



# Austin Exploration Limited

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

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**ASX announcement**

**Friday 4 April 2008**

## **US\$5M PRIVATE INVESTMENT FINALISED Improved Terms for Austin**

Additional investment funding is now being assigned to Adelaide-based petroleum explorer, Austin Exploration Limited (ASX: "AKK") after the Company announced today formal completion of the previously announced US\$5 million Letter of Intent involving a group of private Australian investors.

The Board said today it was pleased to advise that the final agreement had been completed, funding had commenced and more favourable terms than those outlined in the Letter of Intent were achieved.

"After travelling to our flagship Park City gas project the investment groups already strong belief in Austin's growth potential, business strategy and management team was solidified. What resulted from that visit was very positive for the company and our shareholders." Austin's Managing Director, Mr. David Schuette, said today.

### **Among the more favourable terms of the agreement;**

- The investor desires to give Austin all of the 2008 cash flow benefit of this project
- Therefore payments toward the US\$10M and distributions from the overriding royalty interest of 5% and 4.375% will not begin until January 1, 2009.

The delay in granting the overriding royalty interests will result in Austin Exploration holding a 65.625% net revenue interest in every well drilled for the remainder of calendar year 2008.

Beginning January 1, 2009 the company will hold a 56.25% net revenue interest. The company will continue to hold a undivided 75% Working Interest.

"I wish our shareholders could experience what it's like to be in the field of operations. To hear the roar of natural gas coming from the ground, to watch this country's largest gas only distributor assemble the enormous processing plant and to see the excitement of the work crews that are making it all happen; now that's exhilarating." Mr. David Schuette said.

Austin's Park City drill schedule envisages that up to 44 producing wells should be completed by the end of calendar 2008 with the opportunity to drill more than 200 wells in total on the field by the end of 2011.

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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](http://www.austinexploration.com)

For more detailed information on our executive team and/or this project, please visit the Austin Exploration Limited website at <http://www.austinexploration.com>

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