

# Austin Exploration Limited ACN 114 198 471

Based in Adelaide Australia: listed on the Australian Securities Exchange ("AKK")

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**ASX ANNOUNCEMENT**

**8<sup>th</sup> October 2009**

## **For Immediate Release**

The Manager  
Companies Announcements Officer  
Australian Securities Exchange  
Electronic Lodgement

Dear Sir/Madam

## **NOTICE OF INTENTION TO OFFER A FULLY UNDERWRITTEN 1:1 RIGHTS ISSUE TO EXISTING SHAREHOLDERS**

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### **1. GENERAL**

The Company wishes to announce that it proposes to make a fully underwritten, non-renounceable pro rata entitlement offer to eligible shareholders (being those shareholders whose registered address as at the record date are in Australia or New Zealand) (the **Entitlement Offer**) under a prospectus which is expected to be lodged with the Australian Securities and Investments Commission in late October 2009 (the **Prospectus**).

### **2. PARTICULARS OF THE ENTITLEMENT OFFER**

The Entitlement Offer will be on a 1 for 1 basis at an offer price of 5 cents per new AKK ordinary share (**Offer Price**) and seeks to raise approximately \$7.2 million.

The Company will also be granting 1 free attached option for every 2 new AKK ordinary shares acquired under the Entitlement Offer. The attaching options will have an exercise price of \$0.10 per option and an expiry date of two years from the date of issue. Application will be made to list the attaching options on the ASX.

Additionally, subject to shareholder approval, the company will issue the Underwriter 75,000,000 options at an issue price of \$0.002 per option, and otherwise on the same terms as the free attaching options under the Entitlement Offer.

The Entitlement Offer has been fully underwritten by Allegra Capital Pty Ltd.

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515 Congress Avenue, Suite 1310 ☐ Austin, Texas 78701  
25 Peel Street ☐ Adelaide, SA 5000  
PO Box 15 ☐ Aldgate, SA 5154

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## **Proceeds from the Equity Raising will be used to:**

- Fund the work and drilling commitments of PEL 105 in the Cooper Basin, Australia.
- Fund the acquisition of additional acreage and expand Oil and Gas operations in Kentucky, USA
- Acquire additional Oil & Gas properties
- Provide working capital; and
- Pay down loan facility.

## **3. ADDITIONAL INFORMATION**

The Directors intent to send the Prospectus to eligible shareholders later this month (October 2009). The Prospectus will also be made available on AKK's website ([www. austinexploration.com](http://www.austinexploration.com)).

The Company has not yet determined the record date to determine entitlements. Once finalized, the Company will provide the Prospectus to all of its shareholders outlining the details of the Entitlement Offer, including a timetable in accordance with the ASX Listing Rules and details with respect to how to participate in the Entitlement Offer.

By authority of the Board

Graham Seppelt.  
Company Secretary

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE U.S. This statement does not constitute an offer of any securities for sale. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States of America absent registration or an applicable exemption from the registration requirements.**

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