



Austin Exploration Limited

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

ASX Announcement

20th of November, 2008

Drilling and Acquisition Program Underway at Historic U.S. Oil and Gas Field

Australian petroleum explorer and developer, Austin Exploration Limited (ASX code: "AKK"), has boosted its United States oil and gas portfolio with the acquisition of an additional 160 acre mineral lease unit in the historic Giddings Field. The company is currently in a queue for a drilling rig, a drilling permit and anticipates spudding to begin at the ODC #4 well within a few days.

The ODC #4 well is one of three existing wells on the newly acquired mineral lease. Since March 1981, these wells have cumulatively produced 175,024 barrels of oil and 5.766 BCF (billion cubic feet) of natural gas from the Austin Chalk formation.

A local experienced drilling crew managed by [Bruington Operating, LLC](#) has been acquired to perform the re-completion and deepening of the well to the predominantly gas producing Georgetown formation. The ODC #4 was previously drilled, cased and producing from the Austin Chalk formation and will be the initial focus of the first drilling. An increase in depth of less than 900 feet is required to penetrate the targeted Georgetown formation. Bruington Operating LLC has reviewed the drill site location, analyzed the current well-bore, assessed the re-completion requirements and will be managing the project against the following work plan.

	NOVEMBER				DECEMBER				JANUARY			
	wk1	wk2	wk3	wk4	wk1	wk2	wk3	wk4	wk1	wk2	wk3	wk4
ODC #4 Work Plan												
Lease Documents and Drilling Permit	█											
Arrival of Work-over and Drilling Rig			█									
Spud the well				█								
Complete the well					█							
Begin Production to Sales									█			

"Bruington Engineering has significant experience operating wells in the same geographic area as the ODC #4 and they also maintain a very successful track record in that area. They are well known for staying on budget, on schedule and for professionally communicating with their clients. We are fortunate to have such a high quality operator working for us," Austin's Managing Director, Mr. David Schuette, said today.

The Georgetown formation is currently producing significant amounts of natural gas at several newly completed nearby wells. A similar vertically drilled well 2.5 miles northeast of the ODC #4 was completed by Apache Energy Corporation on July 28th 2008. That well came on production at a rate of 1.418 MMCF of gas per day – translating to over \$3.6M of gross income per year with gas valued at \$7 per MCF.

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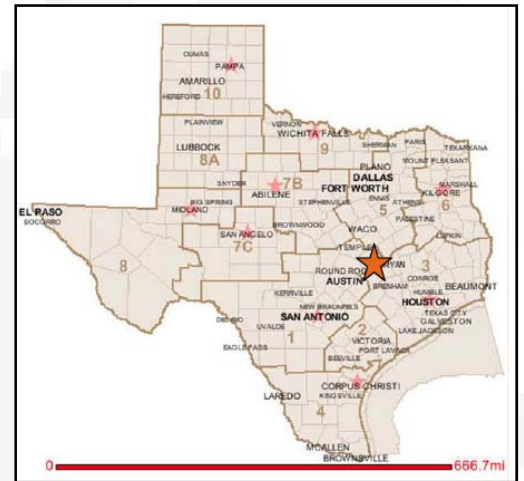
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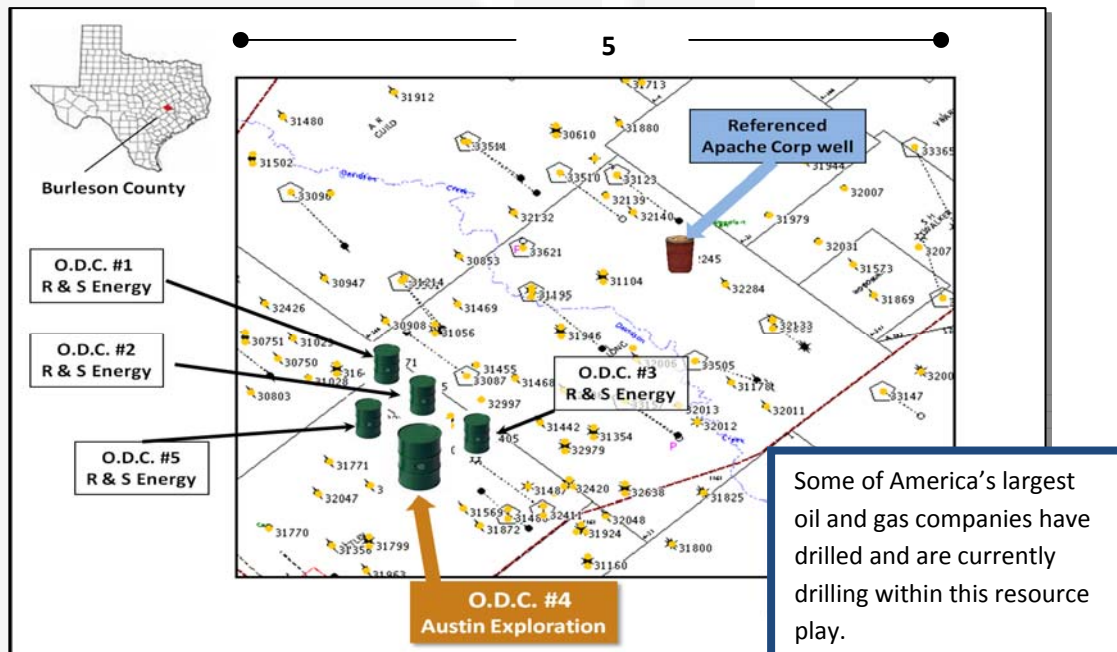
LOCATION OF THE LEASE

