

AUSTIN EXPLORATION LIMITED

ACN 114 198 471

PROSPECTUS

For an offer of:

- (a) up to 92,000,000 free New Options, on the basis of one (1) New Option for every three (3) Shares subscribed for by Investors in the Placement (**Placement Options Offer**);
- (b) 53,120,000 New Options to Patersons Securities Limited (or its nominee) (**Broker Options Offer**); and
- (c) up to 10,000 Shares at an issue price of \$0.006 per Share to raise up to \$60 (before expenses) for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date (**Cleansing Offer**),

(together, the **Offers**).

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Securities offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Mr Guy Goudy
Executive Chairman

Dr William Mark Hart¹
Non-Executive Vice Chairman

Mr Timothy Hart
CEO and Managing Director

Mr Stuart Middleton
Non-Executive Director

Mr Andrew Blow
Non-Executive Director

Company Secretary

Mr Robert Lees

Auditor

Grant Thornton
The Rialto, Level 30
525 Collins Street
Melbourne VIC 3000

Lead Manager to the Placement Options Offer

Patersons Securities Limited
Level 23, Exchange Tower
2 The Esplanade
Perth WA 6000

Registered Office

Suite 605, Level 6
50 Clarence Street
Sydney NSW 2000

Telephone: + 61 2 9299 9580
Facsimile: +61 2 9299 9501

Email: robert@coysec.com.au
Website: www.austinexploration.com

ASX Code

AKK

Share Registry²

Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000

Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

1. As announced on 22 June 2016, Dr William Mark Hart intends to resign as a Director on 1 October 2016.
2. This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Indicative Timetable

Action	Date*
Lodgement of Prospectus with the ASIC and ASX	30 September 2016
Opening Date	30 September 2016
Closing Date	7 October 2016
Despatch of Holding Statement in respect of the Placement Options Offer and Cleansing Offer	10 October 2016
Expected Quotation of New Options under the Placement Options Offer and Shares under the Cleansing Offer	11 October 2016
Annual General Meeting	18 November 2016
Despatch of Holding Statement in respect of the Broker Options Offer	21 November 2016
Expected Quotation of New Options under the Broker Options Offer	22 November 2016

* The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, including the Closing Date, without notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Securities to Applicants.

2.2 Important Notes

This Prospectus is dated 30 September 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

The Offers are only available to those who are personally invited to accept the Offers. Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular

needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

2.4 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

2.5 Disclaimer

No person is authorised to give information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

2.6 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.austineexploration.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking

statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.8 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

3. DETAILS OF THE OFFERS

3.1 Background of the Offers

On 26 September 2016, the Company announced that it is proposing to undertake a placement of 276,000,000 Shares at an issue price of \$0.006 per Share to raise \$1,656,000 (**Placement**). The Company agreed to offer investors who subscribed for Shares under the Placement (**Investors**) the right to subscribe for one (1) free New Option for every three (3) Shares subscribed for and issued under the Placement (**Placement Options Offer**).

The Company intends to issue 125,000,000 of the Shares under the Placement with Shareholder approval which was obtained at the general meeting of Shareholders held on 9 August 2016. The remaining 151,000,000 Shares and 92,000,000 New Options under the Placement will be issued without prior Shareholder approval out of the Company's 15% and 10% annual placement capacities. The issue of the Shares under the Placement is expected to be completed by 4 October 2016.

The Company has engaged the services of Patersons Securities Limited (ACN 008 896 311) (**Patersons**), a licensed securities dealer (AFSL 239052), to manage the Placement. The Company will pay Patersons a management fee of \$50,000 (plus GST) and 6% (plus GST) on the amount raised under the Placement. Subject to Shareholder approval, the Company has also agreed to issue 53,120,000 New Options to Patersons (or its nominees) (**Broker Options Offer**). In addition, the Company has agreed to pay Patersons a corporate advisory retainer of \$10,000 per month for the next 12 months from the date of completion of the Placement.

Shareholder approval for the issue of the New Options to Patersons (or its nominee) is expected to be sought at the Company's upcoming Annual General Meeting. Pursuant to the agreement between the Company and Patersons, where Shareholders do not approve the issue of the New Options the subject of the Broker Options Offer, the Company is required to pay a fee of \$0.001 per New Option to Patersons in lieu of those New Options not being granted. This will result in a maximum fee payable of \$53,120 should Shareholders not approve the issue of the New Options to Patersons (or its nominee).

