



Austin Exploration Limited ACN 114 198 471

Listed on the Australian Securities Exchange ("AKK")

ASX ANNOUNCEMENT

24th August 2011

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

AUSTIN SEALS MAJOR PRESENCE IN USA SHALE EXPLORATION

- **NIOBRARA & EAGLE FORD SHALE PROPERTIES FULLY FUNDED AND ACQUIRED**
- **NIOBRARA SHALE - 11,000 ACRES ACQUIRED WITH A 65% NET REVENUE INTEREST**
- **EAGLE FORD SHALE - 5,000 ACRES ACQUIRED WITH A 70% NET REVENUE INTEREST**
- **FIRST DRILLING TO COMMENCE IN SEPTEMBER**

The Board of Austin Exploration Limited (ASX: "AKK") is pleased to announce that settlement of its two North American Oil and Gas Shale assets has successfully been completed, with a fully funded multi-well drill program due to commence mid next month.

Austin has acquired more than 16,000 acres that lie within two of the most prolific Oil and Gas Basins in North America. Both properties are located in close proximity to infrastructure and drilling conditions are excellent.

Approximately 11,000 acres have been acquired in Fremont County, Colorado, covering the Niobrara Shale within the Denver Julesburg (D.J) Basin. An additional 5,000 acres covering the Eagle Ford Shale have also been acquired in Burelson County, Texas.

The first Eagle Ford well has been set to spud on Monday the 19th September 2011, US time. The Company will first drill 3 vertical wells, after which engineers will examine and review the electronic logs and the core samples from the 3 wells. The best results from these wells, in terms of oil production and formation characteristics, will be re-entered and a 5,000ft horizontal "multi-stage frac" will be drilled into the Eagle Ford formation. An independent report on Austin's Eagle Ford acreage has highlighted potential for 32 development wells with potential of 179,000 – 810,000 barrels of oil per well from the Eagle Ford, with additional potential from Austin Chalk and Buda/Georgetown Limestone (see ASX announcement 7 July 2011).

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Completion of the US shale exploration acquisitions follows an extensive Geological, Land Title and Environmental review undertaken by Austin's management and engineering teams over the past 60 days.

Austin's newly appointed CEO, Guy Goudy commented "This is a great achievement for our company and will provide a solid foundation for Austin to transition into a significant oil and gas producer."

"The large acreage positions are a first for Austin and will allow for continual and ongoing exploration with a view to building significant reserves and ultimately production. Importantly, the Company maintains high-interest positions in both projects which affords Austin the ability to have complete control over the management of its projects. It validates Austin's strategy of maintaining a strong US presence, which has enabled Austin to secure this significant acreage position, through the relationships of our Chairman Dr Mark Hart, and will ensure Austin is well placed to progress the development of these projects in the near term" Mr Goudy said.

