



ASX ANNOUNCEMENT

22 February, 2012

Austin to Raise \$25 Million to Fund High Impact Multi-Well Drill Program at its Significant Eagle Ford, Niobrara Shale and Mississippi Wilcox Projects

- **2 new vertical wells and 1 horizontal well to be drilled at Austin’s Eagle Ford Shale Project**
- **Austin’s recently drilled Eagle Ford well to be tested back to back with the next Eagle Ford well**
- **2 new horizontal wells to be drilled at Austin’s Niobrara Shale Project**
- **1 new vertical well to be drilled at Austin’s Mississippi Wilcox Project**

Austin Exploration Limited (“**Austin**” or “**the Company**”) (ASX: AKK) is pleased to advise that it has resolved to raise up to approximately \$20 million through a placement of up to approximately 690 million fully paid ordinary shares (“**Shares**”) to domestic and international institutional and sophisticated investors (“**Placement**”). The Placement is being undertaken at an issue price of 2.9 cents per Share, together with a 1 for 2 free attaching listed option, exercisable at \$0.055 cents, expiring on 6 July 2013 (AKKOA). Hartleys Limited is Broker to the Offer.

In addition, Austin will undertake a shareholder share purchase plan (“**SPP**”) which will be capped at \$5 million, allowing Austin shareholders registered on Monday 20 February 2012 to subscribe for Shares up to the amount of \$15,000 each. The issue price of Shares under the SPP will also be 2.9 cents per Share.

The Placement, which was strongly oversubscribed, is a considerable milestone for the Company, which together with the appointment of Mr Richard Cottee as the new Chairman of Austin on the 22nd March 2012 provides a strong financial platform to expand activities across the Company’s Eagle Ford and Niobrara acreage.

The Company intends to use funds raised pursuant to the Placement and SPP to undertake the following activities:

- Drill and complete two vertical wells on the Company’s Eagle Ford Shale Project, and complete the recently drilled well on the Eagle Ford Shale Project;
- Drill and complete a single horizontal well in the most prospective of the first three vertical wells drilled on the Company’s Eagle Ford Shale Project;
- Drill and complete two horizontal wells on the Company’s Niobrara Shale Project; and
- Drill and complete one well at Austin’s Mississippi Wilcox project.



Austin Exploration Limited

ACN 114 198 471

Listed on the Australian Securities Exchange ("AKK") and the OTC-QX International in the USA (AUN-XY)

Commenting on the success of the Placement, Austin's CEO Mr Guy Goudy said "We are delighted by the strong support received for the Placement, which was significantly oversubscribed, and strengthens Austin's Share register. We see this as an important step in the transformation of Austin into a significant onshore USA producer of oil and gas and one of the ASX's premier exposures to the highly successful USA shale sector. By their subscription Investors have given a resounding endorsement of the decision to appoint Mr Cottee as Chairman thereby accessing his exceptional experience in growing companies in the unconventional onshore oil and gas sector".

Dr Mark Hart, Austin's President and Executive Director, commented "the tremendous success of this capital raising will fund the Company through a multi well program in 2012, and is a testament to the quality of the assets secured by the Company in 2011. Austin holds a highly prospective portfolio of oil and gas assets onshore USA and with the success of this placement the Company now has the funds to properly evaluate and progress development of these assets."

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ABOUT AUSTIN EXPLORATION:

Austin Exploration is an Oil and Gas Company with assets in Australia and the United States. Austin has strategically shifted its core focus towards non –conventional shale exploration in the United States. The Company has established a major presence in two of Americas most prolific oil and gas basins. Austin controls more than 11,000 acres in Colorado in the Niobrara Shale and over 5000 acres in Texas in the Eagle Ford Shale. Austin has producing oil and gas wells in Texas, Mississippi and Kentucky. Austin also has a highly prospective Oil and Gas Licence, PEL 105, in the Cooper Basin of South Australia. The company's wholly owned US Subsidiary, Aus-Tex Exploration Inc, turned cash flow positive in January 2011. Austin is listed on the Australian Securities Exchange (ASX code: AKK)