



23 October 2009

Dear Shareholder

Austin Exploration Limited - 2009 Non-Renounceable Rights Issue

The Directors of Austin Exploration Limited (ASX:AKK) (**Company**) are pleased to announce that the Company will conduct a fully underwritten 1 for 1 non-renounceable rights issue (**Offer**) for an issue of 143,025,859 New Shares at \$0.05 per share.

Shareholders will additionally receive one (1) freely attaching New Option for every two (2) New Shares taken up under the Offer. Each New Option will entitle the holder to subscribe for one fully paid ordinary share in the Company at an exercise price of \$0.10, and will be exercisable on or before 19 November 2011. Application has been made to the ASX for quotation of New Shares and New Options.

Shareholder approval of the Offer will not be required. The Offer will be available to registered holders of AKK shares as at **30 October 2009** (an 'Ex'-date of 26 October 2009). Shareholders with a registered address outside Australia and New Zealand are not eligible to participate in the Offer.

Additionally, any person may apply for New Shares which are not taken up pursuant to the Offer (**Shortfall Shares**). Shortfall Shares will be issued at \$0.05 per share. Applicants for Shortfall Shares will receive one (1) freely attaching New Option for every two (2) Shortfall Shares subscribed for and allotted. New Options attaching to Shortfall Shares will entitle the holder to subscribe for one fully paid ordinary share in the Company at an exercise price of \$0.10, and will be exercisable on or before 19 November 2011. Application has been made to the ASX for quotation of any Shortfall Shares and New Options attaching to Shortfall Shares.

Shareholders wishing to subscribe for Shortfall Shares must first take up their entitlement under the Offer in full. There is no guarantee that applicants will receive any Shortfall Shares. Applications for Shortfall Shares will be accepted at the discretion of the Directors.

The Offer will be fully underwritten by Allegra Capital Pty Ltd (ABN 55 119 502 984).

The Offer is made under a Prospectus lodged with the Australian Securities and Investments Commission (and ASX) on 22 October 2009 and it is anticipated that the Prospectus, Entitlement and Acceptance Form and Shortfall Application Form will be posted to shareholders by 4 November 2009. The Prospectus is also available on the websites of the ASX and the Company.

The Offer will open on **4 November 2009** and will close on **18 November 2009**. The dates are indicative only and the Company reserves the right, subject to the ASX Listing Rules and the Corporations Act 2001, to vary any of the above dates.

Yours sincerely

Dominic Pellicano
Chairman