



Austin Exploration Limited ACN 114 198 471

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

ASX ANNOUNCEMENT

6 January 2010

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

**INDEPENDENT REPORT CONFIRMS AUSTIN'S
PARK CITY, KENTUCKY, USA OIL & GAS RESERVES**

Dear Sir/Madam

The board of Austin Exploration Limited (ASX: "AKK") is pleased to announce that in a continuing effort to more clearly identify and prioritize the development and exploration investment opportunities at its Park City project in Kentucky USA, the company has been working with third party geologists to further evaluate and validate the underlying oil and gas reserve assumptions for this field. As a result of these efforts, an independent oil and gas reserves evaluation was commissioned and was recently completed on January 1, 2010 (U.S.). The reserves report, authored by Mr. B.L. Whelan, P. Geo, provides an assessment and evaluation of the largely contiguous block of roughly 857 acres of mineral leases held by Austin's 100% owned operating subsidiary, Aus-Tex Exploration, Inc. at the Park City, Kentucky oil and gas shallow well drilling program.

The independent reserves evaluation report is attached to this announcement.

This report covers the Devonian Shale, Fort Payne and Corniferous formations and was supported by electric logs for wells located on company leases, electric logs for wells drilled on adjacent or proximal leases and reports prepared by various authors including the Kentucky Geological Survey (KGS).

Guy Goudy, President of Aus-Tex Exploration said, "We are pleased to receive this independent confirmation of management's previous internal projections of the potential value of reserves at Park City. This new data has validated our original focus on the New Albany Shale gas and the long life of the oil producing formations present in the area. We will now review technical information gleaned from the last few months of production and recommence our gas focus as soon as the nearby gas processing plant is online. "

"We have spent a considerable amount of time studying the successful techniques used on the first four test wells and felt compelled to better understand the exact potential of this field prior to expanding those techniques across the acreage.

This report has given us the improved confidence to increase investment in the field. We look forward to seeing the ATMOS gas processing plant again coming online so that we can immediately commence selling our gas and begin testing several newly devised and patented New Albany shale completion

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procedures that we believe will allow us to move the PIIP gas reserves into the Probable and Proven categories of this report." Mr. Goudy said.

ECONOMIC VALUATION SUPPORTS CONTINUED DEVELOPMENT

Coupled with the recent noteworthy improvements in worldwide oil and gas pricing, the long term income outlook for the Park City project and surrounding interests improve for AKK.

Using the reserve totals provided in the Independent Reserves Report from Mr B.L. Whelan, as attached, the Austin management has estimated the potential revenues from the currently held 957 acres in Park City as follows:

a. Oil Reserves – USD \$50.2M

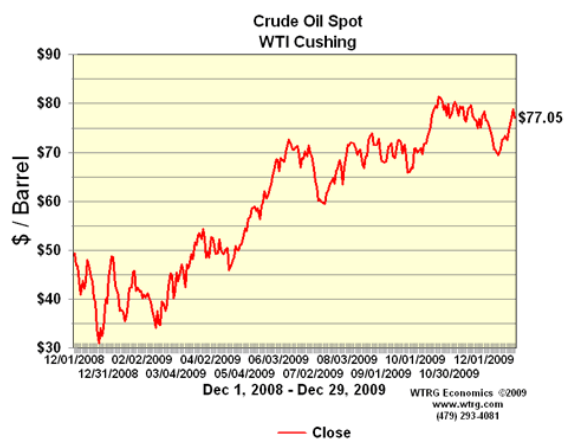
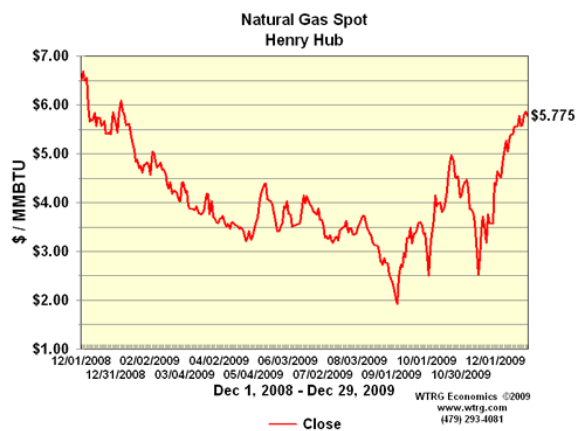
- i. 290.18 Mbbbl Proven (USD \$15.9M)
- ii. 623.26 Mbbbl Probable (USD \$34.3M)

b. Natural Gas Reserves – USD \$34.9M

- i. 120.98 MMcf Proven (\$4.2M)
- ii. 879.11 MMcf Probable (\$30.7M)
- iii. 9.79 BCF PIIP (Not yet valued as these estimates includes areas not yet discovered.)

Assumptions and Significant Factors or Uncertainties Affecting Reserves Data and Revenue Estimates

1. Most Recent Hydrocarbon Spot Prices



Potential Revenues are based upon the reserves estimates provided in the independent report of Mr Barry L Whelan, (as attached) and assumes gas prices of USD\$3.50 per mcf and an oil price of \$55 per barrel.

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It should be noted that over the calendar year 2009, gas spot prices have varied between USD\$2.00 – 6.65 per mcf and the spot oil price has varied between USD\$30.00 – 82.00 per barrel.

2. ATMOS Gas Gathering System and Processing Plant

The ATMOS Gathering Company has recently notified Aus-Tex Exploration that the nearby natural gas processing plant reopening is now scheduled for late January. Aus-Tex will begin introducing its currently producing gas wells into the system at that time. The Company is unable to predict the actual reopening time for the processing plant as that is beyond the control of the Company.



