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ASX Announcement

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Update on Austin Exploration's prospects

Austin Exploration Limited ("Austin") (ASX code: AKK) is pleased to announce that following significant rain delays it is now moving forward on three of its projects in south-eastern United States. These are:

AUS-TEX Gueymard No.1 (St. Gabriel Field) – Iberville Parish, Louisiana

- Building location being developed
- Installed casing head on May 15, 2007
- Expect work-over rig on location by mid-June
- Weather is favourable so daily site progress should improve

Austin, through its wholly owned subsidiary AUS-TEX Exploration, is entitled to a 40 per cent working interest in this project after payout. ASX listed company Verus Investments Limited is entitled to a 20 per cent working interest in this prospect after payout.

Jeter Branch – Caddo Parish, Louisiana

- Lewis Louisiana Property No.1
- Now working on site location
- Weather is favourable
- Expect Langston Drilling Rig No.9 on location by mid to end of June

Austin, through its wholly owned subsidiary AUS-TEX Exploration, is entitled to a 15 per cent working interest in this project after payout.

South West Edwards – Hinds County, Mississippi

- Montgomery 29-6 No.1
- Dug up old well and it seems to be in good physical condition
- Installed casing head on May 14, 2007
- Will move in small rig Monday May 21, 2007, to check casing for integrity
- Grey Wolf Drilling Rig No.722 scheduled to move in end of June

Austin, through its wholly owned subsidiary AUS-TEX Exploration, is entitled to a 25 per cent working interest in this project after payout. ASX listed company Verus Investments Limited is entitled to a 12.5 per cent working interest in this prospect after payout.

Austin will provide regular updates on its progress with these prospects.

Ends...

For further information please contact Paul J Davies, Director, Austin Exploration Limited Tel: +61 3 9225 5295, Mob: +61 419 363 630.