

**AUSTIN EXPLORATION LIMITED
ACN 114 198 471**

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 15 April 2016 (**Prospectus**), issued by Austin Exploration Limited (ACN 114 198 471) (**Company**).

This Supplementary Prospectus is dated 28 April 2016 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at www.austinexploration.com. The Company will send a copy of this Supplementary Prospectus to all Applicants who have subscribed for Shares pursuant to the Prospectus prior to the date of this Supplementary Prospectus. Terms used in this Supplementary Prospectus have the same meaning as terms defined the Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

1. BACKGROUND

1.1 Purpose of this document

By this Supplementary Prospectus, following discussions with ASIC, the Company provides the information set out in Section 2 below for the information of Shareholders.

1.2 Application Forms

As the content of this Supplementary Prospectus is not considered to be materially adverse to investors:

- (a) applications for Securities under the Offers must be made using the Application Form attached to or accompanying the Prospectus (see the Application Form and Section 5 of the Prospectus for detailed instructions on how to complete the Application Form and return it by the Closing Date); and
- (b) applicants who have already subscribed for Securities under the Prospectus to the date of this Supplementary Prospectus do not need to take any action.

2. FURTHER INFORMATION

2.1 Potential dilution to Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). If all Options on issue following completion of the Offer are also exercised, Shareholders who do not participate will have their holdings diluted by a total of approximately 68% (inclusive of dilution resulting from the issue of Shares under the Offer) as compared to their holdings and

number of Shares on issue as at the date of the Prospectus. Examples of how the dilution may impact Shareholders, including upon the future exercise of the Options, is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Free Attaching Options under the Offer	Holdings if Offer not taken Up	% post Offer ¹	% post Offer ² (Options exercised)
Shareholder 1	25,000,000	5.77%	25,000,000	12,500,000	25,000,000	2.88%	1.87%
Shareholder 2	10,000,000	2.31%	10,000,000	5,000,000	10,000,000	1.15%	0.75%
Shareholder 3	5,000,000	1.15%	5,000,000	2,500,000	5,000,000	0.58%	0.37%
Shareholder 4	1,500,000	0.35%	1,500,000	750,000	1,500,000	0.17%	0.11%
Shareholder 5	500,000	0.12%	500,000	250,000	500,000	0.06%	0.04%

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer or subscribed for by the Underwriter and/or sub-underwriters. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.
2. Assumes that all 472,927,184 Options on issue following completion of the Offer, the Placement Options Offer and Sub-Underwriter Offer are exercised.

2.2 Clarification regarding balance sheet

The Company confirms that sale of the Company's interest in the Birch Eagle Texas Ford property for AUD\$1,441,545 (USD\$1,050,000), which was announced to the ASX on 15 February 2016, is reflected in the unaudited balance sheet of the Company as at 31 March 2016 which is set out in Section 6.3 of the Prospectus.

2.3 Correction of typographical error

There was a typographical error in paragraph 3 of Section 5.1 of the Prospectus. The reference to "Section 0" in paragraph 3 in Section 5.1 is deleted and replaced with "Section 6.4".

3. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

Guy Goudy
Managing Director
For and on behalf of
AUSTIN EXPLORATION LIMITED