



# Austin Exploration Limited

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

**ASX Announcement**

**2<sup>nd</sup> February, 2010**

## **For Immediate Release**

The Manager  
Companies Announcements Officer  
Australian Stock Exchange  
Electronic Lodgement

- **Illinois Basin Oil Well Commences Production near Sebree, Kentucky**
- **Russell 1A Well Averaging 20 - 25 Barrels Per Day**
- **Next Well Scheduled for Completion in February**

Dear Sir/Madam,



The Board of Austin Exploration Limited (ASX: "AKK") is pleased to announce that its U.S. subsidiary, Aus-Tex Exploration Inc., has successfully transitioned its first Illinois Basin oil well, the Russell 1A, from the previously announced completion stage and that the well is now in production.

The Russell 1A well is producing approximately one barrel of oil per hour, roughly the same oil to water production ratio that was measured during the initial swabbing of the well

two weeks ago.

Daily production rates should now average between 20-25 barrels of oil per day, thus delivering approximately 600 barrels of oil per month to the cumulative production of the project. Production is emanating from the McClosky formation, which is known for decline rates of approximately 12% during the first year of production.

The Russell 1A well represents the first well completion under the recently announced joint development agreement between KOS energy of Canada and Aus-Tex Exploration.

The 2,700-foot Russell 1A well was originally completed and announced on January 11<sup>th</sup> 2010. Shortly after swabbing and measurement of the initial oil flows a major sub freezing weather front moved into the area, followed by a period of thawing and then torrential rain. Flow line trenches and electricity have now been completed, and the well has been on pump for the last three days.

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The next well, the Russell #5, is now being scheduled with an anticipated completion date in mid to late February.

## **HELD INTEREST**

- Working Interest of 100%
  - 50% to Aus-Tex
  - 50% to KOS Energy
- Net Revenue Interest of 75%
  - 50% to Aus-Tex (37.5%)
  - 50% to KOS Energy (37.5%)
- Remaining Revenue Interest
  - 25% to seven individual interest holders

## **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 30 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.

## **MEDIA AND INVESTOR CONTACT:**

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Please visit the company web site for more information on this property and other projects that the company maintains an interest in. <http://www.austinexploration.com/>

**ENDS**