

Austin Exploration Limited

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

Australian Stock Exchange Announcement

Friday 20 June 2008

The Manager
Companies Announcements Office
Australian Stock Exchange
Electronic Lodgement

Dear Sir/Madam

CAPITAL RAISING

Austin Exploration Limited advises that it intends to undertake an additional capital raising.

The new capital is to be raised through a placement of shares to institutional and private investors (**Placement**) to provide the capital which was not taken up by shareholders under the recently concluded Share Purchase Plan (**SPP**) and to seek further additional working capital.

Managing Director Mr David Schuette said, "Whilst Austin is very pleased with the response by shareholders to the SPP in which approximately \$2.5 million was raised for the company, it nevertheless recognises that with a world shortage of oil and gas looming, we need to forge ahead as quickly as possible to capitalise on the potential both in our Park City, USA, project and other areas of interest".

The funds raised from the Placement will be primarily used by the Company to support business development and establish a base to enable Austin to expand its operations in oil and gas exploration and to provide funds for the growth of the continuing operations.

The Placement is intended to be conducted in two parts:

- (a) the raising of up to \$4.5 million by a placement of up to 14,500,000 shares to institutional and private (professional and sophisticated) investors (**Institutional Offer**) at \$0.31 per share; and
- (b) a second raising of up to 5,000,000 shares (**Placement Offer**) within a three month period, at a price of not less than eighty per cent (80%) of the average market price on ASX Limited ('ASX') calculated over the last five (5) days on which sales in the Company's ordinary shares were recorded before the day on which the issue is made.

The Institutional Offer will be made to institutional and private (professional and sophisticated) investors identified by the Company.

As the Placement will involve the issue by the Company of shares in excess of 15% of its present capital, Austin intends to convene a meeting of its shareholders to obtain the necessary

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approvals for the Institutional Offer and the Placement Offer. It is expected the meeting will be held on or about 30 July 2008.

For and on behalf of the Board



Graham Seppelt

Company Secretary