



Listed on the Australian Securities Exchange ("AKK") and the OTC in the USA (AUN-XY)  
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ASX ANNOUNCEMENT

26 April 2017

## **Austin secures AUD\$860,000 loan facility to fund field operations and completes acquisition of Florence oil field**

- **Low-cost financing arrangement secured with ANB Bank to fund current development activities and provide necessary capital to underpin ongoing operations**
- **Financing obtained on favourable terms – reflects AKK’s shift from an exploration to a production company, as well as ANB’s confidence in potential of the Pathfinder project**
- **ANB has a long-standing association with AKK, and is one of the leading financial institutions in the Western United States**
- **Company also confirms completion of purchase of Florence oil field from Incremental Oil and Gas**
- **Austin pursuing large scale US-Based project financing to accelerate drilling program in 2017**

**Austin Exploration Limited (ASX:AKK) (“Austin” or “the Company”)** is pleased to announce that it has secured a low-cost financing facility through ANB Bank (ANB) to fund current development activities and provide necessary capital to underpin ongoing operations at the Company’s now 100% owned and operated 17,698 acre Pathfinder project (Pathfinder) in Fremont County, Colorado.

Austin is also pleased to confirm that it has completed the acquisition of the 1925 acre producing Florence oil field from Incremental Oil and Gas as originally reported to shareholders in early December last year.

### **New financing facility secured**

As previously announced, Austin has successfully completed a three-well exploration program at Pathfinder, confirming the extension of a petroleum system that has produced 16.4 million barrels of oil on the adjacent Florence property which the Company now owns.

The work completed to date at Pathfinder, as well as historical production, has highlighted the multi-hundred-million dollar potential of this large oil and gas resource, including the capacity to develop hundreds of producing vertical wells.

The decision by Austin's management to secure this AUD\$860,000 (USD\$650k) financing facility shows a significant strengthening and maturing of the Company. The combination of Austin's low operating costs and strong long-term growth prospects have given the Company the flexibility to pursue finance on highly favourable terms.

ANB is a wholly-owned subsidiary of Sturm Financial Group Inc, which oversees around US\$2.6 billion in assets and ranks in the top 6% of banks in the US by size.<sup>1</sup> Austin has an excellent relationship with ANB that stretches back to 2014 when a \$1.5 million facility was established, which the Company has subsequently repaid in full.

While this facility and current cash reserves provided Austin with sufficient financial flexibility in the near term, the Company is also well advanced negotiating a much larger project financing funding facility which will give Austin the necessary bandwidth to substantially scale up field development activities at its 100%-owned 17,698 acre Florence oil field.

Austin's Executive Chairman Guy Goudy commented: "This funding is a strong reflection of the confidence of ANB, a leading and highly-regarded financial institution, has in Austin as a customer, based on their extensive research into the strong upside potential of the Pathfinder project.

"Austin's ability to secure finance on favourable terms reflects positively on our prudent and responsible financial management, including the successful implementation of measures to control expenditure very prudently.

"We are on the cusp of unlocking the tremendous amount of value from Pathfinder, a field that has significant long-term growth potential, and we are delighted to have one of the leading financial institutions in the Western United States and a long-standing partner in ANB joining us on this journey.

"We are also delighted to complete the US\$2 million acquisition of the Florence Oil field from Incremental Oil and Gas. The field delivers us some existing production which will strengthen cash flows, but the real value will be realised from an aggressive well development program. Pathfinder holds considerable unlocked value with hundreds of potential low-cost wells that can very easily and progressively be brought into production."

Austin will update shareholders on the progress of the larger financing facility and operational developments as we ramp up fieldwork at Pathfinder.

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<sup>1</sup> <https://www.anbbank.com/sturm.html>

## **ABOUT AUSTIN EXPLORATION:**

Austin Exploration is an Oil and Gas Company with a portfolio of oil and gas assets in the United States. The Company has now established a major presence in two of America's most prolific oil and gas basins. Austin controls more than 17,000 acres in Colorado in the DJ Basin (Niobrara and Pierre Shale) and 4000 acres in the Illinois Basin in Kentucky. Austin has interests in producing oil and gas wells in Colorado, Kentucky and Texas. Austin has built a world class Board and Management team with proven company builders to derive maximum value from its oil and gas properties. Austin is listed on the Australian Securities Exchange (ASX code: AKK) and on the OTC in the United States (AUN-XY).

### **DISCLAIMER:**

This announcement contains or may contain "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be "forward looking statements." Forward looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this action may be identified through the use of words such as "expects", "will," "anticipates," "estimates," "believes," or statements indicating certain actions "may," "could," or "might" occur. Oil production rates fluctuate over time due to reservoir pressures, depletion or down time for maintenance. The Company does not represent that quoted production rates will continue indefinitely.