

# USA PROJECTS

## HIGHLIGHTS

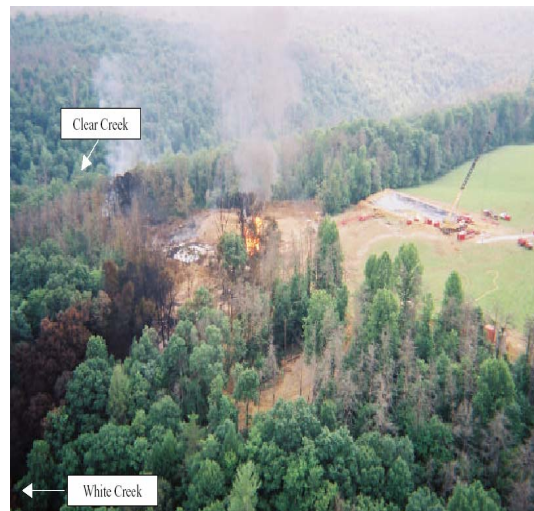
PROPERTY REPORT	2
JV PARTNERS	2
ENGINEERING REPORT	3
EXPLORATION	3
NEWS RELEASE	4
DISCLAIMER	4

Austin Developments Corp. ("Austin"; TSX-V exchange symbol AUL) is a diverse exploration and production company developing oil and gas assets in North America and overseas. In the last few years, Austin has been aggressively expanding its oil and gas interests based on the development of new targets, and the redevelopment of existing properties which have the potential to produce economically significant reserves using lean and efficient management practices and modern drilling technologies.

## MORGAN HIGHPOINT

### Background

Austin is participating on a 100% -to-earn-40% basis with Montello Resources Ltd. in Morgan County Tennessee. The mineral lease is a 880-acre property historically referred to as The Blowout Property\*, as it is adjacent to the well-known Pryor Oil Company property Elmer Howard-White Unit #1, Permit 9893. Originally, this property was being drilled to test for commercial oil production when it experienced a significant blow-out in July 2002. No further work has taken place at the well site since. Austin and its joint venture partner plan to offset the Pryor well from their recently acquired land package.



*Elmer Howard-White Unit #1 Permit*

**\*Note:**

The property historically known as The Blowout Property has been renamed the Morgan Highpoint property.

## POTENTIAL PRIZE

According to a report prepared for the State of Tennessee National Park Service, the Howard/White Unit No. 1 Well had been drilled to test for commercial oil production from the geologic formation called the Nashville Group. At a depth of approximately 2,500 feet, a blowout protector valve failed. This report noted flowing pressures of 1,700 psi, and flowing rates of **200-500 barrels per hour** of oil described as being a light crude oil (API gravity at 60°F = 38.1) with low to medium viscosity.

**Company Share Structure:**

Outstanding shares  
98,021,647

Fully diluted shares  
165,605,056  
*Current as of August 31, 2007*

# JOINT VENTURE PARTNER

Austin's joint venture partner is Montello Resources Ltd. Key personnel include:

**Mr. Dwayne Tyrkalo**

*President.* Mr. Tyrkalo brings over twenty years of oil and gas experience specializing in oil and gas optimization. Mr. Tyrkalo career includes work with Dome Petroleum, AMOCO Cda. Inc., Zargon Oil and Gas and most recently with Extreme Energy as VP of Operations.



Dwayne Tyrkalo, President of Montello Resources

**Mr. Phil Emrich**

*Drilling Advisor and Drilling Manager.* Mr. Emrich has spent many years working with Nabors Drilling in the Canadian Foothills (NW Alberta) as well as overseas in West Africa and the Middle East.

During the winter of 2006 and spring of 2007, Mr. Emrich was the Drilling Supervisor on 3 wells drilled in the Canadian Foothills as well as 2 Kaybob wells west of Fox Creek, Alberta. These wells varied in depths from 2,500 to 4,000 metres total depth (8,202 to 13,123 feet).

## ENGINEERING REPORTS AND GOVERNMENT PUBLICATIONS

While there are no engineering reports on the Howard/White Unit No.1 well blowout incident that are compliant with Canadian National Instrument 51-101, other government issued reports note that an undetermined amount of crude oil was released to Clear Creek and White Creek. Emergency response operations were initiated and the site was federalized on July 21, 2002, by the Environmental Protection Agency.

According to a damage assessment study plan by the US Department of the Interior, "After drilling to a certain depth, oil flow occurred. The pressure of the flow increased and began to spill oil around the well and outside of the containment area at an estimated **200-500 barrels per hour**. At approximately 2400 hours, the oil well caught fire. The spilled oil had flowed downhill from the wellhead into White Creek. The crew was ill-prepared for what they would find: a high-pressure, high-flow-rate oil zone. Oil surged into the well from 2,500 feet below the surface, quickly filling a pit at ground level. With no equipment for closing the well, the crew's grip on the situation was tenuous at best".

The incident was also reported by the Tennessee Oil and Gas Association (TOGA) in its August 2002 newsletter. "Before it caught fire it was flowing at a rate of between 200 to 500 barrels an hour, or up to 12,500 barrels a day at flowing pressures estimated at 1,700 psi. Boots & Coots, the international firefighting team came in and put the well fire out".

Despite this unfortunate incident the joint venture partners believe opportunity still exists to tap the prospective resources. The oil released from the well was described as being a light crude oil (API gravity at 60 °F = 38.1) with low to medium viscosity. It was yellow to red in color and spread quickly into thin slicks. The oil had high paraffin (wax) content, and the waxy components tended to separate, forming both a yellow waxy material and a green substance similar in appearance to axle grease.