- The recent acquisition is just outside of Austin Texas.
- This lease consists of a group of three wells located in Burleson County, Texas.
- The initial objective is to re-enter the three ODC wells with a focus on the Eagleford Shale and the deeper Buda and Georgetown formations
- The first well focus of the play (ODC #4) will begin work-over and drilling in just a few days.
- Oil and gas pipeline infrastructure is easily accessible, with ample excess capacity in existing systems
- Numerous paved roads offer easy access to the field and surrounding infrastructure



SUMMARY OF MOSES AUSTIN OIL AND GAS HOLDINGS

- The Rhodes Family lease: A 731.88 acre area acquired on July 31st, 2008. Austin has acquired 75% Net revenue Interest.
- The ODC #4, #6 and #2: Three wells, each with individual 160 acre tracts



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Austin Exploration maintains a Working Interest of 70% and a Net Revenue Interest of 43.75% for all hydrocarbon production emanating from the Georgetown geologic formation. Newtak Pty, Ltd and California Services Pty, Ltd have joined Austin in this drilling program and have acquired an additional 30% Working Interest and a Net Revenue Interest 18.75% in the ODC #4 well.

ROYALTY AND NRI DISTRIBUTIONS	NRI %	WI %
Mineral Owner	25.00%	0.00%
R & S or Current Lease Holder	12.50%	0.00%
Newtak & California Services	18.75%	30.00%
Austin Exploration	43.75%	70.00%
Total Interest	100.00%	100.00%

A MODEL FOR GROWTH

EXPANDING THE PLAY

- The launch of a well acquisition and development program has begun
- Multiple wells similar to the ODC #4 can be leased within Austin's 40 square mile initial target area
- Newly completed neighboring gas wells are commonly producing between 500 mcf and 1.0 MMcf of gas per day. Recently finished oil wells are often producing 50-150 barrels of oil per day
- Typical total expenses for the re-completion of each well are expected to be between US\$750,000 and \$1,200,000
- At the levels of production encountered at neighboring wells, initial production income for Austin from each well could be:
 - Up to US\$1,500,000 per year (using \$7 market price) for gas
 - Up to US\$1,350,000 per year (using \$60 market price) for oil

SCOPE AND OBJECTIVE

The program is designed to follow the recent re-completion successes of companies such as Apache Energy Corp. and other US majors at the historic Giddings Field – one of the most productive fields in the US

- The initial lease acquired by Austin is part of a larger geographic resource play that has recently seen a significant increase in drilling activity, due in large part to technological improvements
- Targeting the Eagleford Oil Shale, Buda and Georgetown formations: gently dipping, fractured carbonate reservoirs with near-vertical fractures
- Low risk development of previously producing wells is the focus of the company

