



# Austin Exploration Limited

*Building a balanced portfolio of hydrocarbon prospects*

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## **ASX Announcement**

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

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## **Target depth reached at Southwest Edwards well**

Austin Exploration Limited ("Austin") (ASX code: AKK) is pleased to advise today that re-entry drilling has reached the target depth of 13,600 feet at the Southwest Edwards oil and gas well, located in Hinds County, Mississippi, US.

David Schuette, Austin Managing Director, said that reaching target depth allows Austin to begin testing the potential reserves at Southwest Edwards, which is positive news for the company and its investors.

"Reaching the target depth now provides Austin with our first opportunity to test for potential oil and gas reserves within our US-based prospects," Mr Schuette said.

"We'll now anticipate to begin electric logging operations for wellbore evaluation in the next 24 hours. After a thorough review of this log and the discovery of any positive log results, a decision to move forward will be made.

"Next steps may include the running of casing for production and/or testing of areas within the log results that are seen as positive."

The Southwest Edwards oil and gas prospect, on trend with production from several Upper Cretaceous reservoirs, is substantiated by subsurface control, 2-D seismic lines, and a 3-D seismic survey.

"The potential reserve from the project is 2.86 billion cubic feet of gas and 1,096,000 barrels of oil," he said.

**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

<b>Southwest Edwards</b>		
<b>Party</b>	<b>Cost Bearing interests through completion to First Sales</b>	<b>Cost Bearing interests %/NRI% of the Parties After Completion, to First Sales &amp; all <u>Subsequent Wells</u></b>
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%
<b>TOTAL</b>	100.000%	100% / 76%
<b>* Aus-Tex Interest</b>	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. David M. Schuette (Managing Director), Mr. Donald F. Reck Jr. M.S (Chief Technology Officer) of the company, and Mr. Phillip T. Lalande (Managing Partner of Flex Energy, LLC). All individuals are full-time employees, officers and/or are leading the company's drilling and operations. Mr. Reck has been a member of the American Association of Petroleum Geologists since 1976. Mr. Lelande is a member of the Society of Petroleum Engineers and served on the API Board of Directors.

Austin Exploration has 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.

For more detailed information on these executives please visit the Austin Exploration Limited website at <http://www.austinexploration.com/OurTeam.asp>