



Austin Exploration Limited

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

ASX Announcement

Tuesday 26th of August 2008

Polecat Creek Well Ready for Stimulation

Australian oil and gas developer, Austin Exploration Limited (ASX code: "AKK"), today announced that it has agreed to a planned acid stimulation procedure at the company's Ezell 4-H (Polecat Creek) well located in Falls County, Texas. This well was the first oil and gas producing prospect for Austin Exploration and although its production has declined significantly since completion, the well has still produced just over US\$100,000 of net income to the company this fiscal year.

A successful (as outlined by the operator) stimulation of the well based on today's market prices could increase annual net income for Austin to approximately US\$48,000 from oil production and US\$306,000 from gas production.

The operator of the well, Old Stone Exploration prepared the following material for the procedure and recommendation.

INTRODUCTION

The Ezell 4-H well was completed in October 2006. The well originally produced between 400 mcf to 600 mcf of natural gas per day and averaged approximately 100 barrels of oil per day. Since completion the well has gradually declined to a hyperbolic state and is currently producing approximately 50 mcf of gas and 1-2 barrels of oil per day. Significantly the well has never been stimulated in any way.

RECOMMENDATION

It is recommended that the well be worked over to replace a faulty gas lift valve, lower the tubing into the lateral and stimulate the zone with 4,000 gallons of acid stimulation.

ANTICIPATED RESULTS

The well stimulation procedure should contact new reservoir areas and increase permeability. Coupled with the lift valve replacement and the lowering of the tubing this process could increase daily production to 300-500 mcf of gas and oil production to around 5 barrels a day.

Austin paid a prospect fee of US\$35,000, the cost of the leases and 46.7% of the cost of drilling the first well to earn a 35% working interest and a net revenue interest of 26.25%. This stimulation procedure will cost the company \$12, 506.55.

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About Austin Exploration Limited

Austin Exploration (Austin) is an oil and gas development company with assets in Australia and the United States. Utilizing a broad industry network developed from over 30 years of noteworthy investment and acquisition experience by its executive team, Austin seeks to identify suitable development prospects, conduct thorough geological and engineering evaluations and then identify suitable farm-in partners for long-term development of these prospects. Austin is listed on the Australian Securities Exchange (ASX code: AKK). For more information, visit www.austinexploration.com

Other Shareholder Resources

For more information regarding the types of drilling techniques and well stimulation methods used to increase gas flow from wells at Park City, [please visit our oil and gas learning center](#). The company has also provided a [Glossary of Terms](#) that may be helpful to some of our readers. Austin's website hosts a number of data sources and video that provide valuable learning tools for those interested in increasing their understanding of this sector.

Competent Persons 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. Mr. Lindsey has over 28 years of experience including prospect generation, operations, deal appraisal and recommendation, economics, and development. 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. Mr. Lindsey also belongs to the Society of Independent Professional Earth Scientists (SIPES). Mr. Lindsey has relevant experience within the industry and consents to the information in the form and context in which it appears.

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