

AUSTIN EXPLORATION



Based in Adelaide Australia: Listed on the Australian Securities Exchange as ("AKK") and ("ADE, ADEO")

ANNOUNCEMENT TO ASX

PEL 105 Seismic Data Pinpoints Drilling Area

6 MAY 2008

The Directors of Adelaide-based, Austin Exploration Limited (ASX: "AKK") and those of Adelaide Energy Limited (ASX: "ADE, ADEO"), are pleased to announce that the two companies have discovered a significant fault line that will be the basis for the initial drilling location of the PEL 105 Cooper Basin prospect. Independent geophysical and reservoir consultants contracted by Adelaide Energy have completed a detailed review of the area, analyzed the downdip Toonman #1 well and have estimated possible reserves (P10) of up to 6200 MMscf (6.2 billion cubic feet) of gas and 1040 kstb (1.04 million barrels) of oil/condensate.

The fault line upthrows the proven Tirrawarra sand, productive at the nearby Moorari and Tirrawarra fields, by over 100m and is just east of the gas and condensate bearing Toonman #1 well drilled by Santos in the 1980's.

Well planning is now underway for the "Pirie #1" well with commencement expected in the third quarter of 2008. In addition, 100 kms of 2D seismic has been ordered for the Permit and scheduled also for the third quarter of 2008. The companies will announce more detailed information as it becomes available. Austin and Adelaide Energy are working together as a result of a farmin agreement that was formally announced on October 10, 2007.

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About the PEL 105 Cooper Basin Prospect

Petroleum Exploration Licence 105 (PEL 105) is an area of 437 sq km approximately 60 kms north of Moomba in South Australia. Austin and Adelaide Energy have developed a farmin agreement that was formally announced on October 10, 2007. The agreement provides Austin with 100% interest of the



PEL 105 licence. Adelaide Energy has been named the official operator and has the right to earn 50% of Austin's interest by funding the first well in 2008/2009.

The prospect area is surrounded by producing fields, some of which are the largest in the Cooper Basin. Within the boundaries of PEL 105, but excised from it, are the Bimbaya Field (19 BCF of gas), the Bookabourdie Field (80 BCF of gas) and the Merupa Field (1.5 BCF of gas). There are large structures and multiple unconformities present within PEL 105, making for significant potential for accumulations of oil and gas to exist on the flanks of these regional structures.

About Adelaide Energy Limited

Adelaide Energy is focused on oil and gas exploration in the Cooper and Otway Basins of South Australia as well as having producing assets in the USA. The Company will pursue advanced drilling and production techniques, including horizontal and under balanced drilling, to exploit the tight gas targets in the Nappamerri Trough and to assist in appraising the Jacaranda Ridge Area.

For more information, visit <http://www.adelaideenergy.com.au>

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

Competent Persons Statement:

The information in this report that relates to Hydrocarbon Resources is based on information compiled by Mr. Carl Dorsch, Managing Director of Adelaide Energy Limited, who is leading the Company's operations efforts with the help of various professional consultants who are experts in their fields.

Mr. Dorsch has been a member of the Society of Petroleum Engineers since 1981 and a director of the Company since January 2006. He holds Bachelor of Science and Bachelor of Chemical Engineering degrees from the University of Adelaide, South Australia and is a Chartered Engineer as well as a Fellow of the Institute of Chemical Engineers.

Mr. Dorsch has over 25 years experience in the oil and gas exploration and production business both in Australia and on the international stage. Although specialising in drilling and completion operations, his career has included reservoir and production studies at University and in the work place.

Mr. Dorsch has sufficient experience in 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. Dorsch hereby consents to the inclusion of the information in this release and the form and context in which it appears.