



Austin Exploration Limited

Building a balanced portfolio of hydrocarbon prospects

9 October 2007

ASX Announcement

Well Name: PEL 105 (Cooper Basin, South Australia)

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PEL 105 Cooper Basin Update

Austin Exploration Limited ("Austin") (ASX code: AKK) today announced that it has acquired 100% of Hughes and Hughes Australia Pty Ltd's working interest in the PEL 105 oil and gas prospect, located in the Cooper Basin, South Australia.

Austin is also pleased to announce that Australian-based oil and gas exploration company, Adelaide Energy Limited ("Adelaide Energy") (ASX code: ADE), has acquired 50 per cent of Austin's interest in PEL 105 through a farm-out agreement – Adelaide Energy has also been named the official operator for PEL 105.

David Schuette, Austin Managing Director, said that two of Austin's largest assets are located in Australia (PEL 105 & PEL 73) and this partnership will set in motion a series of important efforts at PEL 105.

"We have been working diligently over the last 10 months to get this arrangement completed." Mr Schuette said.

"Adelaide Energy is currently working with a geologist and geophysicist to evaluate all of the available data and select a location for the first well at PEL 105. Under this license, Austin and Adelaide Energy will acquire 150 sq km of 3D seismic data and drill one well within the next year and three additional wells by year end of 2009.

"I am very excited to see progress at PEL 105 and to have an excellent operator such as Adelaide Energy as a partner. We are also encouraged by the recent announcement regarding PEL 103 (INP FLAX "Largest Australian Onshore Oil Discovery") just Northeast of our prospect. Both prospects share a pinchout type stratigraphic play. " he said.

The Company advises that more information will be announced when the initial well location has been identified.

PEL 105 Details:

- Area of 437 km² (100,000 acres)
- Prospective acreage and targets permit multiple wells
- 11 exploration wells are drilled within licence area
- Five gas fields with some oil discovered within boundaries
- Most of block has good to excellent seismic coverage
- Work commitments not onerous

- 60 km north of Moomba processing plant
- Very large structures and numerous unconformities leading to potential accumulations of oil and gas

Ends...

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Statement of Working Interests

PEL 105 (Cooper Basin, South Australia)		
Party	Cost Bearing Interest / NRI % First Well	Cost Bearing Interest / NRI % (APO) & all subsequent wells
Adelaide Energy Limited (operator)	100.00% / 41.667%	50% / 41.667%
Austin Exploration Limited	0% / 41.667%	50% / 41.667%
TOTAL	100% / 83.332%	100% / 83.332%

About PEL 105

PEL 105 is surrounded by producing fields, some of which are the largest in the Cooper Basin. For instance, within the Cooper Basin, the Tirrawarra Field has a cumulative production of over 178 BCF and 26 million barrels of oil, and is approximately 5 kilometres south east of PEL 105. Within the boundaries of PEL 105, but excised from it, are the Bimbaya Field (19 BCF of gas), the Bookabourdie Field (80 BCF of gas) and the Merupa Field (1.5 BCF of gas). There are very large structures and multiple unconformities present on PEL 105, making for significant potential for accumulations of oil and gas to exist on the flanks of these regional structures. Additionally, the

