



# Austin Exploration Limited

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

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ASX Announcement

Tuesday 26<sup>th</sup> of August 2008

## Natural Gas Sales Increasing at Park City

Australian oil and gas developer, Austin Exploration Limited (ASX code: "AKK"), today announced the addition of the Ricky Hennion #1 well to its daily sales gas volume. After the successful implementation of a recently re-designed Fort Payne formation acid stimulation, this well increased its absolute open flows from a pre-treated daily rate of 17.5 thousand cubic feet of gas to an average of 100 thousand cubic feet of gas.

1. This addition now gives Austin three completed wells that are currently flowing gas to sales.
2. Two additional wells have undergone a recently designed New Albany shale fracture procedure and both are anticipated to come online later this week. Open flows will be announced after an appropriate well-bore pressure is achieved.
3. A fourth well containing a large oil column emanating from the Corniferous formation will be put on a pump later this week. Daily flows will be announced after several days of production have been reviewed.

"I know that many of our shareholders have been anxious for us to arrive at this point. Although our decision this past June to pause the continuous drilling program and add the significant expertise of [Bruington Engineering, Ltd.](#) to the team may have slowed us down just a bit, the initial outcome resulting from their work seems to indicate that we made a good decision. I'm looking forward to getting the final results from our New Albany shale fractures and the pumping of our first oil well." Austin Exploration's Managing Director, Mr. David Schuette, said today.

The company also noted that the Park City gas processing plant has improved daily up-time in July from approximately 81% to a new high in August of approximately 90%. This has allowed the company to sell a net to AKK gas volume of approximately 2,273 Mcf in July and an additional 3,437 Mcf in August at prices ranging from US\$7.75 to US\$12.65 per mcf.

All gas production has been sold to the [Texas Gas Transmission Company](#) by the operator Resource Energy Technologies, LLC (RET) through an established sales agreement with [Atmos Energy Marketing](#), a division of America's largest gas only utility.

The company maintains an undivided 75% Working Interest and a 65.625% Net Revenue Interest in every well it drills at Park City, moving to a 56.25% Net Revenue Interest from January 1 next year. The company also maintains a 33.33% Net Revenue Interest in any wells it acquires from RET.

### **MEDIA CONTACT:**

Kenny Hill  
Chief Information Officer  
Austin Exploration Limited  
(01) 512 423 2547  
[kenny@austinexploration.com](mailto:kenny@austinexploration.com)

Kevin Skinner  
Field Public Relations  
(08) 8234 9555  
0414 822 631

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issued through

**FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311**

231 South Road, MILE END SA 5031  
Ph: 08 8234 9555 Fax: 08 8234 9566

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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 and 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](http://www.austinexploration.com)

## Other Shareholder Resources

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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231 South Road, MILE END SA 5031

Ph: 08 8234 9555 Fax: 08 8234 9566