

CHAIRMAN'S ADDRESS

As your Chairman I am pleased to present my second Chairman's address.

The past year has seen sustained high prices in the oil and gas sector, with oil prices reaching new highs of more than US\$90 per barrel. These strong hydrocarbon prices offer the Company continued opportunity for growth and investment.

The twelve months (July 2006 to June 2007) represent Austin's first complete financial year. The year began with our successful Initial Public Offering of \$10 million which closed oversubscribed and we were admitted to the list of the Australian Stock Exchange on July 20th 2006.

It also started with the Company holding oil and gas interests in four prospects – two in Australia and two in the United States – and concluded with a number of additional prospects in Austin's asset portfolio.

The Company also saw private investors contribute more than US\$10M of non-share diluting cash into various company projects. As a result, the Company was able to acquire the additional oil and gas prospects. Each of those prospects was 100% carried on the first well, thereby offering the Company valuable assets without the typical downside risk.

Unfortunately, after showing initial promise, a number of these prospects have since disappointed.

Following this address, our managing director David Schuette will discuss the operational aspects of the last year. He will also outline our exciting plans for shift in business focus for the company and will also discuss the most recent company news regarding The Park City Gas Field. As you will see today, this multi-year project provides Austin with access to known tested gas in place and will immediately redirect our efforts from an exploration only company into a focused development of known resources company.

As always, the Company welcomes feedback and dialogue from our shareholders. I would also like to encourage everyone to add their name to our expanding E-news distribution service <http://www.austinexploration.com/newsletter.asp> and visit our web site often for more detail on our company and our projects.

Acknowledgements

I would like to thank our team for its significant efforts during the year and in particular our managing director, David Schuette, for his tireless efforts in bringing our portfolio together and going through the demanding task associated with our IPO. We are excited by the opportunities we have before us and are confident that we can deliver value to our shareholders.

Paul Teisseire

Chairman