



Austin Exploration Limited

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

ASX Announcement

Wed. 6th of August 2008

Austin acquires mineral rights in top-ranked U.S. oil and gas field New Drilling and Re-entry Program to Begin

Australian oil and gas developer, Austin Exploration Limited (ASX code: "AKK"), today announced a major addition to its exploration, development and production portfolio, with the acquisition of 731.88 acres (2.96 km²) of oil and gas mineral rights inside one the most productive fields in the United States.

The new acreage is located in the historic Giddings Field which the U.S. Energy Information Administration (EIA) has ranked as one of the country's top oil and gas fields, with oil production of 7.1 million barrels and gas production of 94.6 BCF (Billion cubic feet), predominately from the Austin Chalk formation.

The initial lease acquired by the company is part of a larger geographic resource play that has recently seen a significant increase in drilling activity, due in large part to the size of the resources made available in the Eagleford oil shale.

"The Giddings Field has been the incubator of many new ideas and technological improvements to oil field technologies that have transferred to other oil fields around the world. It is the largest oil field found in Texas during the last fifty years. Technologies and procedures such as Acid Treatments, Large fracture Treatments, Seismic, Horizontal Drilling, Multilateral Wells, and Underbalanced or Controlled Pressure Drilling, work together as a drilling and completion system to make the Giddings Field a hotbed of activity. We plan to utilize some of the same locally experienced drilling operators and follow the same proven well re-entry and completion processes for our leased acreage." Austin's Managing Director, Mr. David Schuette, said today.

Austin Exploration has named this new project the Moses Austin project. Mr. Austin was a resident of the area and is considered by many to be the father of Texas. The Moses Austin project will begin by re-entering one of the five existing wells on the property and deepening it. The company will pass the already drilled and produced formations of the Austin Group to explore the Eagleford, Woodbine and Washita Group which contains among others, the oil and gas producing Buda and Georgetown formations. The vertical drilling re-entry program is anticipated to begin this calendar year.

The Giddings Field extends from Mexico through Central Texas and into Northwest Louisiana.

Austin maintains Net Revenue Interest of 78.3% in this project.

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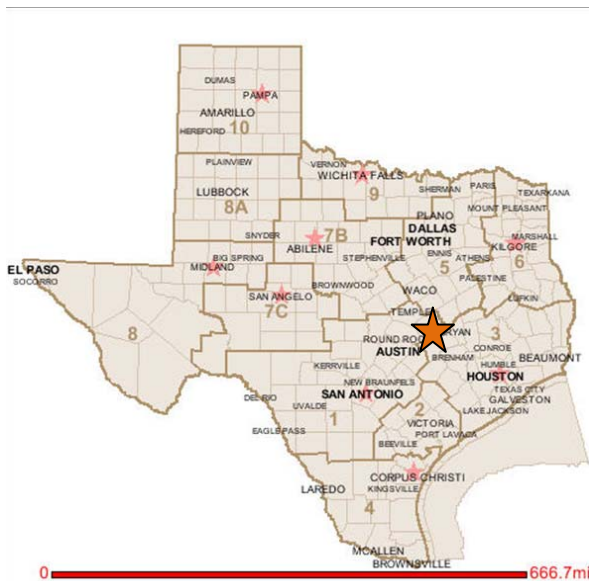
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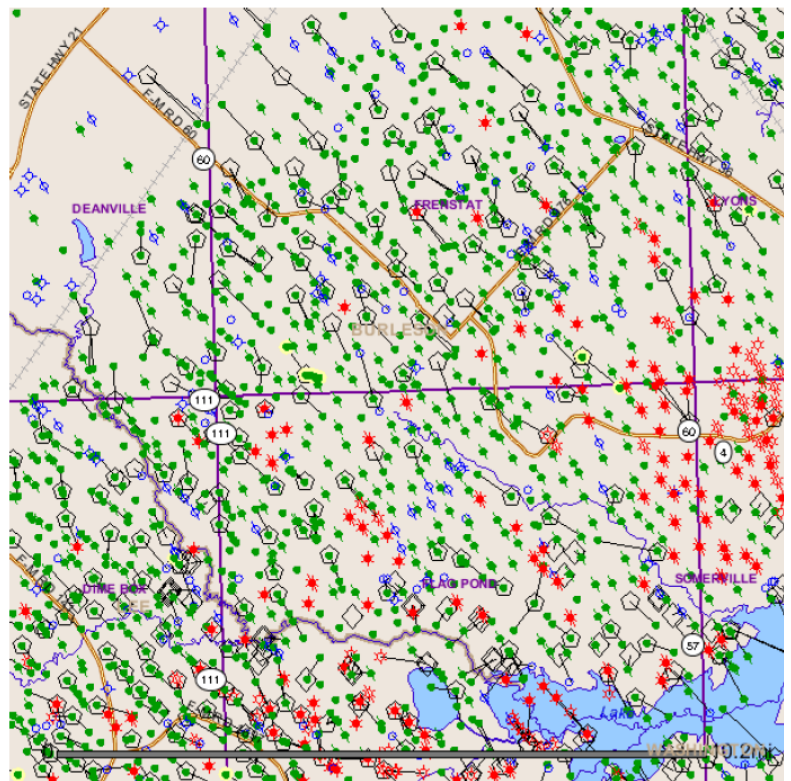
Why the Giddings Field?

