

# Austin Exploration Limited

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

**ASX Announcement**

**Friday the 8<sup>th</sup> of May 2009**

## **Litigation Update – Austin's Park City Gas Project**

- **Austin's' Case Against RET Continues, Final Jury Trial Court Timeline Set**
- **RET Named As Defendant in Additional But Separate Litigation**

Australian petroleum explorer and developer, Austin Exploration Limited (ASX code: "AKK"), today provided the following update regarding the October 10<sup>th</sup> 2008 lawsuit filed by its subsidiary, Aus-Tex Exploration, Inc., against Resource Energy Technologies (RET), the operator of Aus-Tex's Park City Gas Project in the state of Kentucky, USA.

1. Austin has been informed that Aus-Tex's claims against RET and the counter-claims made by RET against Aus-Tex have now reached the stage of jury trial preparation and that a date for this trial has been set by the U.S. District for the Western District of Kentucky for mid-2010. Aus-Tex will now be able to utilize the pre-trial "discovery phase" of this case to require RET and its service companies to furnish relevant documents, core samples and business communications that it has so far refused to provide. Austin hopes to recover an estimated USD \$4,000,000 in damages from the jury trial.
2. Austin has also been notified that a second and separate lawsuit against RET has been filed in the Edmonson County, Kentucky Civil Court (case #09-CI-00093). The case was filed by a former Sheriff of Edmonson County and includes several major land owners who leased their mineral rights to RET in exchange for various performance benchmarks.

The last several months have brought a significant amount of progress in the trial. The following information represents a series of milestones during Austin's case.

### **Sequence of major items to date:**

- October 14, 2008: Austin subsidiary, Aus-Tex, files a lawsuit requesting an immediate full financial audit of all RET accounts holding Aus-Tex funds. Additional claims regarding RET's performance as the operator are included in the lawsuit.
- November 18, 2008: RET files a motion to dismiss the case.

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- November 19, 2008: Preliminary hearing at the Federal Court. Both parties present their cases and witnesses are called.
- The hearing concluded with the judge asking both parties to submit post-hearing briefs addressing the issues covered during the court hearing. One of these issues was RET's request to have the case dismissed.
- Post-hearing briefs were filed with the court by Plaintiff on January 26, 2009; and by Defendant on February 9, 2009.
- January 27, 2009: RET's motion to dismiss the case was denied by the court. RET thereafter was required to reply to the claims made by Aus-Tex.
- Document requests and interrogatories are now being exchanged regarding the claims filed by Aus-Tex and by RET. Aus-Tex is seeking a minimum of US\$4,000,000 in damages (*direct capital expenditures for well drilling prior to the June halt, loss of committed investment capital for the development of a 200 well drilling program, loss of potential revenues from new drilling*), and removal of RET as operator.
- March 3, 2009: Aus-Tex's motion for an injunction requiring RET to immediately open their financial records was denied by the court. However, the financial records will remain a major part of the discovery process that has already begun.
- Other claims as outlined in the ASX release dated October 14<sup>th</sup> 2008 are still active and will be part of the coming trial.
- On April 24, 2009, a Federal Magistrate Judge issued a scheduling order providing the deadlines with which the parties must comply. This order outlines the timeline for evidence discovery and the trial. Adjustments to the timeline may occur.

Austin will continue to update the market with relevant information as and when appropriate.

Documents associated with this case can be accessed via the following US Courts web site;  
<http://pacer.psc.uscourts.gov/psco/cgi-bin/register.pl>

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