



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

25 September 2015

Dear Shareholder

### NON-RENOUCEABLE RIGHTS ISSUE – SHAREHOLDER NOTICE

The Directors of Austin Exploration Limited (**ASX: AKK**) (**The Company**) announced on 23 September 2015 a capital raising by way of a non-renounceable rights issue to raise up to AUD\$3,326,078 before costs (**Rights Issue**).

Eligible shareholders have the opportunity to subscribe for two (2) fully paid ordinary shares (**Shares**) in the Company for every three (3) Shares held on the Record Date, at an issue price of \$0.015 per Share, together with one (1) free attaching option exercisable at \$0.03 on or before 18 September 2017 for every two (2) Shares subscribed for and issued (**New Option**). Fractional entitlements will be rounded up to the nearest *whole number*. This represents a 25% discount to the current share price of \$0.02 per share as at 22 September 2015.

### The Directors have indicated their intention to take up their full entitlements under the rights issue.

The Directors have determined that the Record Date for the offer of Shares under the rights issue is 7:00 pm (Sydney time) on 1 October 2015. Accordingly, those persons who are registered as a Shareholder on the Record Date and are otherwise considered to be an Eligible Shareholder will be eligible to participate in the offer pursuant to the rights issue (**Offer**).

Funds raised by the Company from the rights issue will be applied as follows:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Drilling on Pathfinder Project (Colorado)	1,500,000	45.10%
2.	Drilling on its interests in Mississippi	500,000	15.03%
3.	Drilling on its interests in Kentucky	500,000	15.03%
4.	Expenses of the Offer	75,586	2.27%
5.	Working capital	750,492	22.57%
	<b>Total</b>	<b>3,326,078</b>	<b>100%</b>

Full details of the application of funds are contained in the Prospectus to be released in accordance with the timetable below.

A prospectus will be issued for the Rights Issue which will be dispatched to shareholders including an Entitlement and Acceptance Form which will entitle eligible shareholders to take up their respective entitlements on 7 October 2015. Eligible shareholders will be able to apply for additional securities over and above their entitlement as part of the shortfall offer. Further details of the shortfall offer are contained in the Prospectus.

The indicative timetable for the Rights Issue is as follows:

Event	Proposed Date
Lodgement of Prospectus with ASIC	24 September 2015
Lodgement of Prospectus & Appendix 3B with ASX	24 September 2015
Notice sent to Shareholders	25 September 2015
Ex-Date	29 September 2015
Record date for determining Entitlements	1 October 2015
Prospectus dispatched to Shareholders & Company announces dispatch has been completed	7 October 2015
Closing Date 5.00pm (Sydney time)*	19 October 2015
Securities quoted on a deferred settlement basis	20 October 2015
ASX notified of under subscriptions	21 October 2015
Issue of Securities	26 October 2015
Deferred settlement trading ends	
Quotation of Securities issued under the Offer*	27 October 2015

**\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.**

Austin's Managing Director Guy Goudy commented: "We are pleased to offer our shareholders the opportunity to participate in Austin's future growth and development. The funds raised from this Rights Issue give us the financial flexibility to continue to fund the development of low-cost, high impact vertical and deviated wells across our portfolio of assets in Colorado, Kentucky and Mississippi.

"Austin's management team has worked hard to significantly lower the Company's cost base and streamline its portfolio so it can continue to grow in an environment of lower oil prices. Importantly, Austin is now fully focused on drilling company-operated vertical wells only, which in turn have lower development and completion costs.

"Austin's vertical wells are profitable in the current oil price environment, and with a much lower cost base, we believe the Company has considerable scope for growth through increased production. There is a great deal of unlocked value in our asset base and the new funds raised give us the capacity to realise some of this value through more aggressive exploitation of our assets.

"The Directors and Senior Management have every confidence in Austin's future and will be participating in the rights issue. We are grateful for the continued support of our shareholders and we are determined to establish the Company as a successful United States oil producer for the longer term."

If you have any queries about the Rights Issue, please contact Mr. Robert Lees at the Company on +61 2 9299 9580.

**Further Information:**

**Guy Goudy**  
**Managing Director and Chief Executive Officer**  
**Austin Exploration Limited**  
**Ph: +1 (720) 454 8037**

**Released through Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448**

**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 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 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.