



ASX ANNOUNCEMENT

27th June 2011

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

NEWMONT ,CIMAREX AND PRIZE ENERGY TO SELL COLORADO NIOBRARA SHALE ASSETS TO AUSTIN

Highlights:-

- **Austin to acquire 10,486 acres in DJ Basin- Freemont County, Colorado, USA.**
- **Property surrounded by prolific oil producing fields**
- **Oil & gas reserves report to be completed on newly-acquired project**
- **Eagle Ford Reserves report Imminent**

Austin Exploration Limited (ASX: "AKK") advises that its wholly-owned US subsidiary, Aus-Tex Exploration Inc, has agreed to terms with Newmont, Cimarex and Prize Energy to acquire 10,486 acres of mineral rights (no depth limitations) in the Denver Julesburg (DJ) Basin in Colorado USA.

The significant parcel of acreage acquired by Aus-Tex is located adjacent to historic Florence Oil Field in Freemont County, Colorado.

Importantly, the newly acquired acreage – to be known as the "Pathfinder" project - is surrounded by proven oil production emanating from the Niobrara Shale.

The total cost of the acquisition including fees and costs will be approximately AUD \$2million. As previously announced to the market on the 12th May 2011, Aus-Tex will control no less than a 85% working interest (WI) and a 65% Net Revenue Interest (NRI) in the project.

Final contract negotiations and due-diligence procedures, including title checks are nearing completion. A downpayment has been allocated for the vendor to secure the project for Aus-Tex.

"To be able to acquire a project of this size and potential is a potential company-maker for Austin and one that will further broaden activity across Austin's petroleum assets into the future. It certainly is the biggest land acquisition by the Company since we listed on the ASX in 2006," Austin Director, Mr Guy Goudy, said today.

Austin Exploration Limited ACN 114 198 471

Listed on the Australian Securities Exchange ("AKK")

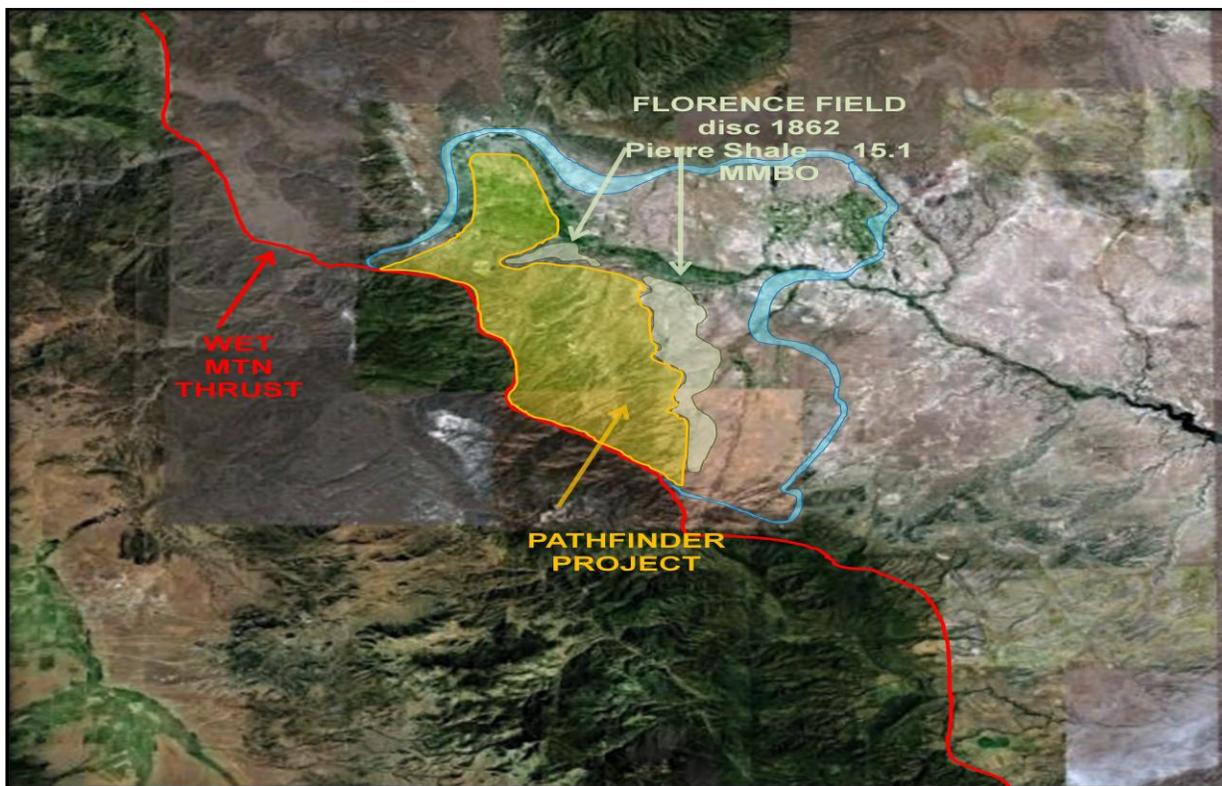
"With the high level of drilling activity currently taking place in North Western USA, transportation and infrastructure are in close proximity to the Pathfinder project. Site access for drilling rigs is excellent and drilling conditions are ideal," he said.