For further information on the above mentioned reports please visit [www.montello.com](http://www.montello.com).

## EXPLORATION COMMITMENTS

The exploration program was initiated in July 2007 when a drilling permit was issued. A preliminary test well (known as the John Bowen # 2 well) was spud on 15 August 2007. The joint partners also began evaluating a proposed second well site on the Morgan High-point property. To date, Austin has advanced US\$2.4 million to Montello to earn a 40% working interest in the Morgan Highpoint Project.

### NEWS RELEASE

September 13, 2007

TSX Venture: ADD

#### Austin and Montello Successfully Runs 9 5/8 inch Intermediate Casing & Penetrates Knox Formation At The John Bowen # 2 Test Well In Morgan County, Tennessee

**September 13th, 2007** Austin Developments Corp. ("the Company" TSX-V Symbol: AUL) and Montello Resources Ltd. ("Montello" TSX-V Symbol: MEO) is pleased to announce that it has successfully run 9 5/8" Intermediate casing and cemented it in place on The John Bowen # 2 Well ("the Montello Well"). This procedure has been approved by "Tennessee Oil and Gas". Installed in the intermediate casing is a sub-surface Weatherford downhole deployment valve that can be activated to shut off the well. This valve has been function tested and will assist in high pressure snubbing operations if necessary. A formation leak off test has been performed which is important to help determine well control. The formation's breakdown pressure (how much pressure the formation can withstand at the bottom of the casing prior to breaking down and leaking into fractures closer to the surface) is believed to be one of the potential reasons why there is oil leaking to surface around the Howard White # 1 Well.

Austin and Montello are presently "drilling ahead" and taking geological formation samples every 10 feet. Hydrocarbons have been encountered in the samples and the rig continues to drill to the basement as programmed. To date, the rig has drilled to approximately 3,745 feet; this is deeper than any well in the immediate vicinity. The Knox formation was encountered at 3,511 feet. In some locations within the Appalachian Basin, "the Knox Group" has been known to be over 2,500 feet thick. On the upper section of the Knox, it appears through the analysis of drill cuttings that as much as 17 feet of porosity has been drilled through. Drilling speed at this depth is currently averaging 25 feet per hour and we are on target. With the sophisticated underbalance system that is being used on the well we are able to control our mud weight and our geological personnel are able to evaluate the drill cuttings continuously. The benefits from the Top Drive System are now being utilized effectively.

Montello's President and CEO Bill Cawker says: " I am pleased that we are now drilling ahead on the John Bowen #2 Well as planned and will continue to drill to a depth of between 7,000 to 9,500 feet to hopefully discover one or more high pressured zones that were encountered in the offset wells. The Howard-White #1 Well (located 1.25 miles away) was drilled to a depth of approximately 2,400 feet prior to blowing out and flowed at an estimated initial rate of over 400 barrels of light gravity crude per hour. Even though, according to Pryor Oil, the Howard-White #1 Well was also capable of producing in excess of 5 million cubic feet of gas per day, the Howard - White #1 Well was never re-drilled or placed on production as a result of regulatory issues relating to the blow-out. Montello looks forward to keeping everyone informed of drilling progress as deemed permitted."



On behalf of the Board of Directors

**AUSTIN DEVELOPMENTS CORP.**

*"Patrick Power"*

President and Director

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

*"...Before it caught fire it was flowing at a rate of between 200 to 500 barrels an hour..."*

Tennessee Oil and Gas Association, 2002

**AUSTIN**  
DEVELOPMENTS CORP.

The logo consists of a red trapezoidal shape pointing to the right, with the text "TSX.V: AUL" written in white, bold, sans-serif capital letters inside it.

### **Forward Looking Information**

*The enclosed project overview document contains certain forward-looking statements and information relating to Austin Developments Corp. ("Austin" or the "Company") that are based on the beliefs of its management as well as assumptions made by the information currently available to Austin. When used in this document, the words, "anticipate", "believe", "estimate", "expect", and similar expressions, that relate to Austin, its projects or its management, are statements relating to, amongst other things, regulatory compliance, the sufficiency of working capital, the estimated cost and availability of funding, for the continued exploration and development of Austin with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance and achievements of Austin to be materially different from any future results, performance or achievements that may be expressly implied by such forward looking statements. Important factors are identified in this project overview document.*

*These factors may relate to the company's operations as a public company that may cause future results to differ materially from those expressed or implied by those forward-looking statements and readers are cautioned not to place undue reliance on these statements. The information contained on this and other pages relating to specific joint venture projects has been accumulated previously from reports, news releases and data provided from the mentioned companies. Certain disclosures, including management's assessment of the mentioned companies plans and projects, constitute forward-looking statements that are subject to numerous risks, uncertainties and other factors. Investors should not consider the enclosed material as a guide to purchase or sell shares in the Company without first consulting their own professional advisors and conducting independent due diligence including a review of the Company's filings with the TSX Venture Exchange (TSX-V) and British Columbia or Alberta Securities Commission (BCSC or ASC).*

**Austin Developments Corp.**  
Suite 2833, Three Bentall Centre  
P.O. Box 49057  
595 Burrard Street, Vancouver  
British Columbia, V7X 1C4  
Phone: 604.689.1799  
Fax: 604.689.8199  
info@austindevelopments.com  
www.austindevelopments.com

AUSTIN  
DEVELOPMENTS CORP.

The logo features the word "AUSTIN" in a large, light grey, serif font with a five-pointed star above the letter "I". Below it, the words "DEVELOPMENTS CORP." are written in a smaller, light grey, sans-serif font. The entire logo is positioned above a solid red horizontal bar.