



Austin Exploration Limited ACN 114 198 471

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

ASX ANNOUNCEMENT

11TH January 2011

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

- **Natural oil flow & sales continue from Austin's existing Texas well.**
- **More than 12,000 barrels already sold to local refinery**

Dear Sir/Madam

The Board of Austin Exploration Limited (ASX: "AKK") - on behalf its wholly owned US subsidiary Aus-Tex Exploration Inc - is pleased to provide an update for its North Carrizo, Yolanda Villarreal #1 oil well, currently producing under natural flow from the Austin-Chalk formation, Dimmit County, Texas USA.

Since oil production began in August 2010, the well continues to flow naturally with an average Flow Tubing Pressure (FTP) of approximately 100 PSI. It is now the belief of the operator that a larger hydrocarbon reservoir system has been tapped into than was originally forecast.

The company expects this oil flow rate to increase significantly once the well is put on pump. In order to prevent formation damage to the Austin Chalk, the well cannot be put on pump until the natural flowing oil production ceases.

President of Aus-Tex, Guy Goudy, commented:- "This well continues to surprise. For an Austin Chalk well of this type to be still flowing naturally certainly tells us that we have a decent sized reservoir. Natural oil flows from your typical Austin Chalk wells generally cease after three-to-five weeks - we are now in month five.

"While we are eager to put the well on pump to increase daily production, understandably the operator will not interrupt the natural flow and risk causing damage to the chalk formation.

"We are all delighted with the 12,000 barrels of natural flow from a well of this type and look forward to updating the market once it has been put on pump."

| Interest Holder | WI BCP | WI ACP | Net Revenue Interest |
|---------------------------|--------|--------|----------------------|
| Aus-Tex Exploration, Inc. | 45% | 40% | 27.36% |
| Other Investors | 55% | 60% | 48.64% |
| Prior Mineral Owners | 0% | 0% | 24.00 |

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