This Prospectus makes the Placement Options Offer and Broker Options Offer to Investors and Patersons (or its nominee), respectively.

3.2 The Offers

Placement Options Offer

By this Prospectus the Company offers up to 92,000,000 free New Options, on the basis of one (1) New Option for every three (3) Shares subscribed for by Investors in the Placement (**Placement Options Offer**).

The Placement Options Offer is only extended to the Investors only. Accordingly, Application Forms will only be provided by the Company to these parties.

No funds will be raised from the Placement Options Offer under this Prospectus as relevant New Options are being issued for nil consideration.

Broker Options Offer

This Prospectus includes an offer of 53,120,000 New Options to Patersons (or its nominee) (**Broker Options Offer**).

Only Patersons (or its nominee) may accept the Broker Options Offer, by using the relevant Application Form in relation to the Broker Options Offer.

No funds will be raised from the Broker Options Offer as relevant New Options are being issued for nil consideration.

Cleansing Offer

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 10,000 Shares at an issue price of \$0.006 per Share, to raise up to \$60 (before expenses) (**Cleansing Offer**).

The Cleansing Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Cleansing Offer is included for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Offers

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A high-level summary of the material rights and liabilities attaching to the Shares is set out in Section 5.

All New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 5.2. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The Company will apply to the ASX for the Shares and New Options offered pursuant to this Prospectus to be granted Official Quotation on ASX.

3.3 Minimum subscription

There is no minimum subscription for the Offers.

3.4 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.5 Applications

Placement Options Offer and Broker Options Offer

Applications for New Options can only be made by Investors and Patersons (or its nominee) at the direction of the Company and must be made using the appropriate Application Form accompanying this Prospectus.

Completed Application Forms and cheques must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The New Options are being issued for nil consideration and therefore the Applicants are not required to pay any funds with the application.

Cleansing Offer

Applications for Shares under the Cleansing Offer must only be made by investors at the direction of the Company and using the appropriate Application Form accompanying this Prospectus.

Payment for Shares must be made in full at the issue price of \$0.006 per Share.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Austin Exploration Limited**" and crossed "**Not Negotiable**".

Completed Application Forms and cheques must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offers early.

3.6 Implications on acceptance

Returning a completed Application Form will be taken to constitute a representation by you that:

- (a) You have received a copy of this Prospectus and the accompanying Application Form, and read them both in their entirety; and
- (b) You acknowledge that once the Application Form is returned the application may not be varied or withdrawn except as required by law.

3.7 Not underwritten

The Offers are not underwritten.

3.8 ASX listing

Application for Official Quotation by ASX of the Shares and New Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the Shares and New Options are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus,

or such period as varied by the ASIC, the Company will not issue any Securities and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares and New Options is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.9 Issue

The Securities offered by this Prospectus will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus. Holding statements for Securities issued pursuant to the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The recipients of Securities under the Placement Options Offer and the Broker Options Offer are as set out in Section 3.5.

The Directors will determine the recipients of all the Shares under the Cleansing Offer. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

3.10 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

3.11 Applicants outside Australia

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Securities on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

3.12 Enquiries

Any questions concerning the Offers should be directed to Mr Robert Lees, Company Secretary, on + 61 2 9299 9580.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offers

The purpose of the Placement Options Offer is to offer Investors who participated in the Placement one (1) free New Option for every three (3) Shares subscribed for under the Placement.

The purpose of the Broker Options Offer is to satisfy the Company's agreement to issue 53,120,000 New Options to Patersons (or its nominee).

No funds will be raised from the Placement Options Offer and the Broker Options Offer as the New Options are free. However if all New Options are exercised, the Company will receive approximately \$870,720.

The primary purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

Under the Cleansing Offer, an amount of approximately \$60 (before expenses) will be raised. All of the funds raised from the Cleansing Offer will be applied towards the expenses of the Offers. Refer to Section 7.7 for further details relating to the estimated expenses of the Offers.

Funds raised from the Cleansing Offer will not be sufficient to meet the costs of the Offers, and therefore, the Offers are expected to have a negative impact on the working capital of the Company equal to the costs of the Offers less any amount raised.

4.2 Effect of the Offers

The principal effect of the Offers, assuming all Securities offered under the Prospectus are granted, will be to:

- (a) increase the number of Options currently on issue by 145,120,000; and
- (b) increase the number of Shares currently on issue by 10,000.

