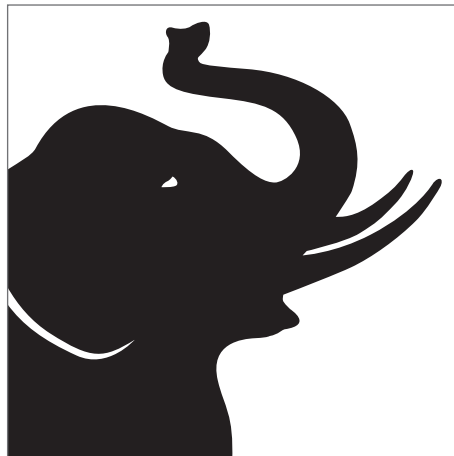


Notice of Annual General Meeting



**AUSTIN
EXPLORATION
LIMITED**

DATE:

30 November 2009

TIME:

11.00am (Adelaide time)

PLACE:

**Kelly & Co. Lawyers
Level 21, Westpac House
91 King William Street
Adelaide SA 5000**

**Austin Exploration Limited &
Controlled Entity**

ABN 98 114 198 471

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders of Austin Exploration Limited ACN 114 198 471 (**'Austin' or 'the Company'**) will be held at Kelly & Co. Lawyers, Level 21, Westpac House, 91 King William Street Adelaide SA 5000 on **30 November 2009** at 11.00am (Adelaide time).

GENERAL BUSINESS:

TO RECEIVE AND CONSIDER the Company's financial report and reports of the directors and of the auditor for the financial year ended 30 June 2009.

Resolutions

1. TO RE-ELECT DIRECTOR – James Michael Edwards

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That James Michael Edwards, being the director who has been longest in office, retires by rotation and is eligible for re-election, be re-elected as a director of the Company."

[see the accompanying Explanatory Notes]

2. TO ELECT DIRECTOR – Guy Goudy

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Guy Goudy, a director appointed as an additional director in accordance with clause 58 of the Constitution of the Company, is elected as a director of the Company."

[see the accompanying Explanatory Statement]

3. TO ELECT DIRECTOR – William Kefalianos

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That William Kefalianos, a director appointed as an additional director in accordance with clause 58 of the Constitution of the Company, is elected as a director of the Company."

[see the accompanying Explanatory Statement]

4. TO ADOPT THE REMUNERATION REPORT on pages 27 – 32 of the Annual Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the period ended 30 June 2009 be adopted."

[see the accompanying Explanatory Notes]

5. APPROVAL OF 22 JULY 2009 SHARE ISSUE

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue on 22 July 2009 of a total of 16,000,000 fully paid ordinary shares in the Company at \$0.04 per share to sophisticated investors on the basis set out in section 5 of the Explanatory Statement accompanying the notice convening this meeting, is approved and authorised."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 5 cast by:

- (a) shareholders who participated in the issue referred to in that resolution; and
- (b) any associate of those shareholders.

However, the Company is not required to disregard a vote if:

- (c) it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. APPROVAL OF 12 OCTOBER 2009 SHARE ISSUE

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue on 12 October 2009 of a total of 1,900,000 fully paid ordinary shares in the Company at \$0.05 per share to sophisticated investors on the basis set out in section 6 of the Explanatory Statement accompanying the notice convening this meeting, is approved and authorised."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 6 cast by:

- (a) shareholders who participated in the issue referred to in that resolution; and
- (b) any associate of those shareholders.

However, the Company is not required to disregard a vote if:

- (c) it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. APPROVAL OF PAST ISSUE OF UNLISTED OPTIONS

7.1 To consider and if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 500,000 unlisted options over ordinary shares in the Company and which have an exercise price of \$0.20 per option and an expiry date of 15 November 2011 to Stanley Lindsey on the basis set out in section 7 of the Explanatory Statement accompanying the notice convening this meeting, is approved and authorised."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 7.1 by:

- (a) Stanley Lindsey; and
- (b) an associate of that person.