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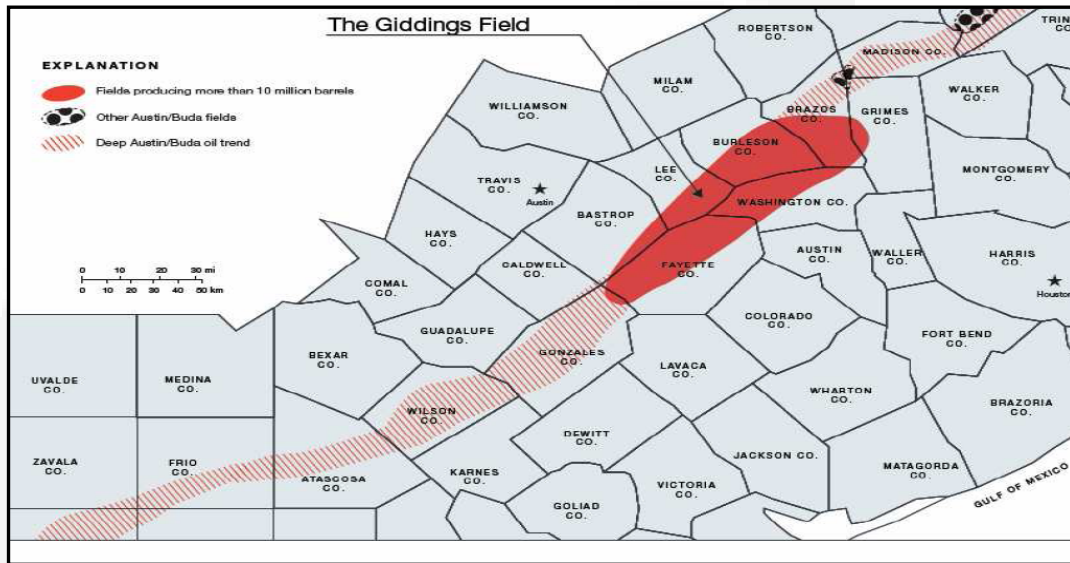
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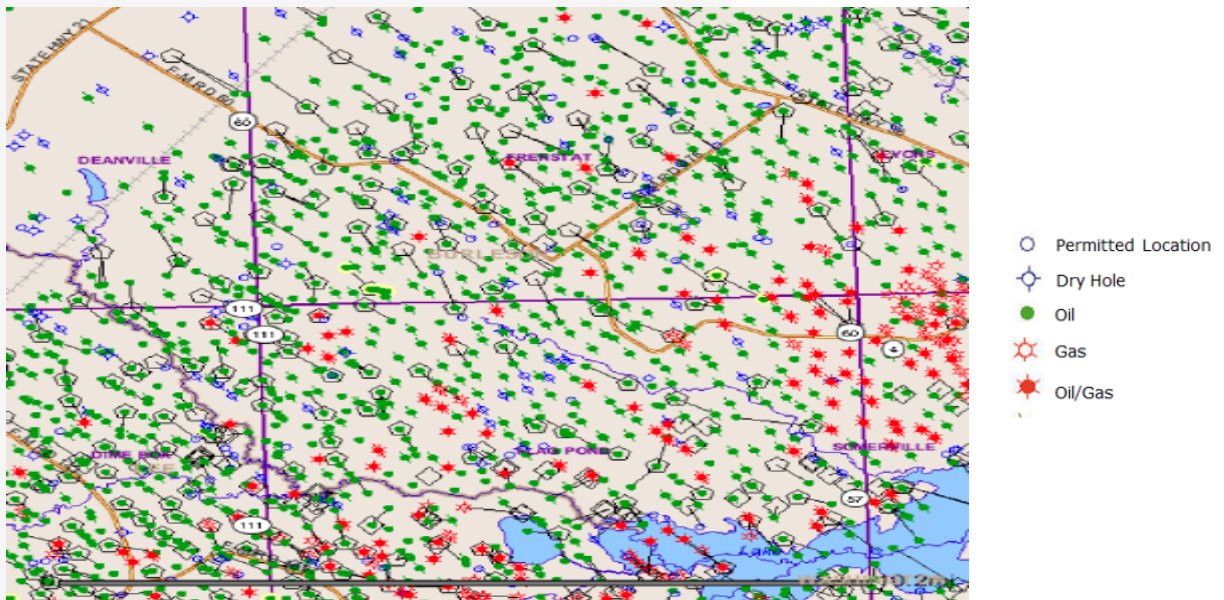
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- Austin has identified hundreds of wells in the primary target area (marked in red) which could be re-completed and deepened by less than 1,000 feet – allowing for the penetration of deeper proven oil and gas pay zones