4.3 Effect of the Offers on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Securities are issued, is set out below.

Shares ¹	Number
Shares currently on issue	1,119,094,044
Shares to be issued under the Placement	276,000,000
Shares offered pursuant to the Cleansing Offer	10,000
Total Shares on completion of the Offers	1,395,104,044

Options	Number
Options currently on issue ²	525,637,129
Options offered pursuant to the Placement Options Offer ³	92,000,000

Options offered pursuant to the Broker Options Offer ^{3,4}	53,120,000
Total Options on completion of the Offers	670,757,129

Note:

1. The rights attaching to the Shares are summarised in Section 5 of this Prospectus.
2. Comprising:
 - (a) 20,711,839 quoted Options exercisable at \$0.03 each on or before 18 September 2017;
 - (b) 456,525,290 quoted Options exercisable at \$0.006 each on or before 30 June 2019; and
 - (c) 48,400,000 unquoted Options exercisable at \$0.01 each on or before 30 June 2019.
3. Quoted Options exercisable at \$0.006 each on or before 30 June 2019.
4. The issue of these Options remains subject to Shareholder approval, which is expected to be sought at the Company's upcoming Annual General Meeting.

4.4 Financial effect of the Offers

The New Options to be issued pursuant to this Prospectus will be issued for no consideration, accordingly, there will be no effect on the Company's statement of financial position.

After paying for the expenses of the Offers of approximately \$23,000, there will be no proceeds from the Cleansing Offer. The expenses of the Offers (exceeding \$60) will be met from the Company's existing cash reserves. The Cleansing Offer will have an effect on the Company's financial position, being receipt of funds of \$60 less expenses of the Offers of \$23,000.

The audited balance sheet as at 30 June 2016 and the unaudited pro forma balance sheet for the Company as at 30 June 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. The audited balance sheet as at 30 June 2016 has been extracted from the Company's annual financial report for the year ended 30 June 2016 which was audited by Grant Thornton Audit Pty Ltd.

The pro-forma balance sheet has been prepared assuming all of the Shares and New Options offered pursuant to this Prospectus are issued, no Options are exercised and including expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro forma financial information is presented in abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports.

	AUDITED 30 JUNE 2016 ¹	ADJUSTMENTS 30 JUNE 2016 ²	PROFORMA 30 JUNE 2016 ³
CURRENT ASSETS			
Cash	2,050,356	1,812,315	3,892,851
Trade and other receivables	19,176		19,176
Other current assets	12,766		12,766
TOTAL CURRENT ASSETS	2,082,298		3,924,793

	AUDITED 30 JUNE 2016 ¹	ADJUSTMENTS 30 JUNE 2016 ²	PROFORMA 30 JUNE 2016 ³
NON-CURRENT ASSETS			
Investments accounted for using the equity method	1,363,871		1,363,871
Property, plant and equipment	148,066		148,066
Development and producing assets	5,547		5,547
Exploration and evaluation assets	7,896,500		7,896,500
Other non-current assets	119,230		119,230
TOTAL NON-CURRENT ASSETS	9,533,214		9,533,214
TOTAL ASSETS	11,615,512		13,458,007
CURRENT LIABILITIES			
Trade and other payables	324,194		324,194
TOTAL CURRENT LIABILITIES	324,194		324,194
NON-CURRENT LIABILITIES			
Other long term liabilities	45,582		45,582
TOTAL NON-CURRENT LIABILITIES	45,582		45,582
TOTAL LIABILITIES	369,776		369,776
NET ASSETS (LIABILITIES)	11,245,736		13,088,231
EQUITY			
Issued capital	73,265,927	1,812,315	75,055,302
Reserves	9,915,798		9,968,918
Retained earnings/ (Accumulated losses)	(71,935,989)		(71,935,989)
TOTAL EQUITY	11,245,736		13,088,231

Notes:

1. Column 1 represents the audited consolidated financial position of the Company at 30 June 2016.
2. Column 2 represents the following material post balance date events:
 - (a) the issue of 2,500,000 Shares at an issue price of \$0.004 each, together with 1,250,000 free attaching quoted Options exercisable at \$0.006 each on or before 30 June 2019, to raise \$10,000 pursuant to a placement undertaken in July 2016;
 - (b) the issue of 42,914,142 Shares at an issue price of \$0.007 each to raise \$300,399 pursuant to a placement undertaken in August 2016;

