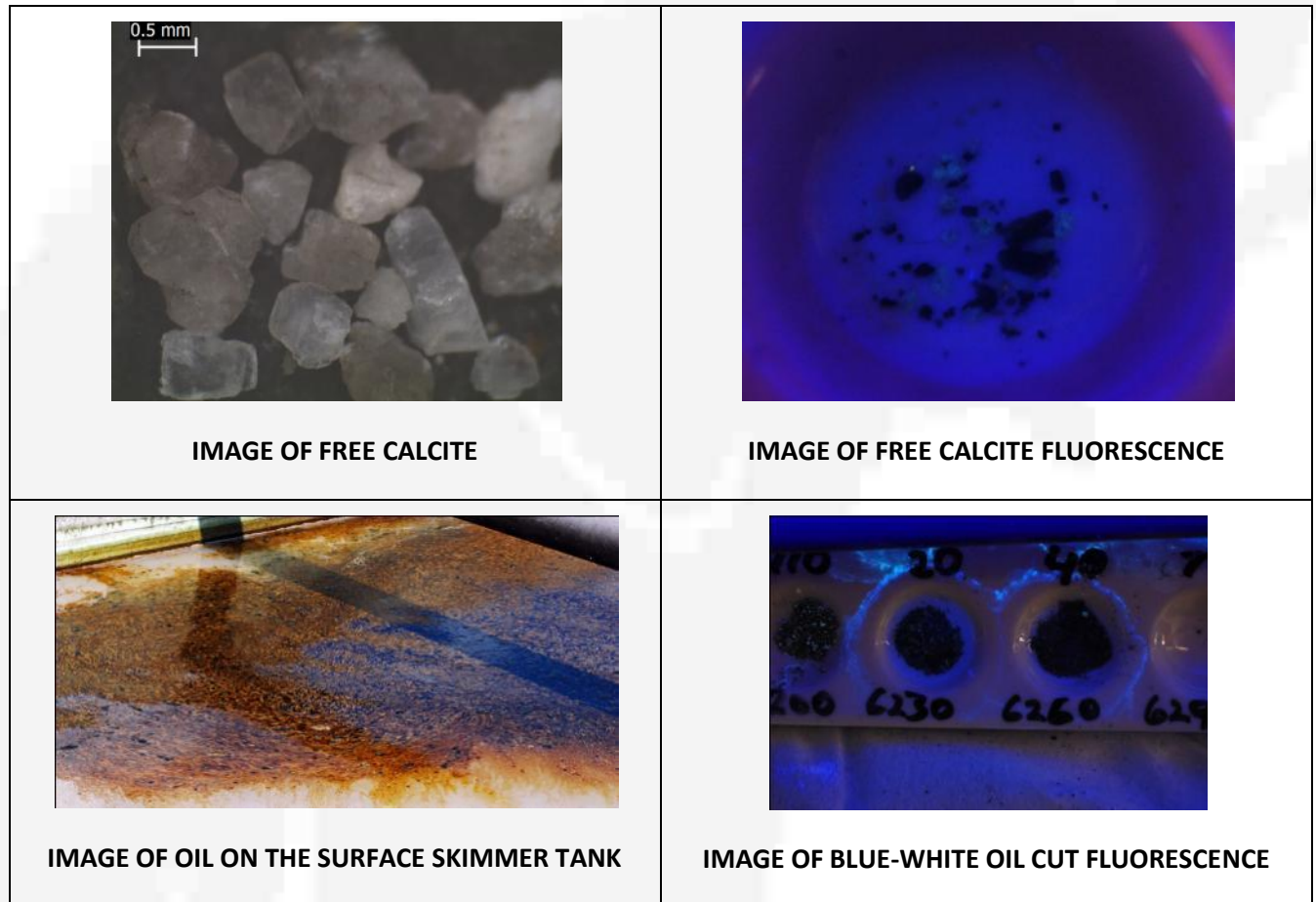
Austin Exploration Limited

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

- The operator anticipates initial oil production to accumulate in local tanks and then quickly be connected to a nearby delivery pipeline.

Further information will be provided to the market upon arrival and setup of the completion rig.

The following images represent hydrocarbon samples and formation fracture indicators that were recovered during the drilling phase of operations.



ABOUT THE NORTH CARRIZO, YOLANDA VILLARREAL #1

This well represents the largest oil well to be drilled to date by Aus-Tex since the company was recapitalized in October last year.

- Daily production estimates for this well have been calculated by the third party reservoir engineer to range between 250 to 950 BOPD

Austin Exploration Limited

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

- As previously announced, Reservoir engineers have calculated the North Carrizo prospect reserve potential at 200,000 to 250,000 barrels of oil
- Aus-Tex will control a 45% WI through casing point, a 36% WI after casing point and a 27.36% NRI
- The operator has extensive experience with drilling in Austin Chalk formations and an excellent success record. They have been involved in a continuous drilling program since 2004. The program has produced 15 drilled locations, 14 are currently producing with an additional 14 Proven undeveloped locations identified. Lowest production from any single well is 250 barrels of oil per day.

HELD INTEREST

Interest Holder	WI BCP	WI ACP	Net Revenue Interest
Aus-Tex Exploration, Inc.	45%	36%	27.36%
Other Investors	55%	64%	48.64%
Prior Mineral Owners	0%	0%	24.00

COMPETENT PERSON'S 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 and has over 30 years of oil and gas experience including exploration, development, operations, acquisitions and divestitures. 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. He also belongs to the Society of Independent Professional Earth Scientists (SIPES). He is a Certified Petroleum Geologist by The American Institute of Professional Geologists (CPG #11331) and The American Association of Petroleum Geologists (CPG# 4005). Mr. Lindsey has the relevant experience within the industry and consents to the information in the form and context in which it appears.

MEDIA AND INVESTOR CONTACT:

Guy Goudy
Company Director
Austin Exploration Limited
0414 888 814
guyg@austinexploration.com

Kenny Hill
VP of Operations and Investor Relations
Aus-Tex Exploration, Inc
(01) 512 423-2547
Kenny@austinexploration.com

Please visit the company web site for more information on this property and other projects that the company maintains an interest in. <http://www.austinexploration.com/>

ENDS