



Austin Exploration Limited

Based in Adelaide Australia and listed on the Australian Securities Exchange (ASX code: AKK)

ASX announcement

14 February 2008

39BCF U.S. Gas Field Development Underway: **First Wells Produce Gas**

The Board of Adelaide-based petroleum explorer, Austin Exploration Limited (ASX: "AKK") is pleased to advise that the Company has concluded contract negotiations to complete the acquisition of the right to participate in the Park City Gas Project (Kentucky, USA) and has begun a shallow well drilling schedule.

Two wells have been drilled and are currently in the testing and completion stages. The first well was logged and had 38 ft. of gas saturated porosity in the Fort Payne Formation and 64 ft of New Albany Shale. The well had over a 40 ft flare and a bottom-hole pressure of 380 – 400 psi. A volumetric analysis of well has been done. The recoverable Fort Payne reserves are conservatively between 200 and 500 MMCFG and the Shale should produce additional gas when stimulated. This is consistent with the calculated average of 7 existing Fort Payne wells in the Park City Field. The second well has only been pressure tested but produced bottom-hole pressure much higher than the first well. Evaluation of total reserves will be calculated in the coming days.



Encouraging Gas Flare at Well 1

The drill schedule envisages that up to 44 producing wells will be completed by the end of calendar year 2008. The RET agreement also gives Austin the opportunity to drill more than 200 wells in total on the field before the end of calendar year 2011.

The initial 24 month drilling focus 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 8,000 acres and has estimated recoverable reserves from the New Albany

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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.

Gas gathering infrastructure that was initially focused on 47 shut-in shallow wells previously drilled by RET is now in place and consists of 25 miles of low-pressure, polyethylene pipeline to gather well-head gas and deliver it to the RET operated HNNG-gas processing plant. Natural gas liquids and nitrogen will be removed from the gas before it is delivered to Texas Gas Transmission for redelivery to consumers in the area. Gas sales agreements are also in place with Atmos Energy Marketing, LLC, a wholly owned subsidiary of Atmos Energy.

The significant drilling success that RET has already accomplished makes them the ideal choice as the Operator for this sizeable project. Austin Exploration considers this project will provide it with considerable growth opportunity for many years to come

“This is a real milestone for Austin Exploration and is the first tangible step to move the company from pure exploration to a heavier focus on development. We have two wells currently being completed and both have above average natural pressure for this field. Well flow rates and estimated reserves will be available when testing is completed later this week. We expect to have three more wells drilled by the middle of March and continue that pace as the weather and drilling crew resources permit.” Austin’s Managing Director, Mr. David Schuette, said today. “

Austin Exploration will earn an undivided 75.000% Working Interest and 65.625% Net Revenue Interest for every well drilled. Austin’s interest in the Park City Gas Field was acquired from DMS Partners LP, of which Mr. Schuette is a founding director. DMS initially secured the opportunity to participate in the project and funded the initial drilling costs and associated expenses. This gave Austin the time to evaluate the project and complete the due diligence enquiries. As announced on 23 January 2008, Austin exercised its option to participate and today’s announcement completes that process.

Parties Involved with the project include:



Largest Natural Gas Only Utility in the USA

<http://www.investquest.com/iq/a/ato/ne/news/ato121906.htm>



9,495 Kilometers of delivery pipelines

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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

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.

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled and/ or reviewed by Mr. Donald F. Reck Jr. M.S (Chief Technology Officer) of the company and Mr. David M. Schuette (Managing Director) of the company. All individuals are either a full-time employee, officer and/or are leading the company's drilling and operations efforts.

Mr. Reck has been a member of the American Association of Petroleum Geologists since 1976 and the chief geologist for DMS Exploration since 2000. Prior to that date, he has consulted too many USA oil and gas exploration companies including Rio-Tex Inc., Trio Exploration, Medders Oil Co., Texaco, Conoco and Strategic Petroleum. Mr. Reck is also a former Exploration Geologist with Tenneco Oil and Conoco. He has consulted to Geoscience Data Management, Inc. and Advanced Micromagnetics. He holds Bachelor of Science degree in geology from Grand Valley State College in Allendale Michigan and a master of science in geology from Sul Ross University in Alpine Texas.

Mr. Schuette is founder of DMS Exploration, an independent Texas oil and gas operator. Prior to founding DMS Exploration, he held executive positions with French Petroleum and Torch Energy Advisors in Houston, Texas. Mr. Schuette has over 20 years experience as an advisor to and as an investor in the USA oil and gas industries.

Mr. Schuette and Mr. Reck have sufficient experience of relevance to the styles of hydrocarbon entrapment and the types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person(s) as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Schuette and Mr. Reck hereby consent to the inclusion of the information in this release and the form and context in which it appears

For more detailed information on these executives please visit the Austin Exploration Limited website at <http://www.austinexploration.com/OurTeam.asp>

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