EAGLE FORD SHALE "BIRCH PROSPECT" – BURLESON COUNTY, TEXAS

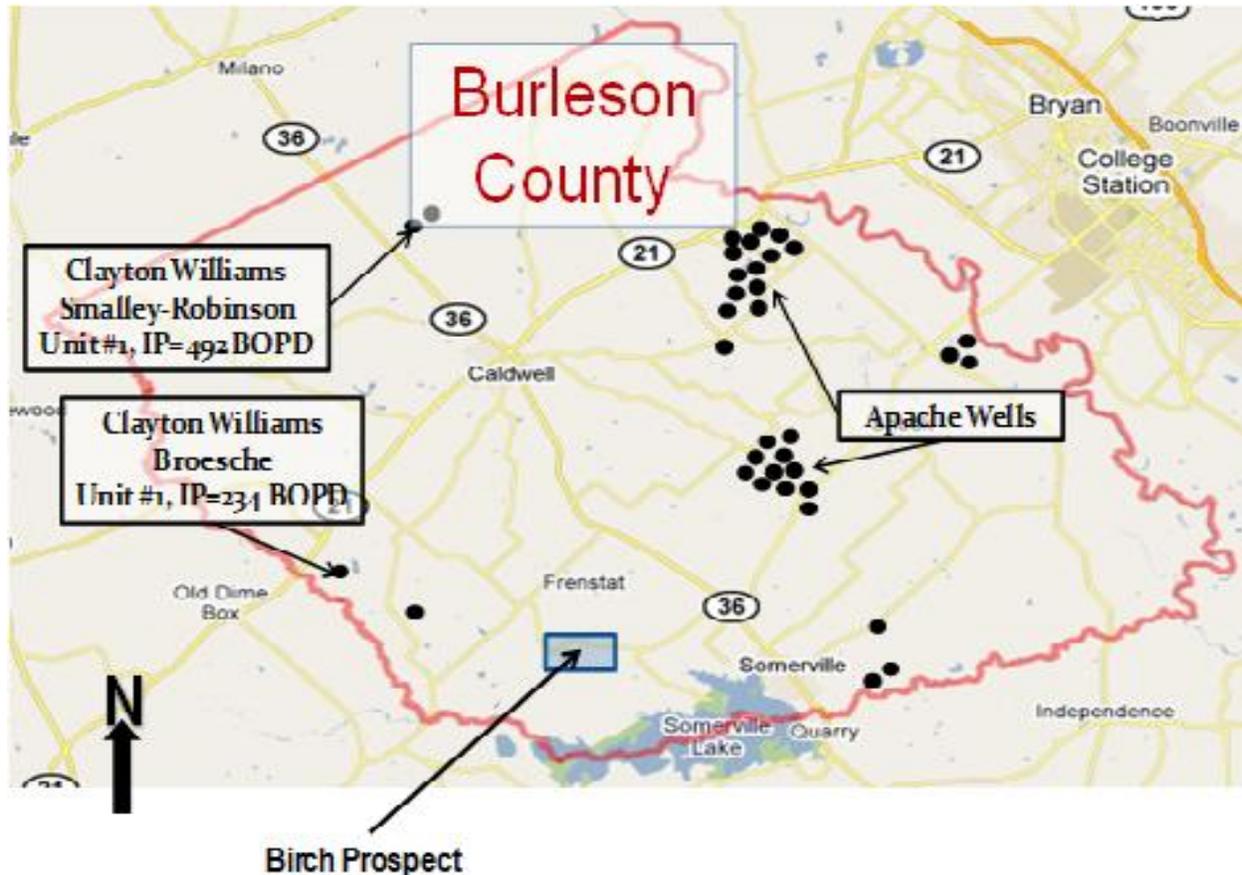
PROJECT HIGHLIGHTS:

1. Approx 5,000 acres with a **93.5% Working Interest and a 70% Net Revenue Interest**
2. Interpreted thickness of 300 feet in Eagle Ford formation
3. Eagle Ford Shale is mainly clay-rich limestone with low quartz content making less brittle than typical shale reservoirs (Barnett), yet with high fracturing capability.
4. Potential IP for horizontal well of > 800 BOPD.
5. At 120 acre spacing, this will allow for 32 wells to be drilled horizontally.

Birch Prospect first drilling site location



Birch Prospect: Recent/ Nearby activity



NIobrARA SHALE "PATHFINDER PROJECT" COLORADO, USA

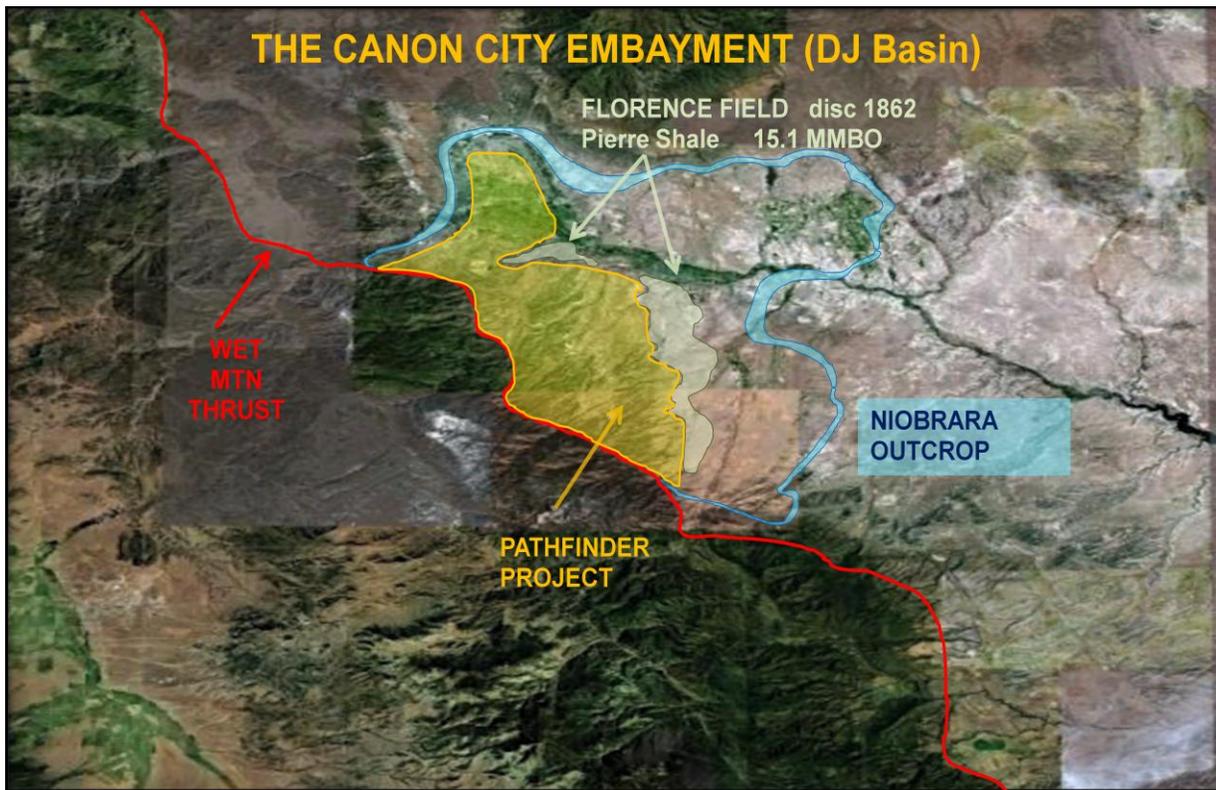
PROJECT HIGHLIGHTS:

1. Approx 11,000 acres with a 85% Working Interest and a 65% Net Revenue Interest
2. Contiguous acreage with a flat terrain
3. Thick Niobrara section. Average Niobrara thickness is 560 feet
4. High quality oil (39 API) in Drill Stem Test
5. High resistivity in very thick sections (up to 350 ft)
6. Natural fractures
7. Good log porosity (12%)
8. Relatively shallow (lower drill costs): Top depth of Niobrara in this prospect is averaging 3,000 ft

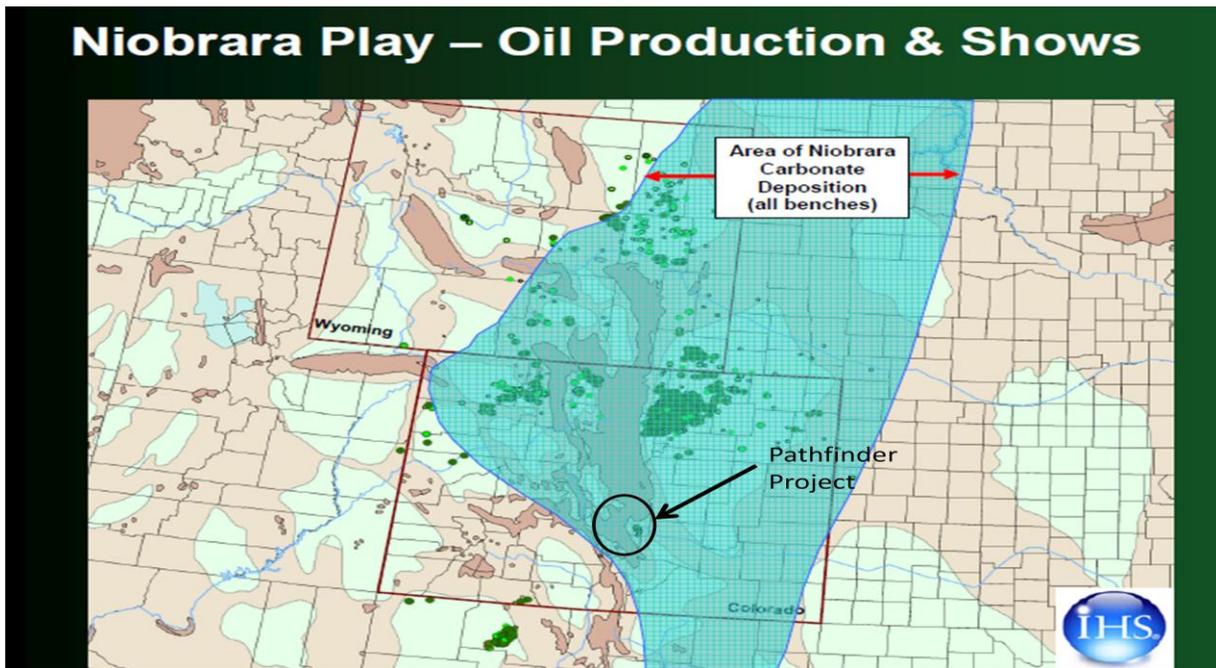
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Pathfinder Project Area



Niobrara Play – Oil Production & Shows



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On-site images of the terrain clearly indicate optimal drilling conditions



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