However, the Company will not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a persons who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7.2 To consider and if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 333,333 unlisted options over ordinary shares in the Company and which have an exercise price of \$0.24 per option and an expiry date of 1 March 2013 to Kenneth Hill on the basis set out in section 7 of the Explanatory Statement accompanying the notice convening this meeting, is approved and authorised."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 7.2 by:

- (a) Kenneth Hill; and
- (b) an associate of that person.

However, the Company will not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a persons who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

8. APPROVAL OF ISSUE OF OPTIONS

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of 75,000,000 options in the Company at \$0.002 per option to Allegra Capital Pty Ltd or their Nominees on the basis set out in section 8 of the Explanatory Statement accompanying the notice convening this meeting, is approved and authorised."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 8 cast by:

- (a) optionholders who participated in the issue referred to in that resolution; and
- (b) any associate of those optionholders.

However, the Company is not required to disregard a vote if:

- (c) it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

9. APPROVAL OF ISSUE OF SHARES AND UNLISTED OPTIONS

9.1 To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 5,000,000 fully paid ordinary shares in the Company to Dominic Pellicano, or his nominee, together with attaching options on a 1:1 basis under terms disclosed in section 9 of the Explanatory Statement accompanying the notice convening this meeting, is approved and authorised."

9.2 To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 1,000,000 fully paid ordinary shares in the Company to James Edwards, or his nominee, together with attaching options on a 1:1 basis under terms disclosed in section 9 of the Explanatory Statement accompanying the notice convening this meeting, is approved and authorised."

9.3 To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 1,000,000 fully paid ordinary shares in the Company to Guy Goudy, or his nominee, together with attaching options on a 1:1 basis under terms disclosed in section 9 of the Explanatory Statement accompanying the notice convening this meeting, is approved and authorised."

9.4 To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 1,000,000 fully paid ordinary shares in the Company to William Kefalianos, or his nominee, together with attaching options on a 1:1 basis under terms disclosed in section 9 of the Explanatory Statement accompanying the notice convening this meeting, is approved and authorised."

Voting exclusion statement

The Company will disregard any votes cast on:

- (a) Resolution 9.1 by Dominic Pellicano;
 - (b) Resolution 9.2 by James Edwards;
 - (c) Resolution 9.3 by Guy Goudy; and
 - (d) Resolution 9.4 by William Kefalianos; and
- any associate of the respective shareholders.

However, the Company is not required to disregard a vote if:

- (a) it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (b) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

9.5 To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue to employees and/or consultants of the Company or its subsidiaries of 2,000,000 fully paid ordinary shares in the Company and 2,000,000 attaching options under terms disclosed in section 9.5 of the Explanatory Statement accompanying the notice convening this meeting is approved and authorised"

Voting exclusion statement

The Company will disregard any votes cast on Resolution 9.5 cast by:

- (a) Employees and/or contractors of the Company or any of the Company's subsidiaries; and
- (b) any associate of those shareholders.

However, the Company is not required to disregard a vote if:

- (c) it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

10. APPROVAL OF ISSUE OF SECURITIES

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.1, and for all other purposes, subject to the Company raising a minimum of \$7 million pursuant to a prospectus lodged with the Australian Securities and Investments Commission on 22 October 2009, the issue of a total of 67,415,740 fully paid ordinary shares in the Company, and the issue of 33,707,870 options over the unissued shares capital of the Company, to Newtak Pty Ltd (ACN 122 817 449) as trustee of the Newtak Unit Trust, F.A. & M.A. Ciccone Pty Ltd (ACN 006 005 250) and Hatz Investments Pty Ltd (ACN 099 932 288), and otherwise on the terms and conditions described in the Explanatory Statement accompanying this Notice of General Meeting, is approved and authorised."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 10 by the following persons:

- (a) Newtak Pty Ltd (ACN 122 817 449), Hatz Investments Pty. Ltd. (ACN 099 932 288) and F.A. & M.A. Ciccone Pty Ltd (ACN 006 005 250);
- (b) Mr Dominic Pellicano; and
- (c) any associates of those respective persons.