- (c) the issue of 276,000,000 Shares at an issue price of \$0.006 each to raise \$1,656,000 pursuant to the Placement, and estimated expenses associated with the Placement of \$154,084.
3. Column 3 represents the following proposed transactions to arrive at the pro forma unaudited consolidated statement of financial position of the Company at 30 June 2016 assuming:
- (a) the issue of 92,000,000 New Options under the Placement Options Offer. As these New Options are free attaching to the Shares issued under the Placement, the New Options have been attributed a nil value in the above unaudited consolidated statement of financial position of the Company at 30 June 2016;
 - (b) the issue of 53,120,000 New Options under the Broker Options Offer;
 - (c) the issue of 10,000 Shares at an issue price of \$0.006 per Share under the Cleansing Offer to raise \$60; and
 - (d) estimated costs of \$23,000 associated with the Prospectus are taken to contributed equity.

4.5 Substantial Shareholders

As at the date of this Prospectus, no Shareholder has a relevant interest in 5% or more of the Shares on issue.

5. RIGHTS ATTACHING TO SECURITIES

5.1 Shares

The following is a summary of the more significant rights attaching to Shares to being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being

wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 New Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.006 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 30 June 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Quotation**

The Options are unlisted, however, the Company intends to apply for quotation of the Options on ASX, subject to the requirements of ASX Listing Rule 2.5.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

6. RISK FACTORS

6.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Specific Risks

(a) Going concern risk

While completing the review of the Company's annual financial report for the year ended 30 June 2016, the Company's auditor, Grant Thornton Audit Pty Ltd, noted the following:

"Without qualification to the conclusion expressed above, we draw attention to Note 2 to the financial statements which notes net operating cash outflows of \$1,324,432 and a closing cash position of \$2,050,356 for the year ended 30 June 2016. This condition, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report."

Notwithstanding the 'going concern' Emphasis of Matter paragraph included in the annual financial report, the Directors believe that upon the successful completion of the Placement, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to Section 6.2(c) below for further details.

In the event that the Placement is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern, and which is likely to have a material adverse effect on the Company's activities.

(b) Loss of land holding

The Company does not expect to retain all of its current land holding. Given the current economic conditions, the Company intends to concentrate its exploration on its 100% owned Pathfinder Project in

Colorado as it is of the opinion that this will provide the quickest returns on its capital.

(c) **Funding**

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.

(d) **Contractual Risk**

The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

6.3 Industry specific

(a) Oil & Gas Exploration

The prospects in which the Company has an interest are at various stages of pre-exploration due diligence, exploration or production, and potential investors should understand that exploration and development are high-risk undertakings.

Oil and gas exploration is a high risk, speculative activity that requires a large amount of expenditure over extended periods of time. There is no guarantee that exploration will result in commercial discoveries.

Technical conclusions during exploration, appraisal and production are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geophysical, drilling and other data.

(b) Commercialisation

Even if the Company recovers potentially commercial quantities of oil and gas, there is no guarantee that the Company will be able to successfully transport the oil and gas to commercially viable markets or sell the oil and gas to customers to achieve a commercial return.

(c) Oil and gas reserves and commercial law

Oil and gas reserves are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may change significantly when new information or techniques becomes available. In addition, by their nature, oil and gas reserves are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and commercial flow plans which may, in turn, either benefit or adversely affect the Company's operations.

(d) Operations

The operations of the Company may be affected by various factors, including failure to locate or identify oil and gas reserves, failure to achieve predicted well production flow rates, operational and technical difficulties encountered in production, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated reservoir problems which may affect field production performance, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or production of the Pathfinder and Kentucky Prospects.

(e) Oil and gas volatility and exchange rates

If the Company achieves success leading to oil and gas production, the revenue it will derive through the sale of oil and gas exposes the potential income of the Company to oil and gas price and exchange rate risks. Oil

and gas prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of oil and gas are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(f) **Environmental**

The operations and proposed activities of the Company will be subject to US laws and regulations concerning the environment. As with most exploration projects and production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

(g) **Sovereign**

The Company's projects outside Australia are subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in oil and gas exploration and production, may affect the viability and profitability of the Company.

(h) **Title**

The system for obtaining development rights to oil and gas leases in Colorado, Kentucky and Mississippi can be complex given that numerous parties may hold the undivided mineral estate to a particular tract of land. Securing the leases to those mineral estates often requires lengthy negotiation with the various parties.

