



Austin Exploration Limited

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

ASX Announcement

Wed. 5th November 2008

Private U.S. Investor Injects AU\$1 Million of New Capital into Austin Exploration

A private United States investor has taken a AU\$1 million placement of shares in Australian petroleum explorer and developer, Austin Exploration Limited (ASX code: "AKK"), the Company announced today.

The capital raised from the placement of 5 million AKK shares at A\$0.20 per share will be used to accelerate development of Austin's Moses Austin project in Texas, where the Company is about to commence a drilling program inside one of the country's most productive oil and gas fields.

"This investment represents our first large capital placement with a U.S. based investor since the founding of the company two years ago," Austin's Managing Director, Mr. David Schuette, said today.

"Our new investor is a highly successful Houston-based businessman, who is keen to invest in prospective oil and gas projects here in Texas," Mr. Schuette said.

"We are thrilled that he has shown such strong belief in our Moses Austin play and, in exchange for the \$0.20 share price, I have agreed to use this capital exclusively to advance our emerging well acquisition and recompletion strategy at this project.

"Additional capital raising efforts are now underway to enable us to accelerate the development of the Moses Austin project and invest in other opportunities available to the company." Mr. Schuette said.

The Moses Austin project began with the June acquisition of the Rhodes-Knesek Unit No. 3, located in Burleson County, Texas. After a thorough geologic study of the area, coupled with the recent well recompletion successes of companies like Apache Energy Corporation, Austin is now ready to begin a multi-well recompletion program focused on the "sweet spot" of the historic Giddings Field.

Recent success has been achieved by extending existing well bores less than 1,000 feet past the already producing Austin Chalk formations – allowing drillers to penetrate the Eagleford, Buda and Georgetown formations, which are producing significant amounts of natural gas and oil at several newly drilled nearby wells.

Key features of newly completed wells in our specific Giddings Field area of focus include:

- ❖ Gas wells are commonly producing between 500 mcf and 1.6 MMcf of gas per day;
- ❖ Oil wells are often producing 50-150 barrels of oil per day;
- ❖ Typical expenses for recompletion of a well are between US\$750,000 and \$1.2 million;
- ❖ Initial annual production income per gas well usually exceeds US\$1.5 million at \$7/mcf;
- ❖ Initial annual production income per oil well usually exceeds US\$1.7 million at \$75 per barrel.

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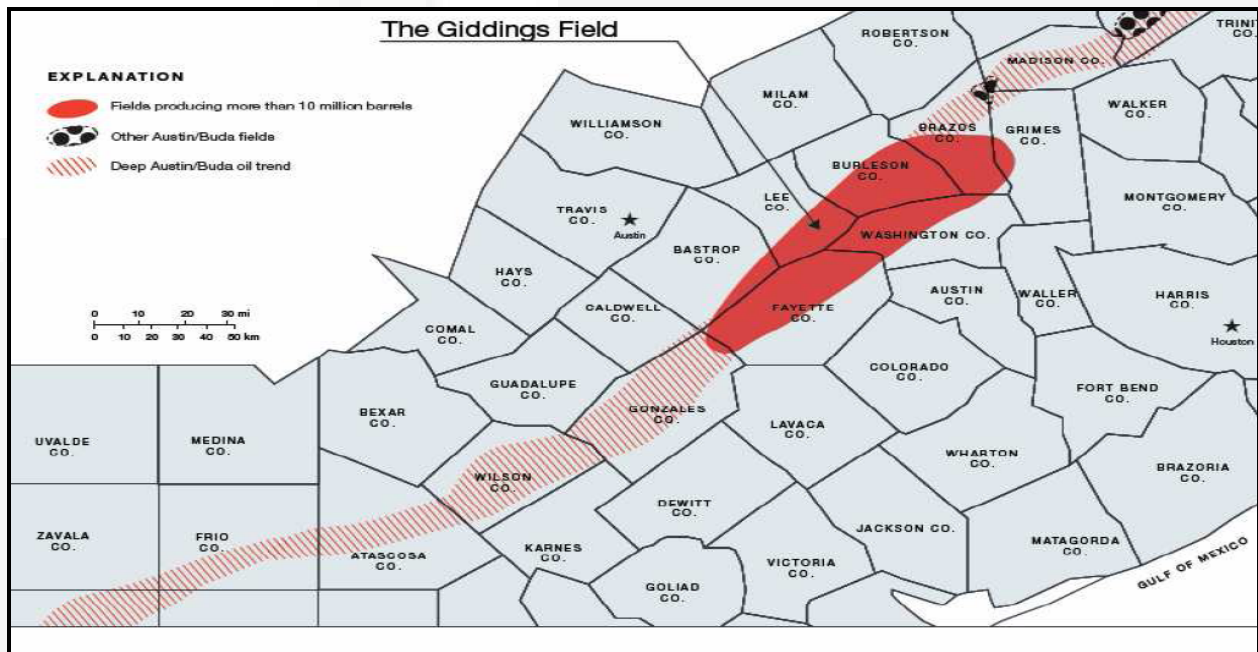
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The U.S. Energy Information Administration (EIA) has ranked the Giddings Field as one of the country's most productive oil and gas fields, with oil production of 7.1 million barrels and gas production of 94.6 BCF – predominantly from the Austin Chalk formation.

Austin has identified hundreds of wells in the primary target area (marked in red on the figure below) that can be reentered and deepened by less than 1,000 feet. This approach allows for the penetration of deeper, proven oil and gas pay zones.



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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

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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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