



# AUSTIN EXPLORATION

Listed on the Australian Securities Exchange (“AKK”) and the OTC-QX International in the USA (AUN-XY)  
ACN 114 198 471

## ASX ANNOUNCEMENT

5th August 2013

### **\$1.7 million Institutional Placement to accelerate Niobrara gas off-take pipeline**

- **\$1.7 million Placement oversubscribed**
- **Placement underpins funding for the completion of the Pathfinder gas gathering and sales pipeline.**
- **Strong vote of confidence in Austin growing production portfolio and farm-out strategy.**

The Board of Austin Exploration Limited (“Austin” or the “Company”) advises that it has completed an institutional placement of \$1.7 million through the issue of 141.6 million new shares at 1.2 cents per share. The placement was completed at a 14% discount to Austin’s last closing price on the on the ASX and closed oversubscribed. DJ Carmichael Pty Ltd acted as Lead Manager and Bookrunner to the Placement.

The Placement funds will provide Austin with additional working capital to allow an accelerated start and completion of the gas offtake pipeline at the Company’s Niobrara Pathfinder project, and the early commencement of gas sales. This development avoids the costs of temporarily shutting in the well while the foreshadowed Heads of Agreement is progressed, or an alternative found.

Chairman Richard Cottee said the investment in the pipeline is highly attractive to Austin because it allows the Company to bring forward the development and gas sales which will provide a strong revenue stream of around \$150,000 per month in return for an investment of approximately \$1.2m (representing a payback in approximately 9 months).

“The gas pipeline will allow us not only to tap gas, but also oil from the well. The technical risk and therefore economic risk is low as the well has already produced both oil and gas”, Mr Cottee said.

“With this kind of opportunity it was highly attractive to the board to raise this capital to fund the pipeline that will bring the Niobrara gas into commercial production and generate revenue so quickly”, Mr Cottee said. Revenue from the Niobrara project is expected to provide a strong and sustainable cash flow until **substantial oil and gas production which is anticipated from the Company’s farm-out program**. The financial and environmental impact of waiting for such consent made delay an imprudent option.

The placement is being conducted in one tranche under the Company’s 15% limit permitted under the listing rules without shareholder approval. Settlement of the Placement is scheduled to occur on 9 August 2013 and the new shares are expected to be quoted on that date.

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**ABOUT AUSTIN EXPLORATION:**

Austin Exploration is an Oil and Gas Company with a portfolio of oil and gas assets in the United States. In 2010, Austin strategically shifted its core focus towards non-conventional shale exploration and production. The Company has now established a major presence in two of America's most prolific oil and gas basins. Austin controls more than 11,000 acres in Colorado in the Niobrara Shale and has an interest in over 5,000 acres in Texas in the Eagle Ford Shale and the Austin Chalk. Austin has producing oil and gas wells in Colorado, Texas, Mississippi and Kentucky. 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-QX International 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.