



# Austin Exploration Limited

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

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**ASX announcement**

**22 February 2008**

## **GAS AND OIL DISCOVERED** **IN NEW ONSHORE U.S. GAS FIELD**

The Board of Adelaide-based petroleum explorer, Austin Exploration Limited (ASX: "AKK") is pleased to advise that the Malcolm and Melvin Doyle 2A well within the Park City field in the US state of Kentucky is naturally flowing heavy crude oil and natural gas to the surface. The well reached the 366.36 m target depth on February 18<sup>th</sup> and the E-Log was completed February 21<sup>st</sup>. The well is the first to be drilled and completed by the Company since it acquired the project from DMS Partners earlier this month.

The well initially produced natural gas for approximately seven hours at a pressure of 300PSI then began naturally flowing oil to the surface. After a continuous flow of oil and gas for several hours, the Company determined that crude oil pumping equipment would be required. After the pump and storage tanks are installed the well will be tested to determine the optimum initial production rate.

"The Malcolm and Melvin Doyle 2A natural flow has confirmed the commercial viability of this well as an oil and gas producer," Austin's Managing Director, Mr. David Schuette, said.

"According to the analysis of the electric log, the gas is flowing from two key target zones present in the Park City project area; the New Albany Shale and the Fort Payne Limestone formation and the heavy crude oil is apparently coming from a lower zone, a Devonian aged carbonate named the Corniferous Formation." Austin's Managing Director, Mr. David Schuette, said.

"The Malcolm and Melvin Doyle 2A well has a pressure that is higher than our previous forecast for a typical well in this field. The natural flow of oil to the surface is highly encouraging and one heck of a start for this project."

The company plans to install separator equipment at the pump station; move the natural gas to the nearby pipeline and the crude oil to the nearby Somerset Refinery.

The electric log shows a 3.66 m Corniferous zone between 347.5 m -351.12 m, a 22.86 m New Albany Shale zone between 313.94 m -336.81 m and a 3.353 m Fort Payne Formation zone between 285.29 m -288.64 m. All three zones are expected to contribute gas or oil to the total production stream..

The log on the Malcolm and Melvin Doyle 2A well was performed by Norris Well Services of Kentucky and completed by the operator, Resource Energy Technologies, LLC, (RET) of Bardstown, Kentucky.

Austin's Park City drill schedule envisages that up to 44 producing wells will 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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**FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311**

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Austin is earning an undivided 75% Working Interest and 65.625% Net Revenue Interest for every well drilled in Park City.

## **MEDIA CONTACTS:**

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## **ABOUT THE PARK CITY PROJECT**

This project represents the Company's evolving oil and gas asset focus and offers a very good example of the increasingly sound financial and management muscle not normally available to a junior explorer in such a short time from its initial public listing. The core company strategy of identifying suitable development prospects, conducting thorough geological and engineering evaluations and then identifying suitable farm-in partners for long-term development is sound.

The initial 24 month drilling focus for Park City is within a proven production field that includes over 60 existing gas wells operated by RET that are currently being connected to a natural gas gathering system owned by a unit of Atmos Energy Corporation and to a gas processing facility, operated by RET. This initial focus area encompasses approximately 32.3748 Square km and has estimated recoverable reserves from the New Albany Shale of 15 billion cubic feet (BCF) and an additional 24 BCF from the Fort Payne Limestone formation. An expansion plan into an adjacent 25,000 acres of mineral leases on the same geologic structure is also now underway.

## **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)

## **About Resource Energy Technologies, LLC (RET)**

Resource Energy Technologies, LLC, (RET) of Bardstown, Kentucky entered an agreement with Atmos Energy on December 19, 2006 to build infrastructure initially focused on gathering natural gas from 47 of RET's 60 shallow gas wells that were shut in without a market. The project has now expanded to include an area approximately 35 miles wide and 37 miles long. RET is led by its President, Mr. Robert E. Thorpe and its CEO, Mr. John F. Charles.

***In accordance with ASX and AIM rules, the information in this release has been reviewed and approved by Mr. Donald F. Reck Jr. M.S., Chief Technology Officer, Austin Exploration Limited, BS Geology, MS Geology. Mr. Reck has been a member of the American Association of Petroleum Geologists since 1976. Mr. Reck has more than 25 years of relevant experience within the industry and consents to the information in the form and context in which it appears.***

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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