



Austin Exploration Limited

Building a balanced portfolio of hydrocarbon prospects

14 September 2007

ASX Announcement

Well Name: Southwest Edwards (V. Montgomery 29-6 #1 Well – Hinds Co., Mississippi, US)

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Production testing has commenced at Southwest Edwards

Austin Exploration Limited (“Austin”) (ASX code: AKK) today confirmed that a production rig has arrived onsite and that testing has commenced of the 30 feet of potential pay at its Southwest Edwards well in Mississippi, US.

Austin will test the production capacity, oil quality and flow characteristics within the 30 feet of potential pay identified within the multiple zones.

David Schuette, Austin Managing Director, said that Austin is encouraged by the log results and looks forward to confirming the potential of Southwest Edwards.

“We’re excited that the completion program has begun,” Mr Schuette said.

“Our log analysis identified thirty feet of potential pay within multiple zones so we’re keen to test the production capacity, quality of the oil and flow characteristics.

“We expect to have results from the testing program within the next week or so.

After the Southwest Edwards testing has been concluded, the rig and crew will be transported to Austin’s Jeter Branch site in Louisiana to begin testing.”

The company advises that more information will be announced as the testing results at SW Edwards are analysed.

Ends...

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About Austin Exploration Limited

Austin Exploration (Austin) is an oil and gas exploration company with a balanced portfolio of hydrocarbon prospects in Australia and the United States.

Austin's business model is to develop a portfolio of hydrocarbon assets with a balance of low-risk prospects combined with a prudent mix of high risk, higher return opportunities based on its capital availability. Utilising its technical competence and extensive industry network, Austin seeks to identify suitable risk profile prospects, conduct an evaluation and then identify suitable farm-in partners.

Austin is listed on the Australian Securities Exchange (ASX code: AKK).

Statement of Working Interests

Southwest Edwards		
Party	Cost Bearing interests through completion to First Sales	Cost Bearing interests %/NRI% of the Parties After Completion, to First Sales & all <u>Subsequent Wells</u>
Austin Exploration	* 0%	25% / 19%
Flex Energy LLC	41.1750%	50% / 38%
Private Australian Investor	29.4125%	12.5% / 9.5%
Verus Investments Limited	29.4125%	12.5% / 9.5%
TOTAL	100.000%	100% / 76%
* Aus-Tex Interest	Aus-Tex, by agreement with private investors will be carried through completion and to first sales in the Test Well	

Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled 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, officers 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 to 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>