EXISTING OIL AND GAS WELLS IN BURLESON COUNTY, TEXAS



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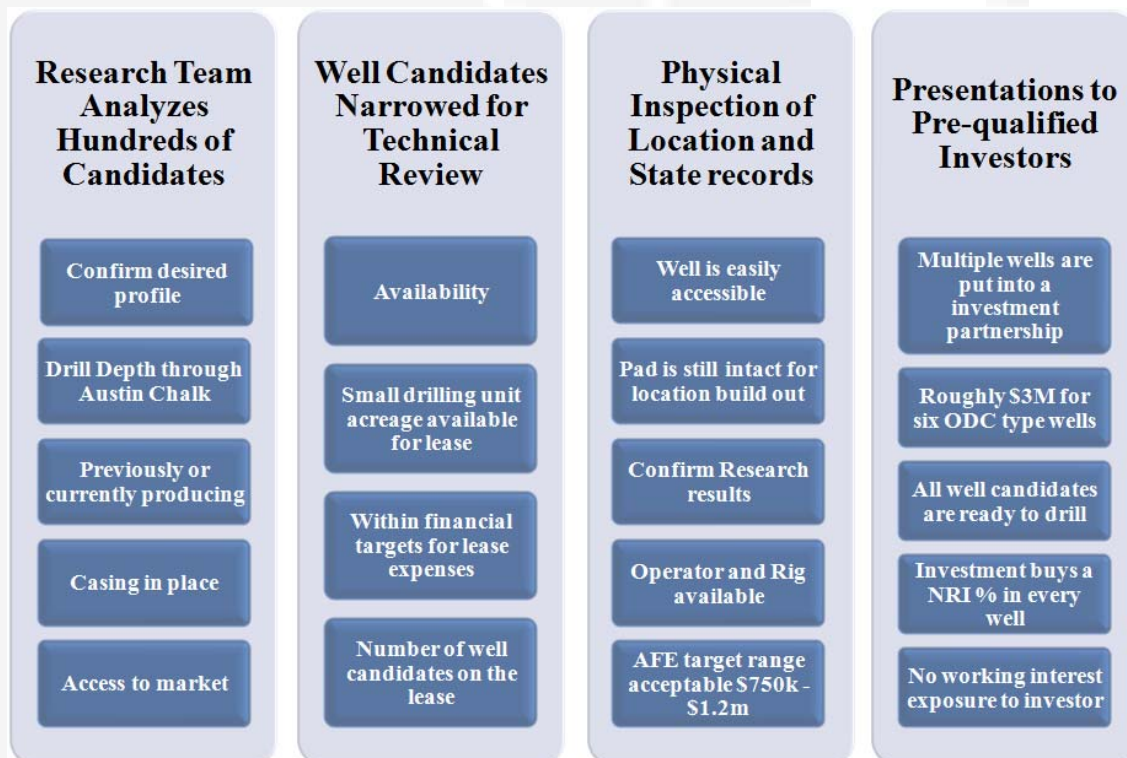
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UTILIZING A FOCUSED BUSINESS MODEL FOR WELL ACQUISITION

- Generate a consistent flow of re-completion drilling prospects through a predetermined "profile qualification process"
- Designed to progress multiple well opportunities through a disciplined process that produces qualified wells for Austin to develop quickly and efficiently
- Qualified wells share several basic fundamentals:
 - The process is engineering, geological and location focused
 - Specific depths and previous production
 - Can be drilled within three months of acquiring drilling rights
- Low cost re-completion expenses in comparison to drilling new wells