However, the Company is not required to disregard a vote if:

- (d) it is cast by any of those persons as proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (e) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

OTHER BUSINESS:

To deal with any other business that may legally be brought forward in accordance with the Constitution and the *Corporations Act 2001*.

Background Information

To assist you in deciding how to vote on the above Resolutions, further details as background information to the Resolutions are set out in the Explanatory Statement forming part of this notice of meeting.

Questions from shareholders

The Chairman of the meeting will allow a reasonable opportunity for stakeholders to ask questions or make comments on the management of the Company at the meeting.

Simon Gray of Grant Thornton Chartered Accountants, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2009 (or his representative) will attend the meeting. The Chairman of the meeting will allow a reasonable opportunity for the members as a whole to ask the auditor questions at the meeting about:

- The conduct of the audit;
- The preparation and content of the auditor's report;
- The accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- The independence of the auditor in relation to the conduct of the audit.

To assist the board of directors and the auditor of the Company in responding to any questions you may have, please submit any questions you may have headed '**Questions from shareholders**' to the address below to be received no later than 5.00pm (Adelaide time) on 24 November 2009.

In person or by mail: Registered Office – 25 Peel Street, Adelaide South Australia 5000

By Facsimile: +61 8 8339 7909

As required by section 250PA of the Corporation Act 2001, the Company will distribute a list of questions prior to the commencement of the annual general meeting, setting out the questions received and directed to the auditor in writing at least 5 business days prior to the meeting that the auditor considers relevant to the content of the audit report or the conduct of the audit of the financial report for the year ended 30 June 2009. The Chairman of the meeting will allow a reasonable opportunity for the auditor to respond to the questions set out on this list.

Voting Restrictions

Voting exclusion statements are set out under the text of the Resolutions above where required by the ASX Listing Rules.

Voting Entitlement

The Company has determined that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at close of business (Adelaide time) on 28 November 2009, subject to the Constitution of the Company.

Proxies

A shareholder who is entitled to attend and vote at the meeting has a right to appoint a proxy and should use the proxy form accompanying this document. The proxy need not be a shareholder.

A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a shareholder at the meeting is suspended if the shareholder is present at the meeting. The proxy form must be signed and dated by the shareholder or the shareholder's attorney. Joint shareholders must each sign.

Proxy forms or the original of such other authority (if any) under which the proxy form is signed must be received by Computershare at Level 5, 115 Grenfell Street, Adelaide SA 5000 or GPO Box 242, Melbourne, VIC 3001 or by fax (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555 not later than 48 hours before the commencement of the meeting.

Custodian Voting – For Intermediary Online subscribers only (Custodians) please visit www.intermediaryonline.com to submit your voting intentions.

By Order of the Board

Graham Seppelt

Company Secretary

Dated: 28 October 2009

Adelaide, South Australia

EXPLANATORY STATEMENT

Financial Statements and Reports

The *Corporations Act 2001* requires the annual report (which includes the financial statements and directors declaration), the directors' report and the auditor's report in respect of the financial year of Austin Exploration Limited ("Austin") ended 30 June 2009 to be laid before the 2009 Annual General Meeting. Shareholders will be given an opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of Austin.

1. Resolution 1. – Re-election of director Mr James Michael Edwards

Clause 59.1 of the Company's constitution requires that at each Annual General Meeting one-third of the directors must retire from office. A director appointed during the year either to fill a casual vacancy or as an addition to the directors is not taken into account in determining the directors who must retire by rotation. Therefore, James Edwards, being the director who has longest been in office, retires by rotation and is eligible for re-election at the Annual General Meeting on 30th November 2009. In accordance with clause 59.2 of the Company's constitution, James Edwards has submitted himself for re-election at the Annual general Meeting as a director.

James Edwards' details are set out in the 2009 Annual Report.

The Directors (other than James Edwards), unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

2. Resolution 2. – Election of director Mr Guy Goudy.

During the year Guy Goudy was appointed a Director by the board of directors. In accordance with clause 58 of the Company's Constitution, a director appointed by the board holds office until the Annual General Meeting and is then eligible for election. Guy Goudy seeks election as a director of the Company.

