



Austin Exploration Limited

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

ASX Announcement

18 February, 2010

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

- **High impact targets acquired and ready to drill**
- **Prospect ready for drilling – Three 6,500 foot wells planned**
- **Estimated first well recoverable reserves of 141,000 barrels of oil**

Dear Sir/Madam,

The Board of Austin Exploration Limited (ASX: "AKK") is pleased to announce a further expansion of its United States oil and gas interests with the acquisition of a 50% interest in what will be Austin's largest new oil prospect.

The Armstrong prospect area – acquired by Austin's wholly owned US subsidiary, Aus-Tex Exploration Inc. – is located in the city of Natchez and the State of Mississippi.

The first well to be drilled on the prospect will be the Ellislie Plantation #1, which is on schedule for an early March spud date. The Company has negotiated an option to drill two additional wells on the same geologic trend should the first well result in commercial production.

These three wells represent the 16th, 17th and 18th wells to be drilled by the operator. Fourteen of the fifteen previous wells each produced an average of 2,550 barrels per month. Similar to the previous wells, the next three wells will target the Wilcox formation.

Aus-Tex Exploration will spend approximately US\$500,000 on drilling each well.

Mississippi



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Anticipated initial production for each well is

- a. Low – 75 BOPD (Barrels Oil Per Day)
- b. Mid – 95 BOPD
- c. High – 125 BOPD

ABOUT THE PROSPECT

- Aus-Tex is a non operator and will control a 50% working interest in the project.
- Aus-Tex will hold a Net Revenue Interest of 37.5% (half of the available 75%).
- All three wells share the same essential characteristics as the previous fifteen, ie.
 - i. re-drill of a previously producing formation
 - ii. must be a structurally high well with a proven reservoir
 - iii. last measured oil cut and volume is economically viable today
 - iv. initial period of high production rates created from pressure caused by the well being shut-in for many years
 - v. high initial production rates accelerate capital payout.
- The wells in this area typically produce for between three and five years.
- Low case production pays capital back in less than one year while high case production pays back in approximately six months.

FORMATION OVERVIEW

All target sands for the Armstrong prospect emanate from the Wilcox Formation.

The Wilcox Oil Province is an almost one billion barrel Tertiary oil province in central Louisiana and southwest Mississippi. The province is situated above the Wilcox Platform, part of the ancient Toledo Bend Flexure (TBF), which was created in the early, pre-rift Triassic by thermal doming. The TBF is an east-west trending feature, formed of continental crust material, which forms the southern margin of the North American Craton in the central Gulf Coastal region. Access for the oils to the reservoirs is determined by vertical fracturing occurring over the basement trends and along wrench faulting and related fracturing.

The following charts are sourced directly from the April 8, 2009 United States Geologic Survey (USGS) "Search and Discovery Article" #10179. They are provided for reference purposes only.

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PERIOD	EPOCH	AGE	GROUP OR FORMATION	
QUAT.	HOLO.	---	---	
	PLEI.	Calabrian	Undifferentiated	
TERTIARY	NEOGENE	Piacenzian	Undifferentiated	
		Zanclean		
	MIOCENE	Messinian	Fleming	
		Tortonian		
		Serravallian		
		Langhian		
		Burdigalian		
	Aquitanian			
	PALEOGENE	OLIGOCENE	Chattian	Catahoula <small>(Hackberry)</small>
			Rupelian	Vicksburg
Eocene		Priabonian	Jackson	
		Bartonian	Claiborne	
		Lutetian		
		Ypresian	Wilcox	
PAL.	Eocene	Thanetian	Midway	
		Selandian		
		Danian		

Objective sands are a subset of the Wilcox formation. Sands targeted are the Armstrong and Benbrook.

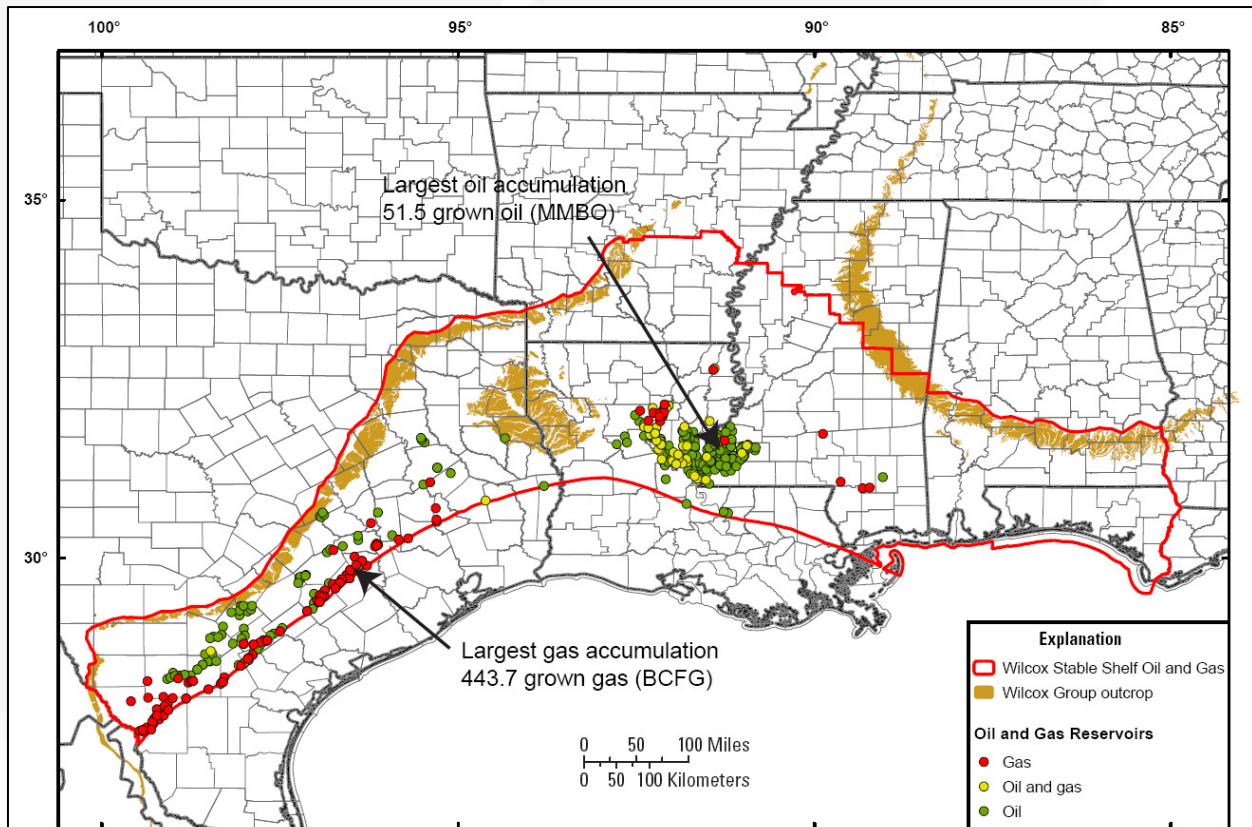


Figure 13. Wilcox Stable Shelf AU, showing oil and gas fields. Largest oil and gas accumulations are shown. Data from Warwick et al. (1997); Nehring Associates, Inc. (2006); Warwick et al. (2007a); and T.R. Klett, USGS, written personal communication (2006).

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HELD INTEREST

Interest Holder	Working Interest	Net Revenue Interest
Aus-Tex Exploration, Inc.	50%	37.5%
Operator	50%	37.5%

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