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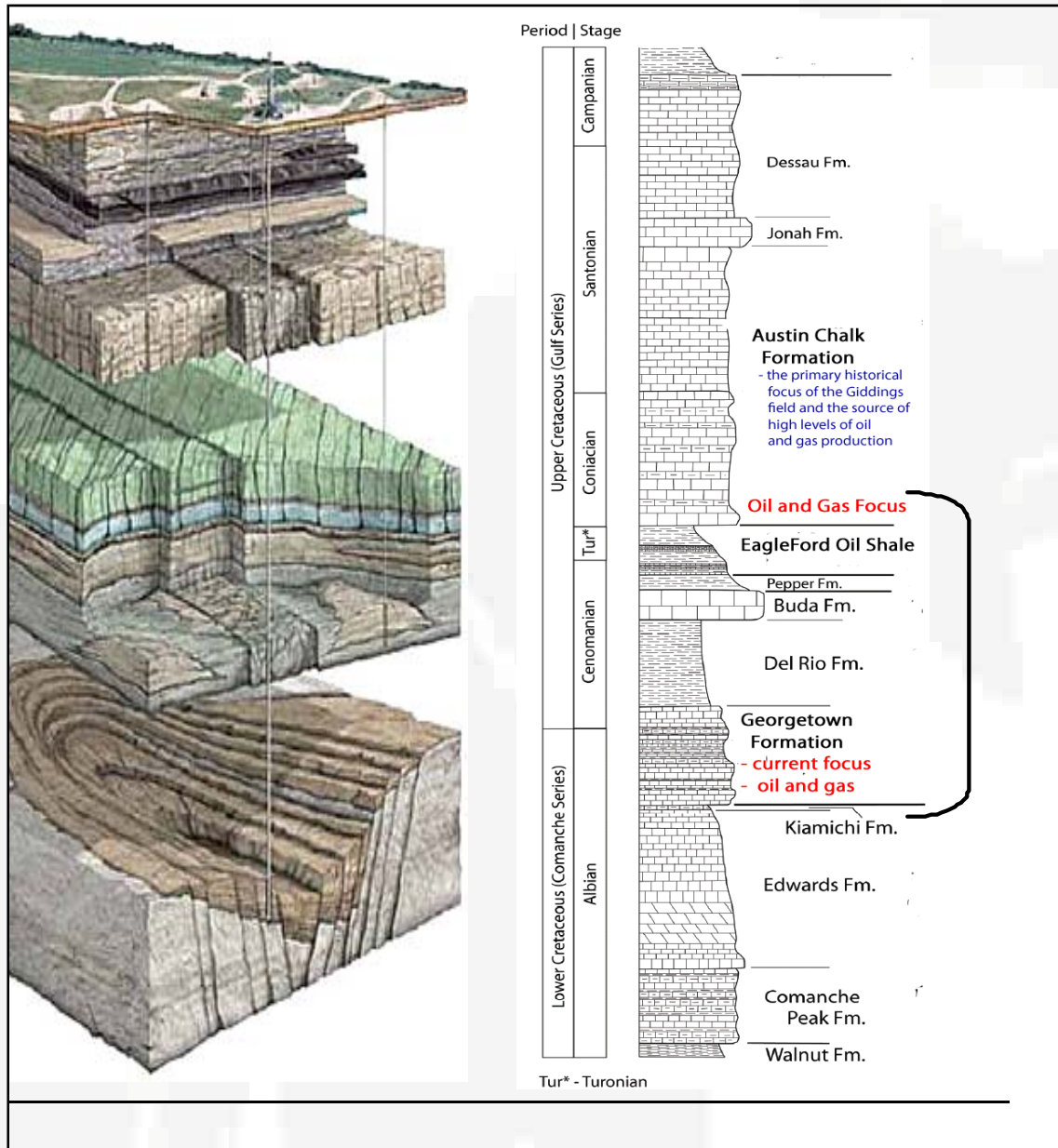
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STRATIGRAPHIC FORMATIONS OF FOCUS



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About Aus-Tex Exploration, Inc

Aus-Tex Exploration, Inc. is a subsidiary of Austin Exploration Limited of Australia. The company 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

Other Shareholder Resources

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.

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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