Guy Goudy's details are set out in the 2009 Annual Report.

The Directors, (other than Guy Goudy), unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

3. Resolution 3 – Election of director Mr William Kefalianos

During the year William Kefalianos was appointed a Director by the board of directors. In accordance with clause 58 of the Company's Constitution, a director appointed by the board holds office until the Annual General Meeting and is then eligible for election. William Kefalianos seeks election as a director of the Company.

William Kefalianos' details are set out in the 2009 Annual Report.

The Directors, (other than William Kefalianos), unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

4. Resolution 4. – Adoption of Remuneration Report

Section 240L and 250R of The Corporation Act 2001 require that a resolution that the Remuneration Report be adopted must be put to the vote at the Company's annual general meeting. The vote on this Resolution is advisory only and does not bind the directors or the Company.

The Remuneration Report is set out on pages 27 - 32 of the 2009 Annual Report.

An electronic copy of the Austin Exploration Annual Report can be located on the Company's web site at www.austinexploration.com.au/Financials.html

The Chairman intends to vote undirected proxies in favour of this Resolution.

5. Resolution 5. – Approval of 22 July Share Issue

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period which, when aggregated with the value of the other securities issued within that 12 month period, exceed 15% of the number of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions or the prior approval of the members of the Company in general meeting is obtained.

The Company has not exceeded the 15% threshold.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the Company's members subsequently ratify it. The effect of such ratification is to restore the Company's discretionary power to issue further shares up to 15% of the number of the Company's issued shares at the beginning of the relevant 12 month period without obtaining shareholder approval.

Shareholder approval of Resolution 5 will provide the Company with added flexibility in raising funds because it:

- renews the Company's capacity to issue further shares and options (to a limited extent) without exceeding the 15% limit in ASX Listing Rule 7.1; and
- allows the Company to issue further shares and options at short notice (without exceeding the 15% limit in ASX Listing Rule 7.1) and without seeking shareholder approval, where the resulting delay could compromise the success of a commercial transaction.

The Company is seeking shareholder approval of the issue on 22 July 2009 of a total of 16,000,000 fully paid ordinary shares in the Company at a price of \$0.04 per share to sophisticated investors to raise \$640,000.

The purpose of this capital raising was to assist with the settlement of litigation with Resource Energy Technology (RET) and the advancement of the Company's Park City, Kentucky project in USA, and for working capital.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution

6. Resolution 6. – Approval of 12 October Share Issue

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period which, when aggregated with the value of the other securities issued within that 12 month period, exceed 15% of the number of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions or the prior approval of the members of the Company in general meeting is obtained. The Company has not exceeded the 15% threshold.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the Company's members subsequently ratify it. The effect of such ratification is to restore the Company's discretionary power to issue further shares up to 15% of the number of the Company's issued shares at the beginning of the relevant 12 month period without obtaining shareholder approval.

Shareholder approval of Resolution 5 will provide the Company with added flexibility in raising funds because it:

- renews the Company's capacity to issue further shares and options (to a limited extent) without exceeding the 15% limit in ASX Listing Rule 7.1; and
- allows the Company to issue further shares and options at short notice (without exceeding the 15% limit in ASX Listing Rule 7.1) and without seeking shareholder approval, where the resulting delay could compromise the success of a commercial transaction.

The Company is seeking shareholder approval of the issue on 12 October 2009 of a total of 1,900,000 fully paid ordinary shares in the Company at a price of \$0.05 per share to sophisticated investors to raise \$95,000.

The purpose of this capital raising was to assist with the advancement of the Company's Park City, Kentucky project in USA, and for working capital.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution

7. Resolution 7. – Approval of past issue of unlisted options to specific entities or persons

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period which, when aggregated with the value of the other securities issued within that 12 month period, exceed 15% of the number of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions or the prior approval of the members of the Company in general meeting is obtained. The Company has not exceeded the 15% threshold.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the Company's members subsequently ratify it. The effect of such ratification is to restore the Company's discretionary power to issue further shares up to 15% of the number of the Company's issued shares at the beginning of the relevant 12 month period without obtaining shareholder approval.