3. Significant Factors or Uncertainties Affecting Reserves Data

In the case of undiscovered resources there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. The recovery and reserve estimates of the Company's oil and natural gas reserves within the Report are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater or less than the estimates provided in the Report.

As circumstances change and additional data becomes available, reserve estimates change. Based on new information, reserve estimates are reviewed and revised, either upwards or downwards, as warranted. Although reasonable efforts have been made by the Company to ensure reserve estimates are accurate, revisions arise as new information becomes available. As new geological, production and economic information is incorporated into the process of estimating, the accuracy of the reserve estimates improve. Such revisions can be either positive or negative.

4. Economic Factors

Any present value attributable to the reserves is stated without provision for development costs, recovery cost, operating costs, interest cost, general administrative costs, royalties, production costs etc. All of the Company's reserves are evaluated by an independent person, Mr Barry L. Whelan, an independent consulting geologist.

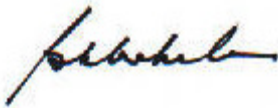
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INDEPENDENT GEOLOGISTS CERTIFICATE OF QUALIFICATIONS

I, **BARRY L. WHELAN**, of the city of Vancouver, Province of British Columbia, do hereby certify:

1. That I did prepare a review of the properties located in Edmonson County, Kentucky, in which Aus-Tex Exploration Inc holds an interest.
2. That I am a Professional Geoscientist in the Province of British Columbia and that I have in excess of forty years experience as a Geologist, fifteen years with Gulf Oil Corporation and twenty five years as a Consulting Geologist.
3. That I have experience in exploration and development geology in North America, South America, Asia, Africa and Europe.
4. That I have conducted the evaluation in accordance with generally accepted industry standards.
5. That I have no interest, direct or indirect, nor do I expect to receive any direct or indirect interest in the properties evaluated in this report or in Aus-Tex Exploration Inc.
7. That a personal field inspection of the property was not made. The report was generated by material from public records and the private files of Aus-Tex Exploration Inc


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Interest Holdings

NAME	WI	NRI
Aus-Tex (Operator)	100.000%	78.125%
Landowner		12.500%
Newtak Pty Ltd		5.000%
California Service Pty Ltd		4.375%

MEDIA AND INVESTOR CONTACT:

Kenny Hill
VP of Operations and Investor Relations
Austin Exploration Limited
(01) 512 275-7802
Kenny@austinexploration.com

Please visit the company web site for more information on the Park City area and other projects that Austin is involved with.

<http://www.austinexploration.com/>

ENDS

BARRY L. WHELAN, P. GEO., F.G.A.C.

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Phone: (604) 662-3004 ext. 102:Fax: 604-662-3063

e-mail: blwhelan@telus.net

January 1, 2010

Aus-Tex Exploration Inc.
3355 Bee Caves Road
Suite 607
Austin Texas 78746

Attention: K. Hill, Vice President of Business Operations and Investor Relations

Dear Mr. Hill:

Re: Kentucky reserves, Park City, Edmonson County, Kentucky

You have requested a summary of reserves for the properties held by Aus-Tex in the above named area of west central Kentucky.

In my review I have relied on the following material:

- 1 Electric logs for wells located on the owned leases.
- 2 Electric logs for wells drilled on adjacent or proximal leases.
- 3 Reports prepared by various authors, i.e. J. Wheat, C.A. Davies, Swager and Associates, Trimble Engineering Associates Ltd., the Kentucky Geological Survey.

The following assumptions have been made in the calculation or reserves:

- 1 The Ft. Payne is solely gas bearing.
- 2 The New Albany shale is gas bearing.
- 3 The Corniferous is oil bearing with solution gas.
- 4 No correction has been made for the solution gas within the Corniferous.
- 5 The parameters derived from a well log apply to the entire lease regardless of the size of the lease.
- 6 Where more than one well is located on a lease, the average of the pay is used to calculate reserves.
- 7 All porosity shows have been taken into account whether or not they are considered for completion.

With respect to the classification of the reserves, the majority of the reserves on the leases are considered Probable Reserves insofar as they meet the following criteria:

- 1 they can be estimated with a high degree of certainty to be recovered.
- 2 they are known accumulations that have been penetrated by a wellbore.

In order to be classified as Proven Reserves they must have confirmation of commercial productivity of an accumulation by production or a formation test. The Ft. Payne in the Hennion well, and the Corniferous in the Tartar and Spillman wells can be considered Proven Reserves.

It is obvious that the Ft. Payne in the area of the leases which are held by Aus-Tex is a secondary prospect considering other wells in the region have a much better developed Ft. Payne section.

The New Albany is classified as Petroleum Initially In Place (PIIP) which by definition is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, *plus those estimated quantities in accumulation yet to be discovered*. To be classified as reserves, estimated recoverable quantities must be associated with a project that has demonstrated commercial viability. Insofar as there is no production from the New Albany but there is production elsewhere in the State, the New Albany can be classified as PIIP.

The reserves for the various formations are as follows:

Formation	Proven		Probable		PIIP
	Gas MMcf	Oil Mbbl	Gas MMcf	Oil Mbbl	Gas MMcf
Ft. Payne	120.98		879.11		
New Albany					9,709.3
Corniferous		290.18		623.26	
Total	120.98	290.18	879.11	623.26	9,709.3

Cash flow sheets have not been prepared since the wells have to date a limited production history. At such time as producing rates have stabilized, future cash projections can be created.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely yours,




Barry L. Whelan, P. Geo