

ASX ANNOUNCEMENT

13th August 2009

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

Dear Sir/Madam

Second Oil Well Completed at Park City Third Well Completion Underway

The board of Austin Exploration Limited (ASX: "AKK") is pleased to announce the successful completion of its second oil well at the Company's Park City oil and gas field, Kentucky USA.

James Spillman #2

The James Spillman mineral lease has now produced its second successful oil well for the company. The Spillman #2 SRS completion procedures wrapped up today and oil is present. A tested flow rate will be reported when the 48 hour testing is completed and confirmed by the drilling company. The Spillman #2 underwent 16 successful lateral completions at lengths of 19-25 feet (5.79m-7.62m) each.

Harlen Tarter #1 SRS Completion Now Underway

The Harlen Tarter #1 well completion program also began today. The SRS drilling procedure is now underway and the company is anticipating a completion of this well sometime next week. As was the case with each of the Spillman wells, the completion procedure for the Tarter well is targeting the oil producing corniferous formation.

The Tarter well represents the third well of the current four well completion program. Upon completion of the fourth well the chief geologist for Aus-Tex Exploration and the completion team of KOS Energy will assess the results and begin organizing the next multi-well completion program. There are 17 total wells already drilled on the 857.82 acres of mineral leases held by the company. This acreage provides ample drilling space for an additional 60 wells.

Current Economics of the Coniferous Formation

- Aus-Tex Exploration in conjunction with its drilling and completion service providers will continue to focus on these shallow well opportunities because of the positive economic model that they provide.
- The economic model is very compelling. Low cost to drill, low cost to complete and long lasting production produces a very favorable economic model.
 - ***The Income Model provides low risk with long term reward***
 - Oil production from a successful coniferous wells can be reliably produced for many years. The Kentucky Geological Survey (KGS) has been keeping oil and gas well production records for the State of Kentucky since 1997.
 - Shallow coniferous wells within this data set have been producing oil since the KGS began keeping records. Although the production data has only been collected for the past 12 years the well log dates and first production dates indicate that production has been ongoing since 1983 or approximately 26 years.
 - **Conclusion** – oil well production imitating from the coniferous formation can last for many years and has been documented to last as long as 20 years.
 - ***The Expenses Model provides low capital requirements***
 - Typical new well drilling can now be accomplished to targeted depths for less than US\$50,000 per well
 - Post drilling SRS well completion expenses are typically less than US\$35,000 per well.
 - With a successful flow of oil each of these wells can then be put on pump and delivery oil to storage for less than US\$10,000 per well
 - **Conclusion** – wells such the 17 that are already in place at Park City and the hundreds of similar wells on surrounding leases can be completed and brought into production for less than US\$50,000. Entirely new wells efforts can be accomplished from start to finish for less than US\$100,000 per well
 - **Well Drilling and Re-completion opportunities are abundant**
 - Austin's current acreage provides for 15 already drilled wells and an addition 60+ off-set well opportunities to pursue

Austin Exploration Limited ACN 114 198 471

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

- Surrounding acreage also includes hundreds of wells that are candidates for corniferous completions via SRS techniques
- **Return of Investment Capital**
 - The combination of low capital requirements and long lasting production provide the company with a repeatable economic model for in place wells and new well drilling efforts
 - ✓ In place wells that produce less than 10 barrels of oil per day can still return the original investment capital very quickly
 - Example – 10 BOPD x 30 days @ \$65 per barrel = \$19,500 gross per month
 - Returning investment capital in less than 3 months
 - 20 years of productions
- **Lower risk profile is also favorable to deeper drilling plays**

Single Well Outcome	Shallow Corniferous Well	
General Profile	Low	High
Reservoir focus	No	
Formation focused	Yes	
Targeted depth (ft)	900	1,500
Time to drill through completion	1 day	3 days
Multiple new well drilling available	Yes	
Risk of a dry hole	Very low	
Production life span	15 years	25 years
Initial Capital Required	Low	High
Land acquisition	\$1,000	\$5,000
Reservoir analysis	N/A	
Formation analysis	\$5,000	\$25,000
Dry hole drilling effort	\$25,000	\$45,000
Completion effort	\$25,000	\$35,000
Infrastructure for delivery	\$12,000	\$20,000
Annual Lease Operating Expenses	\$2,500	\$5,000
Total	\$70,500	\$135,000

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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 and has over 28 years of oil and gas experience including exploration, development, operations, acquisitions and divestitures. 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. He also belongs to the Society of Independent Professional Earth Scientists (SIPES).

Mr. Lindsey has the relevant experience within the industry and consents to the information in the form and context in which it appears.