



Austin Exploration Limited

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

ASX announcement

Wednesday 14 May 2008

Austin's exceptional USA gas strike rate continues with 11 out of 12 wells drilled now successful

Production and gas sales milestone imminent

Austin Exploration Limited (ASX: "AKK") is pleased to announce further drilling success and production progress at the Adelaide-based company's flagship Park City gas project in the state of Kentucky, USA.

The latest developments announced today are:-

- Austin's exceptional gas strike rate has continued with its Park City drilling program producing its 11th successful well, and
- The Park City gas processing plant, into which Austin's wells will be connected, has this week realized its first volume gas sales to the [Texas Gas Transmission Company](#).

The 11th success in the continuous drilling program came from the Aus-Tex PC12 (David Hennion 1A) well which produced gas naturally from the well head at commercially marketable levels. The absolute open flow rate will be reported after the well is acid stimulated and ready for pipeline connection.

The maiden successful volume gas sales from the Park City processing plant to Texas Gas is the last step required prior to commencing the delivery and processing of natural gas from all of Austin Exploration's existing wells. The wells can now be acid stimulated and connected to the 40 kilometre delivery pipeline already laid by Atmos Gathering Company.

"With third party volume gas sales now taking place at the Park City plant we are very near our company's first natural gas sales and oil production milestone from our efforts in Kentucky," Austin's Managing Director, Mr. David Schuette, said today.

"It's just incredible to realize that in less than seven months we have seen over 40 kilometres of delivery pipeline completed by the operator and the assembly of a gas processing plant large enough to require the local municipality to build new power plant infrastructure. In this short period of time 11 successful wells have also been drilled by Austin with no dry holes charged to Austin's interest." Mr. Schuette said.

All wells will be stimulated prior to pipeline connection. Wells that contain oil will be stimulated and then connected to oil, gas and water separators. The oil will be collected and then delivered to the nearby refinery and the gas will be connected to the in-place delivery pipeline. Distribution, processing and purchasing contracts for both the oil and gas are already in place.

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The 40 kilometre delivery pipeline was built by [Atmos Gathering Company](#), the sale of the natural gas is provided by [Atmos Energy Marketing](#), both subsidiaries of Atmos Energy, America's largest gas only utility. The gas processing plant is operated by Resource Energy Technologies.

Austin maintains an undivided 75% Working Interest and a 65.625% Net Revenue Interests in every well it drills at Park City. Beginning January 1, 2009 the company will hold a 56.25% net revenue interest and continue to hold an undivided 75% Working Interest.

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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.

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

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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