



Austin Exploration Limited

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

ASX Announcement

10 March, 2010

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

- **Oil Present in Austin's First Well at Armstrong Project, Mississippi**
- **Sonic Log Confirms Two Pay Zones in Ellislie Plantation #1 Well**
- **Core Analysis to Confirm Oil Now Being Completed**

Dear Sir/Madam,

The Board of Austin Exploration Limited (ASX: "AKK") is pleased to update the market on the Company's Ellislie Plantation #1 well located in Adams County, Mississippi.

Target depth has now been reached, and Schlumberger sonic logs support the prior geological prognosis developed from the 1976 original data that oil is present in the previously producing Armstrong sand. The log data also supports a hydrocarbon presence in the deeper Benbrook sand. Core samples are now being retrieved for a full analysis, with testing of the two core samples now underway.



Based on these positive results, Austin will immediately move forward with the setting of production casing and work towards completion of the well.

DAILY DRILLING REPORT SUMMARY (U.S. Central Standard Time)

Mississippi Oil & Gas Board Well Permit Number: 2010-ODP-125

API Well Number: 23 001 211580001

Day 1 – March 4, 2010	Site preparation has been completed. The Shamrock Drilling Company Rig #1 left the yard early this morning. Rig was erected late in the day. Spud and Drilling to commence tonight.
Day 2 – March 5, 2010	Connection issues associated with drill mud recycling system delayed spud and drilling until midday. Circulation system was tested and passed. Drilling of

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	mouse hole and rat hole was then completed. Drilling operations then commenced through the original hole. Drilled to a depth of 480 feet. Drilling continued.
Day 3 – March 6, 2010	Drilling continued until the bottom plug was encountered at 1,800 feet. Plug was drilled through. Drilling continued.
Day 4 – March 7, 2010	As of 4:28PM - Currently drilling at 5,933 feet. There have been no unanticipated difficulties thus far and drilling continues through the original well bore. The Ellislie Plantation #1 re-entry reached target depth of 6,585 feet at 9:00 PM Central Standard time.
Day 5 – March 8, 2010	<p>After reaching the targeted drilling depth, a "wiper trip" was made up the well bore and drilling fluid was circulated throughout the well bore to condition the hole and build up a protective "mud cake". After well conditioning, Schlumberger began the rig up to run the induction array/sonic electric log.</p> <p>Openhole electric log operations began at 2:40PM central standard time on Monday March 8th, 2010. The log was run to determine the exact depth of targeted sands with potential for oil production. Original objectives were the primary Armstrong and the secondary Benbrook sands, which were encountered at 6,444 feet and 6,454 feet respectively. The logs also measured the permeability and porosity characteristics of the target formations.</p> <p>The electric log results support the prior geological prognosis developed from the 1976 original data that oil is present. Based upon the results of the wireline log the operator has recommended and Aus-Tex has agreed, to immediately begin setting five and half inch production casing.</p>
Day 6	
Day 7	
Day 8	
Day 9	
Day 10	

ANTICIPATED NEXT STEPS

Sidewall cores are now being shot over the prospective intervals every half foot. We anticipate the sidewall core results to confirm the wireline log interpretation and previous sidewall core data. Upon recovery, the dual pay zone core samples will be sent by courier to Omni Laboratories of New Orleans for analysis. The Company expects to receive the results within 24 hours. After production casing is set, the current drilling

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rig platform and support equipment will be disassembled and removed from the location. A completion rig will then be delivered to the location.

HELD INTEREST

Interest Holder	Working Interest	Net Revenue Interest
Aus-Tex Exploration, Inc.	50%	37.5%
Operator	50%	37.5%

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 30 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.

MEDIA AND INVESTOR CONTACT:

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Please visit the company web site for more information on this property and other projects that the company maintains an interest in. <http://www.austinexploration.com/>

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