



13th March 2007

The Company Announcements Office
Australian Stock Exchange Limited
Electronic Lodgement System

Dear Fellow Austin Exploration, Limited Shareholders,

**Austin Exploration Limited announces end of drilling at the PEL 73 prospect;
plans to drill two fully funded prospects in the United States shortly.**

**PEL 73 Prospect - Yorketown, South Australia
Austin Exploration Limited interest of 16.667%**

Austin Exploration wishes to advise that drilling at the PEL 73 has finished. The results of the wireline log analysis indicated that while there was a moderate gas show at 690 metres, with 5 metres of pay, the lack of distribution infrastructure and market access does not make this currently an economically viable resource. While our initial geological information indicated a depth of 1,855 metres to the basement of the structure, it was found that the basement was some 700 metres higher during the course of drilling.

Over the next few months we will review our geological information in the context of the results derived from this well and consult with the other interest holders in this prospect. Those results will determine the path forward for our involvement with the PEL 73 area and other potential prospects within the licensed area.

US Drilling Activity

Over the next three months, plans are in place to commence drilling on three new prospects in the United States. Like our first successful prospect, Polecat Creek (Texas) two of the three planned projects represent re-entry into previously producing wells. These projects are in established Hydrocarbon producing areas and represent a more moderate risk than either PEL 73 or St Gabriel 1.

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In Summary

The Company's strategy of maintaining a balanced mix of Hydrocarbon projects that include already producing wells, coupled with other low to high risk prospects gives Austin Exploration Limited shareholders a viable alternative to a pure "wildcatting" company. We will continue to pursue this strategy.

Yours faithfully,

AUSTIN EXPLORATION LIMITED

A handwritten signature in black ink, appearing to read 'David Schuette', written over the company name.

**David Schuette,
Chief Executive Officer**