In order to independently verify that the parties with whom a company is dealing are the correct and sole holders of the mineral estate and to analyse the full rights and restrictions applying to the interest held by those parties requires that a company obtain detailed title opinions from appropriately qualified and experienced lawyers in Colorado, Kentucky

and Mississippi. This can be a lengthy and expensive process and the final opinions are often the subject of numerous qualifications and requirements.

6.4 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(d) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(e) **Managing Growth**

The Company's success will depend on its ability to expand its operations. If the Company is unable to successfully manage the expansion of its business, its financial condition and results of operations could be materially adversely affected.

6.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus (or Shares to be issued upon exercise of the New Options) carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
29/09/2016	Appendix 4G – Corporate Governance Disclosures
29/09/2016	Annual Report to shareholders
26/09/2016	AKK completes \$1.65m Placement to Advance Pathfinder Project
22/09/2016	Trading Halt
19/09/2016	Pathfinder Project remains Economic in Low Oil Price Environ
14/09/2016	Initial Director's Interest Notice
14/09/2016	Drill Rig & Equipment Mobilised to Columbus 1 Well site
02/09/2016	Replacement Appendix 3B
01/09/2016	Marco Polo 1 Well Deviated Drilling Operations completed
30/08/2016	Austin expands Pathfinder Property with new acquisition
26/08/2016	Appendix 3B
25/08/2016	AKK CEO Mr Tim Hart interviewed on Finance News Network
16/08/2016	Initial Director's Interest Notice
16/08/2016	Final Director's Interest Notice
16/08/2016	Director Appointment/Resignation
11/08/2016	Investor Presentation - Pathfinder - An Iconic Oil Opportunity
11/08/2016	Drilling operations underway on the Marco Polo No1 Well
09/08/2016	Results of Meeting
02/08/2016	Magellan 1 well cased in preparation for flow testing
01/08/2016	Material employment terms for new Chairman & CEO
29/07/2016	Quarterly Cashflow Report
29/07/2016	Quarterly Activities Report
28/07/2016	Colorado Multi-Well Drilling Program Update
26/07/2016	Ceasing to be a substantial holder
14/07/2016	Appendix 3B
14/07/2016	Multi-well program making good progress in Colorado

Date	Description of Announcement
08/07/2016	Notice of Annual General Meeting/Proxy Form
27/06/2016	Multi-well program underway in Colorado
22/06/2016	Appointment of Executive Chairman & CEO & Managing Director
22/06/2016	Appendix 3B
20/06/2016	Appendix 3B
17/06/2016	Appendix 3B
14/06/2016	Results of Meeting
10/06/2016	Austin raises \$1.7m addendum
10/06/2016	AKK raises \$1.7m to fast track high impact drilling program
08/06/2016	Trading Halt
07/06/2016	Appendix 3B
27/05/2016	Change of Director's Interest Notice - relogged
26/05/2016	Change in substantial holding
26/05/2016	Austin strikes Oil in Colorado
25/05/2016	Trading Halt
25/05/2016	Change of Director's Interest Notice
24/05/2016	Change of Director's Interest Notice
24/05/2016	Change of Director's Interest Notice
24/05/2016	Change of Director's Interest Notice
24/05/2016	Appendix 3B
24/05/2016	Austin Eliminates Debt
19/05/2016	Pathfinder Drilling Update
16/05/2016	Notice of General Meeting/Proxy Form
13/05/2016	Closure of Renounceable Rights Issue
29/04/2016	Quarterly Cashflow Report
29/04/2016	Quarterly Activities Report
29/04/2016	Drilling Operations Underway in Colorado
28/04/2016	Disclosure Document - Supplementary Prospectus
20/04/2016	Change in substantial holding
19/04/2016	\$1.73 million Rights Issue now fully Underwritten
15/04/2016	Appendix 3B
15/04/2016	Renounceable Issue Prospectus
15/04/2016	Austin Completes Sale of Mississippi Interests for AUD1.21m
15/04/2016	Change of Director's Interest Notice
15/04/2016	Change of Director's Interest Notice
11/04/2016	Renounceable Rights issue and placement to fund growth
07/04/2016	Prospectus Closed
07/04/2016	Trading Halt

