



Austin Exploration Limited

Building a balanced portfolio of hydrocarbon prospects

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ASX Announcement

Well Name: Aus-Tex Gueymard #1

General Update

Austin Exploration Limited ("Austin") (ASX code: AKK) today announced several developments regarding the Aus-Tex Gueymard #1 well.

Favorable developments

- Log testing has determined that zones above the planned P target may have unexpected Hydrocarbon potential. However, initial interpretation of the data has proven to be ambiguous and Halliburton is performing further analysis. They will report their findings in the coming days.
- The sands that appear to have potential are the H, O, J, M, N and K zones
- Initial drilling expense projections for the Phase One well re-entry are in line with actual expenses incurred at the site.

Re-entry Approach Conclusions

- The company cannot log the originally targeted P, U, T, and W zones due to an obstruction above the P sand and the poor condition of the seven inch casing left behind in the old Shell Oil well.
- The Casing Log completed yesterday determined that there is approximately Three Hundred (300) Feet of significant casing fractures in the old well structure, making the opportunity to enter the well via a sidetrack unachievable.

In Summary

Austin's' original plan for this prospect consisted of a two phases with an emphasis on financial prudence.

1. **Phase one** – attempt a re-entry of the old Shell Oil well with a desire to reach the targeted P and below sand. If the targeted zones are not reachable then the company will run and analyze logs for the zones that are available.
2. **Phase Two** – assess all available data gathered from phase one and begin preparation to drill another well.

Although phase one did not reach the targeted zones the company did find unexpected hydrocarbon shows in the upper zones. The company will announce the results of the upper zone shows as soon as they become available.

The company will also announce the timing for phase two after a complete review of the Log data provided by Halliburton. A Thermal Multigate Decay Log and a Bond Log have been completed.

Austin Exploration Limited through its wholly owned subsidiary Aus-Tex Exploration and its investment partners have the following interests in this well:

Party	Working Interest Before Payout	Working Interest After Payout
Austin Exploration Limited	50%	40%
Verus Investments LTD	25%	20%
Private Investor Group	25%	20%

Ends...

For further information contact Kenneth Hill, Chief Information Officer, Aus-Tex Exploration Inc. Tel: +1 -800-951-9411 Email: kenny@austinexploration.com or visit www.austinexploration.com

To subscribe to our electronic news service visit:
<http://www.austinexploration.com.au/newsletter.asp>

About Austin Exploration Limited

Austin Exploration (Austin) is an oil and gas exploration company with a balanced portfolio of hydrocarbon prospects in Australia and the United States.

Austin's business model is to develop a portfolio of hydrocarbon assets with a balance of low-risk prospects combined with a prudent mix of high risk, higher return opportunities based on its capital availability. Utilising its technical competence and extensive industry network, Austin seeks to identify suitable risk profile prospects, conduct an evaluation and then identify suitable farm-in partners.

Austin is listed on the Australian Securities Exchange (ASX code: AKK).

For more detailed information on these executives please visit the Austin Exploration Limited website at <http://www.austinexploration.com/OurTeam.asp>

Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. David M. Schuette (Managing Director), Mr. Donald F. Reck Jr. M.S (Chief Technology Officer) of the company, and Mr. Phillip T. Lelande (CEO Flex Energy). All individuals are full-time employees, officers and/or are leading the company's drilling and operations. Mr. Reck has been a member of the American Association of Petroleum Geologists since 1976. Mr. Lelande is a member of the Society of Petroleum Engineers and served on the API Board of Directors.

Austin Exploration has sufficient experience of relevance to the styles of hydrocarbon entrapment and the types of deposits under consideration, and to 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.

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