Austin Exploration Limited ACN 114 198 471

Listed on the Australian Securities Exchange ("AKK")

ASX ANNOUNCEMENT **4th April 2011**

For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

SHAREHOLDER UPDATE #3 - COMMENCEMENT PROSPECT

- **SIGNIFICANT USA HYDROCARBON DISCOVERY**
- **ELECTRONIC LOGS CONFIRM 26 FEET OF OIL SATURATED SANDS**

Dear Sir/Madam,

The Board of Austin Exploration Limited (ASX: "AKK") - on behalf its wholly owned US subsidiary Aus-Tex Exploration Inc- is pleased to announce a substantial oil discovery from drilling of the first well on the Company's Commencement Prospect, located in Adams County Mississippi USA.

The oil discovery well will be named the Armstrong #1 well.

Crude oil has been discovered in both the Baker and Ratcliff formations which were the main targets of this initial drilling program on the Commencement Prospect.

Core samples confirm a 20 feet oil column within the Baker Formation and a 6 feet oil column with the Ratcliff formation.

The target depth of 6,550 ft was reached on Thursday 31st of March 2011. Schlumberger Well Services crews have completed a series of logging tests including Spontaneous Potential (SP), Gamma Ray (GR) and Resistivity. By combining the data that was obtained from these logs, Aus-Tex Engineering staff decided on a set of intervals to retrieve sidewall cores for potentially producing zones. A total of 40 core samples were tested between 6515.5 and 6550 ft. and 36 of these samples were saturated with oil. The results also confirmed levels as high as 28.5% porosity and 890 millidarcies of permeability. Sidewall Core Analysis was provided by Weatherford Laboratories. The report follows.

Aldridge Operating Company, LLC
Armstrong No. 1 A
Commencement Field
Adams County, Mississippi
Section 27, T05N-R02W
API 23001234090000