Date	Description of Announcement
22/03/2016	Appendix 3B
15/03/2016	Half Yearly Report and Accounts
14/03/2016	Disclosure Document
29/02/2016	Appendix 3B
29/02/2016	Austin Secures Sale of Mississippi Property for AUD\$1.28M
24/02/2016	Change in substantial holding
19/02/2016	Appendix 3B
18/02/2016	Disclosure Document – Supplementary Prospectus
15/02/2016	Austin sells Texas Birch property for \$1.5million
12/02/2016	Becoming a substantial holder
12/02/2016	Ceasing to be a substantial holder
04/02/2016	Appendix 3B
03/02/2016	Disclosure Document – cleansing Prospectus
02/02/2016	Change of Director's Interest Notice
01/02/2016	High Impact drilling program begins in Colorado
01/02/2016	Secures \$1.9 million funding package to drive growth
01/02/2016	Reinstatement to Official Quotation
01/02/2016	Austin to divest of non-core assets in Texas and Mississippi
29/01/2016	Appendix 3B
29/01/2016	Quarterly Activities Report
29/01/2016	Quarterly Cashflow Report
28/01/2016	Final Director's Interest Notice
28/01/2016	Director Appointment/Resignation
07/01/2016	Becoming a substantial holder
07/01/2016	Ceasing to be a substantial holder
14/12/2015	Update on Suspension
14/12/2015	Share Registry changed - new address
09/12/2015	Suspension from Official Quotation
07/12/2015	Trading Halt
30/11/2015	Investor Presentation - Re-Tuned for Low Cost Production
27/11/2015	Results of Meeting
24/11/2015	Austin mobilises drilling equipment at Pathfinder
20/11/2015	Austin maintains 100% Strike Rate in Mississippi
09/11/2015	Austin enters into Strategic Drilling Rental Agreement
05/11/2015	Change of Director's Interest Notice
05/11/2015	Change of Director's Interest Notice
05/11/2015	Change of Director's Interest Notice
05/11/2015	Change of Director's Interest Notice

Date	Description of Announcement
05/11/2015	Change in substantial holding
30/10/2015	Quarterly Cashflow Report
30/10/2015	Quarterly Activities Report
30/10/2015	Notice of Annual General Meeting/Proxy Form
21/10/2015	Closure of non-renounceable rights issue
19/10/2015	High Impact Oil Target Identified in Colorado
14/10/2015	Mississippi Operational Update
08/10/2015	Mail out of Prospectus completed 7 October 2015
06/10/2015	Replacement Prospectus
01/10/2015	Appendix 4G - Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.austinexploration.com.

7.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.008	21 July 2016, 23 August 2016 and 1 & 21 September 2016
Lowest	\$0.005	22 August 2016
Last	\$0.006	29 September 2016

7.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Options
Mr Guy Goudy	8,350,666	2,794,334 ¹
Dr William Mark Hart	6,953,297	2,279,644 ²
Mr Timothy Hart ⁴	1,637,823	335,463 ³
Mr Stuart Middleton ⁴	500,000	Nil
Mr Andrew Blow ⁴	Nil	Nil

Notes:

1. Comprising:
 - (a) 706,667 quoted Option exercisable at \$0.03 each on or before 18 September 2017; and
 - (b) 2,087,667 quoted Options exercisable at \$0.006 each on or before 30 June 2019.
2. Comprising:
 - (a) 648,006 quoted Options exercisable at \$0.03 each on or before 18 September 2017; and
 - (b) 1,631,641 quoted Options exercisable at \$0.006 each on or before 30 June 2019.
3. Comprising:
 - (a) 172,299 quoted Options exercisable at \$0.03 each on or before 18 September 2017; and
 - (b) 163,164 quoted Options exercisable at \$0.006 each on or before 30 June 2019.
4. In addition, the Company intends to seek Shareholder approval at its upcoming Annual General Meeting for the issue of:
 - (a) 500,000 Shares to Mr Andrew Blow (or his nominee) as a sign-on bonus;
 - (b) 11,000,000 Performance Rights to Mr Guy Goudy (or his nominee);
 - (c) 11,000,000 Performance Rights to Mr Timothy Hart (or his nominee);
 - (d) 3,750,000 Performance Rights to Mr Stuart Middleton (or his nominee); and
 - (e) 2,000,000 Performance Rights to Mr Andrew Blow (or his nominee).

Upon vesting, each Performance Right will, at the election of the holder, convert into one Share. Further details of the Performance Rights, including the vesting conditions, will be set out in the Notice of Annual General Meeting.