Mr Goudy pointed to the continuing local and international interest in the Niobrara Shale, including the recent multi-million dollar Commett Ridge transaction in Freemont County which he said was a good indication that Austin had acquired a project with the potential to add great value to the Company.

"This milestone acquisition wouldn't have been possible if it wasn't for the depth of industry knowledge and contacts that our Board has across the US petroleum exploration and development industry," he said.

"The Company looks forward to providing further details including a drilling schedule for the Pathfinder project in coming months and we also advise that an Independent Geologist has been commissioned to complete an oil and gas reserves report over the newly acquired project. We are also pleased to report that our Independent Reserves report for our Eagle Ford Shale Birch Prospect is nearing completion and will be released to the market in the first week of July"

PATHFINDER PROJECT LOCATION **Freemont County, Colorado USA**

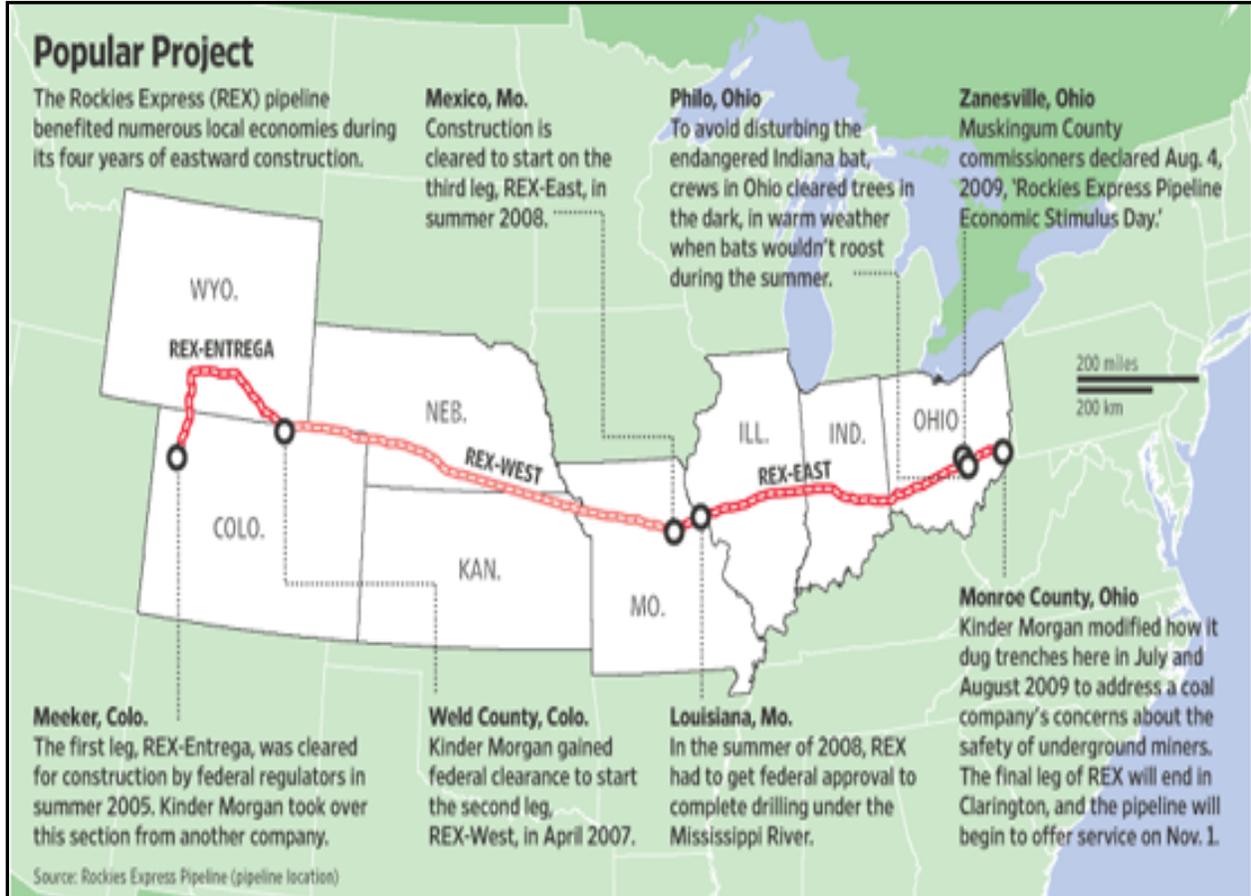


7985 W. 16th Ave, Lakewood • Denver, Colorado 80214
Level 1, 160 Queen Street • Melbourne, VIC 3000
GPO Box 2850 • Melbourne, VIC 3001

Austin Exploration Limited ACN 114 198 471

Listed on the Australian Securities Exchange ("AKK")

ROCKIES EXPRESS PIPELINE



MEDIA / INVESTOR CONTACT:

Guy Goudy
Company Director
Austin Exploration Limited
GuyG@AustinExploration.com