Shareholder approval of Resolutions 7.1 and 7.2 will provide the Company with added flexibility in raising funds because it:

- renews the Company's capacity to issue further shares and options (to a limited extent) without exceeding the 15% limit in ASX Listing Rule 7.1; and
- allows the Company to issue further shares and options at short notice (without exceeding the 15% limit in ASX Listing Rule 7.1) and without seeking shareholder approval, where the resulting delay could compromise the success of a commercial transaction.

The Company is seeking shareholder approval of the following issues of unlisted options:

- 500,000 unlisted options over fully paid ordinary shares in the Company and which have an exercise price of \$0.20 per option and an expiry date of 31 December 2010 to Stanley Lindsey. These options were granted on 15 November 2011.
- 333,333 unlisted options over fully paid ordinary shares in the Company and which have an exercise price of \$0.24 per option and an expiry date of 1 March 2013 to Kenneth Hill. These options were granted on 31 January 2009.

No amounts were paid by the allottees on the issue of the options.

The purpose of these options is to provide a reward framework to align service providers' inputs with achievement of strategic objectives and the creation of value for shareholders.

The Directors unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

8. Resolution 8. – Approval of Proposed Issue of Options

As announced to the ASX on 8 October 2009, the Company is undertaking a fully underwritten non-renounceable rights issue (the **Entitlement Offer**) under which eligible shareholders are offered one new share for every one share held in the Company (together with one new free attached listed option for every two shares issued under the Entitlement Offer) (the **Listed Options**).

The offer of shares under the Entitlement Offer is made under a prospectus lodged with the Australian Securities and Investments Commission on 22 October 2009 (the **Prospectus**).

Under the terms of the underwriting agreement between the Company and Allegra Capital Pty Ltd (ACN 119 502 984) (the **Underwriter**) entered into on 8 October 2009 (the **Underwriting Agreement**), the Company agreed to issue the Underwriter (or its nominees), as part consideration for entering into the Underwriting Agreement, 75,000,000 options over the unissued share capital of the Company (the **Underwriter Options**).

The issue price of the Underwriter Options is \$0.002 per option. The terms and conditions of the Underwriter Options are otherwise the same as those of the Listed Options issued pursuant to the Prospectus. In particular:

- the Company will seek to apply for quotation of all the Underwriter Options on the ASX;
- the Underwriter Options will have an exercise price of \$0.10 each; and
- the Underwriter Options will have an expiry date of two years from the date of issue of the Listed Options.

Pursuant to the terms of the Underwriting Agreement, in the event the Underwriter Options have not been issued to the Underwriter (or its nominees) on or prior to 31 January 2010 (through no default by the Underwriter), the Company must make a cash payment to the Underwriter equal to 75,000,000 multiplied by the volume weighted average price of the Listed Options over the five (5) trading days prior to:

- if the Company convenes a meeting of its shareholders to seek approval to issue the Underwriter Options but the relevant approval is not obtained – the date of the shareholders' meeting to seek the approval; or
- if the Company fails to, on or before by 31 December 2009, convene or hold a meeting of its shareholders to seek approval to issue the Underwriter Options – 31 January 2010.

Listing Rule 7.1 provides that, except in limited circumstances, the Company cannot issue equity securities representing more than 15% of the issued capital of the Company in any 12 month period, without first obtaining shareholder approval.

"Equity securities" for these purposes includes the Underwriter Options proposed to be issued pursuant to Resolution 8.

The Directors therefore seek approval from shareholders pursuant to Listing Rule 7.1 for the issue of the Underwriter Options.

The effect of such approval would be to ensure that the Company would maintain its maximum discretionary power to issue further securities up to 15% of the issued capital of the Company, without obtaining shareholder approval.

