



# Austin Exploration Limited

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

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**ASX announcement**

**Friday June 27, 2008**

## **Park City Oil & Gas Field Operations Update**

### **Austin immediate focus on bringing 17 U.S. gas wells into production**

Adelaide-based Austin Exploration Limited (ASX: "AKK") today announced a renewed focus on bringing into immediate production 17 of the 19 wells so far drilled at its Park City gas project in Kentucky, USA.

The decision to concentrate on bringing the wells to production and thereby yielding maiden gas sales revenue includes temporarily suspending development drilling at the Park City project.

Austin said today that one well had already been connected to the delivery pipeline and that gas is now ready to be sent to the processing plant and be sold.

Austin and the Operator (RET) decided on the changed focus in an effort to better allocate their joint resources toward rapidly connecting all 17 commercial production wells to the local processing and distribution network, after which development drilling would then resume.

- After 6 months of successful drilling, the Operator and Austin Exploration have agreed to suspend the continuous drilling program and shift their focus toward production until the existing producing gas wells are being regularly connected.
- Austin and the Operator (RET) have also determined that all wells with commercially viable natural pressure will now be connected to the delivery systems prior to being treated or stimulated. Daily flows for each well will now be measured at the connection point and just prior to being sold. When pressure rates begin to decline the well will be acid stimulated and then reconnected the pipeline.
- 1 of the 19 wells (Hennion, Ricky 1) is now connected to the delivery pipeline with first sales to the [Texas Gas Transmission Company](#) expected to commence shortly. Atmos Energy Marketing and RET are currently repairing a small fracture at the processing plant. Flow rates from the well head will be announced as soon as the plant is re-activated and measurement is reported by the operator.
- 19 wells have now been drilled or started;
  - 17 are naturally flowing gas or a combination of gas and crude oil;
  - 2 additional wells are currently being drilled (Hayes, Ronald 1 & Wilkerson, Arthur 4A);
- Last week's unsuccessful acid stimulation attempt at the Wilkerson 2A has now been fully evaluated. Additional technical and geologic resources have been acquired to assist with this well. This wellbore has 10.6 metres of Fort Payne formation. The company has determined that a different acid treatment formula will be needed. A separate area of the Fort Payne formation is now planned. A Frac operation

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Issued through

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on the New Albany Shale will also be performed.

“We now have 17 wells drilled and 2 more underway. After a thorough review by our team and the Operator (RET) we have agreed that the best approach would be to pause the drilling program and totally focus on having these wells online and delivering gas to the processing plant ,” Austin’s Managing Director, Mr. David Schuette, said today.

“Our team has been in Kentucky meeting with the operator for a good part of this week. We evaluated the stimulation results and techniques used by RET on many of their own wells and we all agreed that a different approach for our Park City project was needed. We have decided to connect those gas wells with natural flows significant enough for immediate sales and then return at a later date to stimulate them. This should enable sales to be made while the technical team refines the stimulation techniques to get the most out of each well.” Mr. Schuette said.

Austin’s Park City drill schedule envisages that up to 44 producing wells will be completed by the end of calendar 2008 with the opportunity to drill more than 200 wells in total on the field by the end of 2011.

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.

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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)

**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.*