No Director or any of their associates intend to participate in the Offers.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors:

Director	Year ended 30 June 2017 (Proposed)	Year ended 30 June 2016	Year ended 30 June 2015
Mr Guy Goudy	US\$24,000 Director fees US\$130,000 salary	\$300,875 ¹	\$358,665 ²
Dr William Mark Hart	US\$6,000 Director Fees ³	\$137,725 ⁴	\$426,624 ⁵
Mr Timothy Hart ⁶	US\$24,000 Director fees US\$125,000 salary	\$Nil	\$Nil
Mr Stuart Middleton	\$24,000 Director fees	\$25,185 ⁷	\$5,000 ⁸
Mr Andrew Blow ⁸	\$24,000 Director fees	\$Nil	\$Nil

Notes:

1. Consists of \$253,690 in salary and fees, \$2,185 in superannuation and \$45,000 in accrued performance rights for 2015.
2. Consists of \$309,663 in salary and fees, \$4,002 in superannuation and \$45,000 in accrued performance rights for 2016.
3. As announced on 22 June 2016, Dr William Mark Hart intends to resign as a Director on 1 October 2016. Dr Hart will receive Directors fees of \$2,000 per month for the period from 1 July 2016 to 30 September 2016.
4. Consists of \$92,725 in salary and fees and \$45,000 in accrued performance rights for 2016.
5. Consists of \$381,624 in salary and fees and \$45,000 in accrued performance rights for 2015.
6. Timothy Hart was appointed as a Director on 14 September 2016.
7. Consists of \$23,000 in fees and \$2,185 in superannuation.

8. Consists of Director fees' only.
9. Andrew Blow was appointed as a Director on 15 August 2016.

7.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the Australian solicitors to the Company in respect of the Prospectus. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$109,997.52 (excluding GST and disbursements) for legal services provided to the Company.

7.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has given its written consent to being named as the lead manager to the Placement Offer in this Prospectus. Patersons Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Grant Thornton Audit Pty Ltd has given its written consent to being named as the auditors to the Company in this Prospectus and the inclusion in Section 6.2(a) of reference to the annual financial report for the year ended 30 June 2016 containing an emphasis of matter paragraph in respect of a material uncertainty regarding the consolidated entity's as going a concern, Section 4.4 to the audited consolidated statement of financial position as at 30 June 2016 and to all references to the annual financial report and the consolidated statement of financial position in the form and context in which those references appear in this Prospectus and has not withdrawn its consent before lodgement of this Prospectus with the ASIC.

7.7 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$23,000 (excluding GST) and are expected to comprise legal fees, printing and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

7.8 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.austinexploration.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Mr Guy Goudy
Executive Chairman
For and on behalf of
AUSTIN EXPLORATION LIMITED

9. GLOSSARY

\$ means an Australian dollar.

Annual General Meeting means the annual general meeting of Shareholder to be held on or around 18 November 2016 which seeks Shareholder approval for the matters set out in the Notice of Meeting.

Applicant means an investor that applies for Securities pursuant to the Placement Options Offer, Broker Options Offer or Cleansing Offer (as the case may be).

Application Form means the application form attached to or accompanying this Prospectus.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors as constituted from time to time.

Broker Options Offer means the offer of New Options to Patersons as set out in Section 3.2.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Cleansing Offer means the offer of Shares as set out in Section 3.2.

Closing Date means the date specified in the timetable in the Section 2.1 (unless extended or closed earlier).

Company means Austin Exploration Limited (ACN 114 198 471).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Investors has the meaning given in Section 3.1.

New Option means an Option issued on the terms and conditions set out in Section 5.2.

Notice of Annual General Meeting means the notice of meeting and explanatory statement of the Company in relation to the Annual General Meeting.

Offers means the Placement Options Offer, Broker Options Offer and Cleansing Offer and **Offer** means any one of them.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in the Section 2.1.

Option means an option to acquire a Share, including where the context requires, New Options.

Optionholder means a holder of an Option.

Patersons means Patersons Securities Limited (ACN 008 896 311) (AFSL 239052).

Placement has the meaning given in Section 3.1.

Placement Options Offer means the offer of New Options to Investors as set out in Section 3.2.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means the Shares and New Options offered pursuant to this Prospectus, or either one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

WST means Western Standard Time as observed in Perth, Western Australia.