1. The Eagleford Oil Shale, Buda and Georgetown formations present in the Giddings Field are gently dipping, fractured carbonate reservoirs with near-vertical fractures. This makes them ideal for low risk development through vertical and horizontal drilling.
2. Oil and Gas Pipeline infrastructure is also easily accessible and there is ample excess capacity in the systems currently in place.
3. Numerous paved roads deliver excellent access to the Giddings Field and the surrounding downstream infrastructure.
4. Existing hydrocarbon production in the area makes acreage acquisition and drilling opportunities very attractive.

Location of the Lease



Existing Oil and Gas Wells in Burleson County, Texas

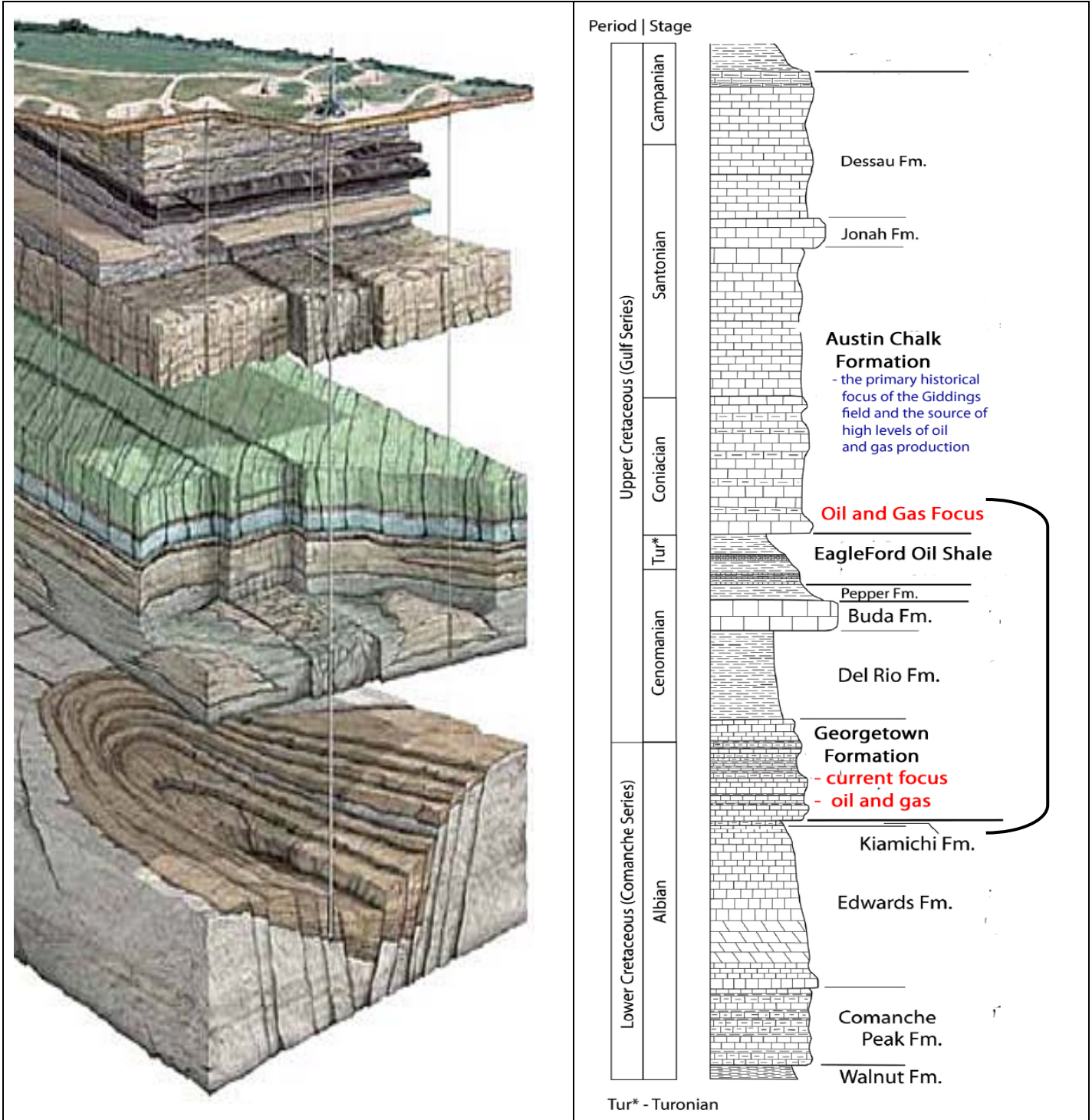


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Stratigraphic Formations of Giddings Oil and Gas Field



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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, 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

For more information regarding the types of drilling techniques and well stimulation methods used to increase gas flow from wells at Park City, [please visit our oil and gas learning center](#). The company has also provided a [Glossary of Terms](#) that may be helpful to some of our readers. Austin's website hosts a number of data sources and video that provide valuable learning tools for those interested in increasing their understanding of this sector.

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. Mr. Lindsey has over 28 years of experience including prospect generation, operations, deal appraisal and recommendation, economics, and development. 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. Mr. Lindsey also belongs to the Society of Independent Professional Earth Scientists (SIPES). Mr. Lindsey has relevant experience within the industry and consents to the information in the form and context in which it appears.

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