



Austin Exploration Limited

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

ACN 114 198 471

ASX Announcement

14th of July, 2009

PARK CITY GAS PROJECT LITIGATION COMPLETED CAPITAL RAISING SHARE PLACEMENT SUCCESSFUL

Australian petroleum explorer and developer, Austin Exploration Limited (Austin), (ASX code: "AKK"), is pleased to announce that all litigation concerning the company's Park City, Kentucky oil and natural gas project have been concluded. Austin and Resource Energy Technologies (RET) have agreed to a series of confidential settlement terms that effectively eliminate all previous agreements between the parties. Settlement allows Austin immediate access and complete control of all wells drilled to date. This outcome is material for the company in moving towards a phase of oil and gas production.

The company is also pleased to announce a share placement to sophisticated investors of 16,000,000 shares at 4 cents per share to raise \$640,000. This new capital will enable the commencement of further activity in the Park City lease acreage. Payment for the shares is to be received in two tranches with half received on application and the remaining half being received within 45 days.

The company confirms that shareholder approval will not be sought and that the issue will fall under the Company's 15% capacity pursuant to Listing Rule 7.1.

The company looks forward to further developing Park City.

ABOUT THE SETTLEMENT

Although both RET and Austin are under a strict confidentiality agreement, each party has agreed to release the following details to shareholders and private investors.

- ✓ All litigation complaints between the two parties have been settled.
- ✓ Operatorship of the 17 wells will be transferred to Aus-Tex Exploration Inc., (a wholly owned subsidiary of Austin).
- ✓ No area of mutual interest or area of non compete shall exist between the parties.
- ✓ Aus-Tex has purchased the interest previously held by Park City Gas, LLC (PCG) in 12 oil and gas leases in Western Kentucky. As a result of this purchase, Aus-Tex will own a 100% working interest and an 87.5% net revenue interest in all hydrocarbons derived from the current 17 wells and any future wells drilled on the leases.
- ✓ Beginning July 1, 2009, income from hydrocarbon production emanating from the 17 wells within these leases will belong to Aus-Tex Exploration, Inc.
- ✓ Landowner interest does not change.
- ✓ Gas sales agreements between Atmos Energy Gathering LLC and Aus-Tex Exploration Inc. are being finalized.

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- ✓ A non disclosure protecting the terms of this agreement has been signed by all parties

Over the coming weeks, Austin will begin assessing and then releasing more detailed information regarding existing oil and gas flows from the 17 wells.

Austin will update the market with more details regarding planned well drilling and completion programs when this information becomes available.

Summary of Interest Holdings

NAME	WI	NRI
Aus-Tex (Operator)	100.000%	78.125%
Landowner		12.200%
Newtak Pty Ltd		5.000%
California Service Pty Ltd		4.375%

MEDIA CONTACT:

Kenny Hill
VP of Operations and Investor Relations
Austin Exploration Limited
(01) 512 275-7802

Kenny@austinexploration.com

Competent Persons 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 28 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).

Mr. Lindsey has the relevant experience within the industry and consents to the information in the form and context in which it appears.