



# Austin Exploration Limited

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

**ASX Announcement**

**24 November 2010**

**For Immediate Release**

The Manager  
Companies Announcements Officer  
Australian Stock Exchange  
Electronic Lodgement

- **High impact USA oil target acquired and set for December Spud**
- **Significant recoverable reserves estimated at 505,000 Barrels of Oil (Bo)**
- **Proven operator with 94% success rate for commercial oil discoveries**

Dear Sir/Madam,

The Board of Austin Exploration Limited (ASX: "AKK") is pleased to announce a further expansion of its United States oil and gas interests with the acquisition of a 34% working interest in what will be Austin's third major oil project since the company restructured its management over 12 months ago.

The Bombing Range Prospect – acquired by Austin's wholly-owned US subsidiary, Aus-Tex Exploration Inc. – is located in Vernon Parish, Louisiana.

The operator on the project is the same Mississippi-based operator that Aus-Tex joint ventured with on the successful Armstrong oil project. Aus-Tex will participate in the Bombing Range project at a 34% working interest for a net revenue interest of 25.5%. As was the case for the Armstrong Well, the operator is the only other partner in the project and carries the remaining 66% working interest.

This well represents the 17<sup>th</sup> well to be drilled by the operator which has the enviable record of 15 of its 16 previous wells drilled resulting in commercial discoveries of crude oil.

Aus-Tex Exploration will spend approximately US\$320,000 on drilling the well. Drilling operations are expected to commence in the second week of December 2010

President of Aus-Tex Exploration, Guy Goudy, commented:- "Following the success of our Armstrong Ellislie Number 1 project in Mississippi, we are very pleased to be entering into a second project with this Mississippi-based operator. The Bombing Range prospect presents Aus-Tex with an opportunity to participate in a higher risk drilling program with greater upside potential, yet also offers the same scientifically qualified characteristics that have been the foundation behind our recent success."

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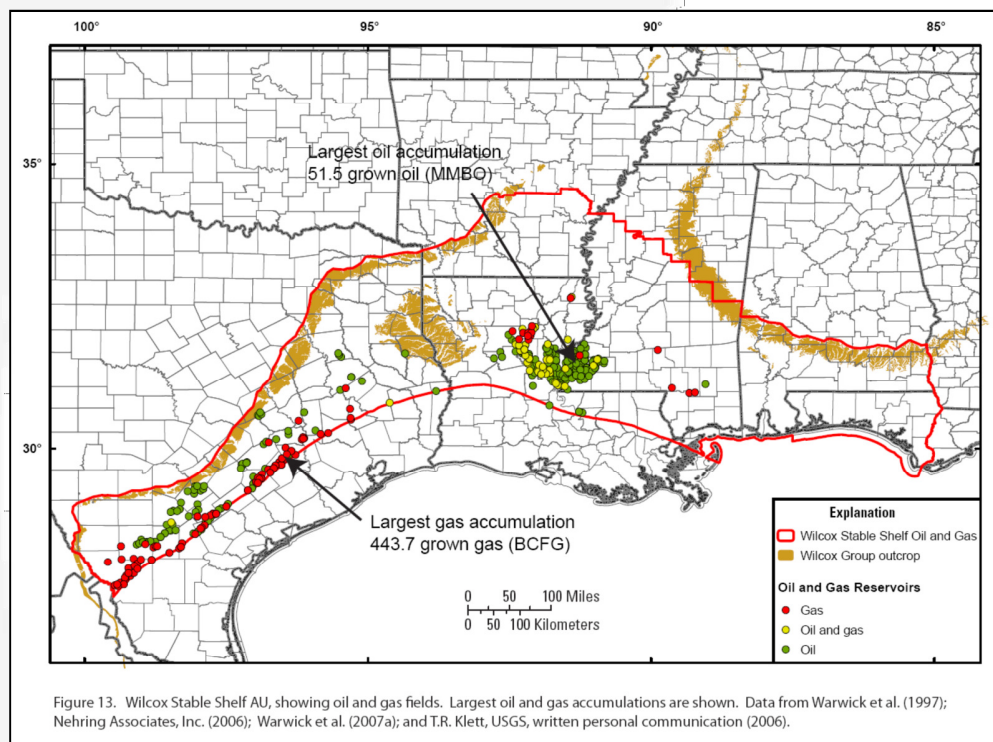
## ABOUT THE PROSPECT

The Bombing Range prospect is located in section 15, T4N-R9W, Vernon Parish, Louisiana and is on Fort Polk, which is a US Army military base. Topographically, the prospect is situated in the rolling hills of west central Louisiana. With permission from the United States Army, operations can be conducted year round. It is immediately adjacent to prolific 1st Wilcox production in the Peason Ridge Field.

The purpose of this well is to drill at the proposed location in order to test the upper (1<sup>st</sup>) Wilcox sands and the Sparta Formation.

## FORMATION OVERVIEW

In this area the 1st Wilcox Sand can be of either fluvial or shallow marine type deposition. The thickness is usually between 40' and 100', with high porosity and permeability. The 1st Wilcox Sand is an established producer in the area. The Wilcox Oil Province is an almost one billion barrel Tertiary oil province in central Louisiana and southwest Mississippi. The province is situated above the Wilcox Platform, part of the ancient Toledo Bend Flexure (TBF), which was created in the early, pre-rift Triassic by thermal doming. The TBF is an east-west trending feature, formed of continental crust material, which forms the southern margin of the North American Craton in the central Gulf Coastal region. Access for the oils to the reservoirs is determined by vertical fracturing occurring over the basement trends and along wrench faulting and related fracturing.



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## SECONDARY TARGET

A well drilled at the proposed location should encounter the Sparta south of the fault and structurally high. At this expected structural position the zone would contain only gas and be non-commercial at this time. However, should the zone be encountered at an unexpectedly lower position, it could be in the oil phase of the reservoir and be commercially viable.

## HELD INTEREST

Interest Holder	Working Interest	Net Revenue Interest
Aus-Tex Exploration, Inc.	34%	25.5
Operator	66%	49.5

## COMPETENT PERSON'S STATEMENT

In accordance with ASX and AIM rules, the information in this release has been reviewed and approved by Mr. Stanley L. Lindsey, Chief Geologist, Austin Exploration Limited. Mr. Lindsey holds a Bachelor of Science Degree in Geology with a minor in Chemistry and has over 30 years of oil and gas experience including exploration, development, operations, acquisitions and divestitures. His background also includes mapping, utilizing integration of 2-D and 3-D seismic with subsurface data and reserve calculations. He is a Certified Petroleum Geologist and has been a member of the American Association of Petroleum Geologists and the Houston Geological Society since 1979. He also belongs to the Society of Independent Professional Earth Scientists (SIPES). He is a Certified Petroleum Geologist by The American Institute of Professional Geologists (CPG #11331) and The American Association of Petroleum Geologists (CPG# 4005). Mr. Lindsey has the relevant experience within the industry and consents to the information in the form and context in which it appears.

## MEDIA AND INVESTOR CONTACT:

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Please visit the company web site for more information on this property and other projects that the company maintains an interest in. <http://www.austinexploration.com/>

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