Weatherford LABORATORIES

FILE NO.: NO-51437
ANALYST: Cotton / Larocco
DATE: 4/1/2011
CORES: Schlumberger

SIDEWALL CORE ANALYSIS

In. Rec	Sample Depth Feet	Permeability mD	Porosity %	Pore Volume Saturation Oil %	Pore Volume Saturation Water %	Prob Prod	Bulk Volume Saturation Oil %	Bulk Volume Saturation Gas %	Comb. Gas	Oil Water %	Qlt Factor	Core Lithology	%Flu
0.4	6515.0	45.0	21.4	11.6	71.0	Oil	2.5	3.7	0	53	3ms	Sd vfg slty shy lam E stks yl flu	45
0.4	6515.5	16.0	19.3	11.0	65.7	Oil	2.1	4.5	0	62	2s	Sd vfg slty shy yl-gld flu 43 API	90
1.0	6516.0								10			Lignite dk grey	0
0.5	6516.5	0.4	15.3	0.9	68.5	(6)	0.1	4.7	0	70	2s	Sd vfg slty vshy spts yl flu	1
0.8	6517.0	370.0	26.6	12.6	64.3	Oil	3.3	6.1	20	41	2s	Sd vfg slty sshy slig lam A stks yl flu	95
0.7	6517.5	670.0	27.7	12.2	67.2	Oil	3.4	5.7	38	36	3mfs	Sd vfg slty sshy yl flu	100
0.8	6518.0	25.0	20.2	11.1	65.2	Oil	2.2	4.8	20	59	2ms	Sd vfg slty shy yl flu 43 API	100
0.7	6518.5	30.0	20.3	8.6	57.2	Oil	1.7	6.9	0	57	2s	Sd vf-fg slty shy cmt yl flu	100
0.6	6519.0	70.0	23.1	12.6	57.0	Oil	2.9	7.0	18	53	2s	Sd vf-fg slty shy yl flu	100
0.7	6520.0	6.6	17.4	3.4	66.2	(6)	0.6	5.3	20	64	3mfs	Sd vf-fg slty shy yl flu	3
0.4	6521.0	9.2	17.8	3.1	64.1	(6)	0.6	5.8	26	65	3mfs	Sd vf-fg slty cmt yl flu	100
0.7	6522.0	440.0	27.0	8.5	64.7	Oil	2.3	7.2	22	40	3mfs	Sd vfg slty sshy scmt yl flu 43 API	100
0.8	6522.0	55.0	22.2	9.9	62.2	Oil	2.2	6.2	14	53	2s	Sd vf-fg slty shy lam C stks yl flu	50
0.7	6523.0					(8)			0			Sd vfg slty shy cmt lam C no flu	0
0.6	6523.0					(8)			0			Sd vfg slty shy lam no flu	0
0.6	6524.0					(8)			0			Sd vfg slty shy lam B no flu	0
0.7	6524.0					(8)			0			Sd vfg slty shy lam E no flu	0
0.7	6525.0					(8)			0			Sd vfg slty shy lam E no flu	0
0.7	6525.0					(8)			0			Sd vfg slty shy no flu	0
0.4	6526.0					(8)			0			Sd vfg slty shy cmt no flu	0
0.6	6526.0					(8)			0			Sd vfg slty shy scmt no flu	0
0.6	6542.0	15.0	19.2	11.5	66.3	Oil	2.2	4.2	0	62	2fs	Sd vfg slty shy lam B D stks yl flu	20
0.6	6542.0	3.2	15.9	4.4	76.3	(6)	0.7	3.1	0	66	2fs	Sd vfg slty vshy lam C stks yl flu	3
0.4	6542.5					(8)			0			Silt vshy no flu	0
0.7	6542.5					(8)			0			Silt vshy no flu	0
0.7	6543.0					(8)			0			Silt vshy no flu	0
0.6	6543.5	5.2	16.6	1.0	69.0	(6)	0.2	5.0	30	66	2s	Sd vfg slty vshy lam C stks yl flu	30
0.7	6544.0	16.0	18.2	7.2	65.5	Oil	1.3	5.0	34	61	2s	Sd vfg slty vshy lam D stks yl flu	25
0.8	6544.5	30.0	20.3	7.8	63.7	Oil	1.6	5.8	16	57	2s	Sd vfg slty shy lam D stks yl flu 41 API	30
0.7	6545.0	730.0	27.8	9.5	66.2	Oil	2.6	6.8	40	36	2s	Sd vfg slty shy lam F stks yl flu	65
0.8	6545.5	290.0	25.3	12.6	59.4	Oil	3.2	7.1	36	41	2s	Sd vfg slty shy lam E stks yl flu	60
0.7	6546.0	490.0	27.3	12.0	57.4	Oil	3.3	8.4	18	38	2s	Sd vf-fg slty shy cmt lam A stks yl flu	95
0.9	6546.5	32.0	19.5	10.8	64.6	Oil	2.1	4.8	86	56	2s	Sd vf-fg slty shy lam D stks yl flu	80
1.2	6547.0	680.0	28.5	10.3	65.5	Oil	2.9	6.9	68	36	2s	Sd vf-fg slty sshy lam D stks yl flu 41 API	80
0.8	6547.5	170.0	24.5	7.4	66.0	Oil	1.8	6.5	30	44	2s	Sd vf-fg slty sshy lam D stks yl flu	90
0.6	6548.0	540.0	26.9	7.5	63.0	Oil	2.0	7.9	54	38	2s2s	Sd vf-fg slty sshy lam A stks yl flu	90
0.8	6549.0	50.0	22.4	10.9	66.5	Oil	2.4	5.1	58	55	2s	Sd vf-fg slty shy lam E stks yl flu 41 API	90
0.9	6550.0	700.0	28.5	8.4	67.8	Oil	2.4	6.8	60	36	3ms	Sd vfg slty sshy yl flu	100
0.7	6551.0	75.0	22.7	10.4	64.1	Oil	2.4	5.8	70	52	2fs	Sd vf-fg slty shy lam D stks yl flu	55
0.8	6552.0	85.0	23.5	8.7	61.9	Oil	2.1	6.9	38	50	2fs	Sd vfg slty shy lam D stks yl flu	55
0.7	6553.0	120.0	23.3	6.8	63.6	Oil	1.6	6.9	50	47	2fs	Sd vfg slty shy lam D stks yl flu 41 API	50
0.8	6554.0	140.0	24.3	7.6	66.5	Oil	1.8	6.3	52	46	2fs	Sd vfg slty shy lam D stks yl flu	70
0.7	6555.0	150.0	23.5	14.9	68.5	Oil	3.5	3.9	90	46	2fs	Sd vfg slty shy lam D stks yl flu	65
0.6	6556.0	810.0	27.8	11.1	71.5	Oil	3.1	4.8	95	35	3mfs	Sd vfg slty shy lam D stks yl flu 41 API	90
0.8	6557.0	520.0	27.6	10.7	68.3	Oil	3.0	5.8	46	39	3mfs	Sd vfg slty sshy yl flu	100
1.2	6558.0	890.0	28.2	10.8	65.1	Oil	3.1	6.8	36	35	3mfs	Sd vf-fg sslty sshy yl flu	100
0.7	6559.0	550.0	26.8	11.4	63.2	Oil	3.1	6.8	10	36	3mfs	Sd vf-fg slty sshy cmt yl flu 41 API	100
	6560.0											Empty bottle	

Based on these results, Austin will immediately move forward with the setting of production casing, completing the well and begin preparing the well for production. The Company will further inform the market as these production activities progress.

This will be the second successful well for Austin in Mississippi. The first well, the Ellislie Plantation #1 well, has to date produced more than 15,000 barrels of crude oil since being put on to production in May 2010 and is expected to continue producing for several more years at commercial levels.

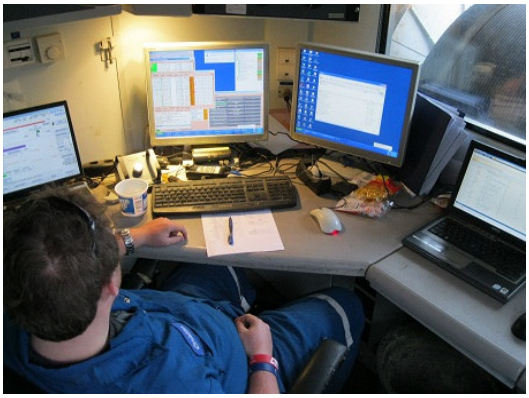
Guy Goudy, President of Aus-Tex commented: "We are most enthusiastic about this new Armstrong #1 discovery. It is an excellent outcome for our Company and for our shareholders and should see Austin with three wells in full time production come early May. With strong cash flows now solidified the Board can look to acquire new assets and aggressively focus on further growth."

ON SITE IMAGES

SCHLUMBERGER PREPARE TO RUN LOGS

RETRIEVING SIDEWALL CORE SAMPLES

AUS-TEX ENGINEERS REVIEWING LOGS



SCHLUMBERGER TECH CREW RUNNING LOGS

HELD INTEREST

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

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