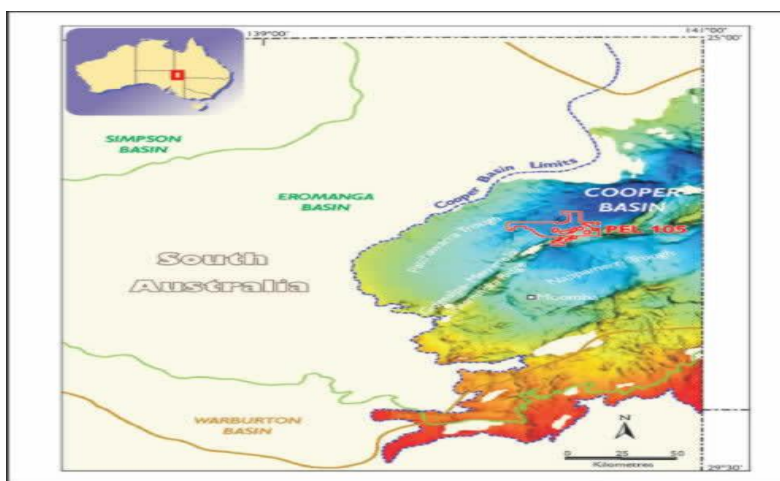
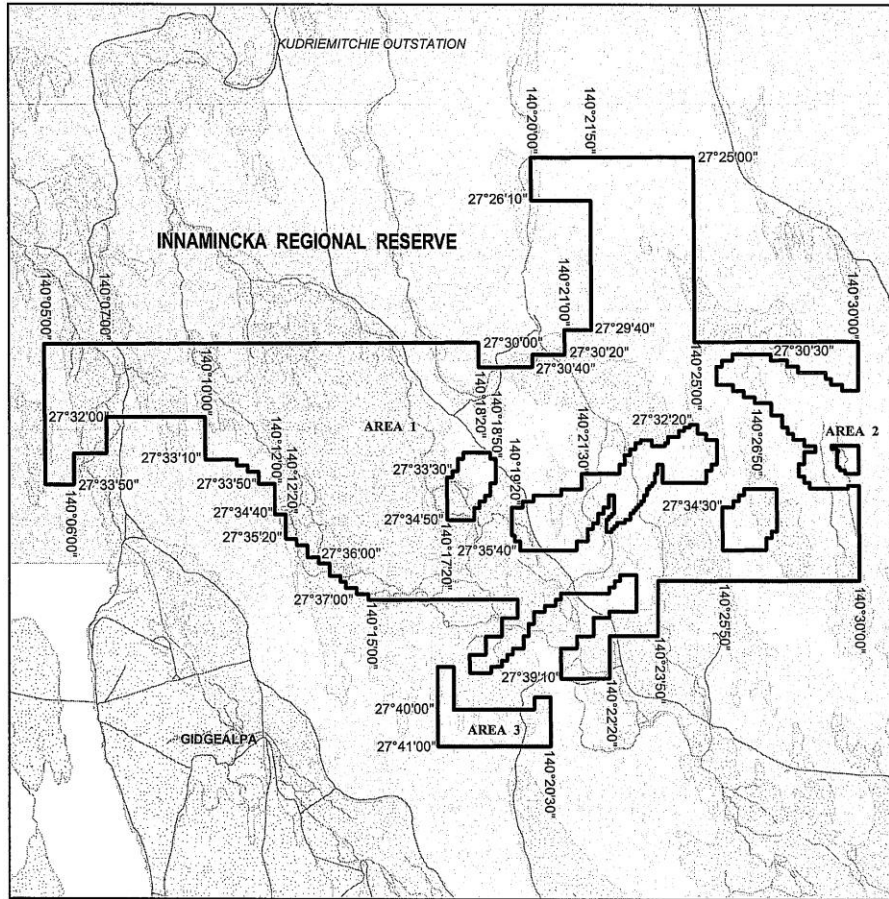


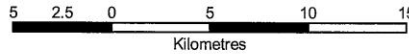
Figure 7. Southern Cooper Basin Tectonic Setting: Late Permian to Silurian Horizon. Prepared by Mulready Consulting for inclusion in this Prospectus

Palaeozoic Warburton Basin has the potential to contain large accumulations of hydrocarbons in the area. There also is potential for the development of low risk field extension prospects.

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SCALE 1:250 000



Note: There is no warranty that the boundary of this licence is correct in relation to other features of the map. The boundary is to be ascertained by reference to the Geocentric Datum of Australia (GDA94) and the schedule.

THE PLAN HEREINBEFORE REFERRED TO

PETROLEUM EXPLORATION LICENCE NO: 105



SR 27/2/185

AREA: 437 sq km (approx)

About Austin Exploration Limited

Austin Exploration (Austin) is an oil and gas exploration company with a balanced portfolio of hydrocarbon prospects in Australia and the United States.

Austin's business model is to develop a portfolio of hydrocarbon assets with a balance of low-risk prospects combined with a prudent mix of high risk, higher return opportunities based on its capital availability. Utilising its technical competence and extensive industry network, Austin seeks to identify suitable risk profile prospects, conduct an evaluation and then identify suitable farm-in partners.

Austin is listed on the Australian Securities Exchange (ASX code: AKK).

Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Donald F. Reck Jr. M.S (Chief Technology Officer) of the company and Mr. David M. Schuette (Managing Director) of the company. All individuals are either a full-time employee, officers and/or are leading the company's drilling and operations efforts.

Mr. Reck has been a member of the American Association of Petroleum Geologists since 1976 and the chief geologist for DMS Exploration since 2000. Prior to that date, he has consulted to many USA oil and gas exploration companies including Rio-Tex Inc., Trio Exploration, Medders Oil Co., Texaco, Conoco and Strategic Petroleum. Mr. Reck is also a former Exploration Geologist with Tenneco Oil and Conoco. He has consulted to Geoscience Data Management, Inc. and Advanced Micromagnetics. He holds Bachelor of Science degree in geology from Grand Valley State College in Allendale Michigan and a master of science in geology from Sul Ross University in Alpine Texas

Mr. Schuette is founder of DMS Exploration, an independent Texas oil and gas operator. Prior to founding DMS Exploration, he held executive positions with French Petroleum and Torch Energy Advisors in Houston, Texas. Mr. Schuette has over 20 years experience as an advisor to and as an investor in the USA oil and gas industries.

Mr. Schuette and Mr. Reck have sufficient experience of relevance to the styles of hydrocarbon entrapment and the types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person(s) as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Schuette and Mr. Reck hereby consent to the inclusion of the information in this release and the form and context in which it appears

For more detailed information on these executives please visit the Austin Exploration Limited website at <http://www.austinexploration.com/OurTeam.asp>