



ASX ANNOUNCEMENT

8th November 2011

Austin Exploration Experiencing Great Success in Kentucky

- **Stabilized production rates of more than 30 barrels of oil per day**
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The Board of Austin Exploration Limited (ASX: "AKK") - on behalf its wholly owned US subsidiary Aus-Tex Exploration Inc- has announced that oil production from its Kentucky Joint Venture (Kentucky Exploration LLC) has risen dramatically since drilling began in July of this year.

Stabilized rates of more than 30 barrels of oil per day (BOPD) are now being produced and sold to the local refinery. This represents a significant increase in oil production, after daily production rates in 2010 averaged approximately 1 BOPD. The Board is highly encouraged by the results that are starting to show from the application of modern day extraction techniques that are being applied to its wells in Kentucky.

The stabilized production rate is expected to reach 40 barrels per day by December. The drilling is taking place in the Sebree Field, the WW fields and the Park City Field.

Onsite manager Jaime Garcia, who is Austin Exploration's east unit business manager, instituted a number of research and development initiatives along with new technology to jump start the production. Garcia says that secondary recovery techniques such as saltwater injection procedures and bacterial elimination were implemented to extract the maximum amount of oil. New technology also has also played a significant role in the site's progress, as nitrogen foam, sand, water flooding and slickwater preparations were all used to achieve the 30 barrels per day flow rates.

"We are certainly pleased with the production rates that are showing from our Sebree & WW fields," said Guy Goudy, Austin Exploration's Executive Director and CEO. "Our team and contractors have been working diligently to ensure the project is a success. We are continuing to increase cash flow and are excited to see how things progress over the next year."

Austin Exploration Limited ACN 114 198 471

Listed on the Australian Securities Exchange (“AKK”)

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ABOUT AUSTIN EXPLORATION:

Austin Exploration is an Oil and Gas Company with assets in Australia and the United States. Austin has strategically shifted its core focus towards non –conventional shale exploration in the United States. The Company has now established a major presence in two of Americas most prolific oil and gas basins. Austin controls more than 11,000 acres in Colorado in the Niobrara Shale and over 5000 acres in Texas in the Eagle Ford Shale. Austin has producing wells in Texas, Mississippi and Kentucky. Austin also has a highly prospective Oil and Gas Licence, PEL 105, in the Cooper Basin of South Australia and preparations to drill this prospect in the first half of 2012 has begun. The company’s wholly owned US Subsidiary, Aus-Tex Exploration Inc, turned cash flow positive in January 2011. To face future opportunities, Austin has strengthened it board and management teams. Austin is listed on the Australian Securities Exchange (ASX code: AKK)