Listing Rule 7.3 requires certain information to be contained in the notice of meeting and explanatory memorandum where shareholders will consider a resolution pursuant to Listing Rule 7.1. This information is set out below.

- The maximum number of securities to be issued:* the maximum number of Underwriter Options to be issued is 75,000,000.
- The date by which the securities will be issued:* the Underwriter Options will be issued no later than three months of shareholder approval, and in any event before 31 January 2010 (subject to shareholder approval).
- The issue price of the securities:* the issue price of the Underwriter Options will be \$0.002 per option.
- The names of the allottees:* the Underwriter Options will be taken up by Allegra Capital Pty Ltd (ACN 119 502 984), the underwriter of the Entitlement Offer and/or its nominee entities.
- The terms of the securities:* the Underwriter Options have the same terms and conditions as the Listed Options (i.e. an exercise price of \$0.10 each and an expiry of two years from the date of issue of the Listed Options).
- The intended use of the funds received:* the funds raised from the issue and exercise of the Underwriter Options will be used to fund the Company's exploration projects and for general working capital requirements.
- The dates of allotment or a statement that allotment will occur progressively:* the Underwriter Options will be issued within three months of shareholder approval, and in any event before 31 January 2010 (subject to shareholder approval).

The Directors unanimously recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

9. Approval of Issue of Shares and Unlisted Options

Over the past twelve months, directors and staff have:

- Deferred remuneration until the Company had the ability to pay for the services rendered under director's remuneration agreements with the Company; and
- Expended considerable extra unaccounted time to ensure the Company's survival through most difficult times and to ensure the Company's ability to prosper into the future.

No claim has yet been made on the Company for this extra time. It is now proposed that directors and other employees and/or contractors who would otherwise have invoiced the Company for services rendered for this extra time, forfeit their right for extra cash claims against the Company, to preserve the Company's working capital, and instead be issued with shares at no charge and unlisted options with an exercise price of \$0.10 per option on or before 30 November 2011 in lieu of payment for their extra services.

Both shares and unlisted options are to be held in voluntary escrow (on substantially the same terms as the Restriction Agreement in Appendix 9A of the Listing Rules) for a period of six months from the date of approval of the issue.

9.1 Resolution 9.1 - Approval of Issue of Shares and Unlisted Options to Directors

The directors are now seeking approval pursuant to Listing Rule 10.11 from shareholders for the issue of shares and unlisted options (Director Securities) to the following persons or their nominees as follows:

	Ordinary Shares	Unlisted Options
Dominic Pellicano	5,000,000	5,000,000
James Edwards	1,000,000	1,000,000
Guy Goudy	1,000,000	1,000,000
William Kefalianos	1,000,000	1,000,000

No amounts will be paid by the directors or their nominees upon approval of this Resolution.

Quotation of the options on ASX will not be sought.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Director Securities as approval is being obtained under Listing Rule 10.11. Shareholders should note that the issue of the Director Securities will not be included in the 15% calculation for the purposes of Listing Rule 7.1. if the issue is approved pursuant to Listing Rule 10.11.

Listing Rule 10.13 requires certain information to be contained in the notice of meeting and explanatory memorandum where shareholders will consider a resolution pursuant to Listing Rule 7.1. This information is set out below.

- (a) *The maximum number of securities to be issued:* the number of shares to be issued is 8,000,000 shares; the number of options to be issued is 8,000,000.
- (b) *The date by which the securities will be issued:* the Director Securities will be issued immediately after the conclusion of the meeting and in any event no later than one month after the meeting.
- (c) *The issue price of the securities:* the Director Securities will be issued for nil cash consideration. The shares will be taken to be issued at an issue price of \$0.05 per share.
- (d) *The names of the allottees:* as set out above.
- (e) *The terms of the securities:* the shares will rank equally with the Company's ordinary issued shares. The terms of the options are set out above.
- (f) *The intended use of the funds received:* the funds raised from the exercise of the options will be used to fund the Company's exploration projects and for general working capital requirements.

The Chairman intends to vote undirected proxies in favour of this Resolution.

9.2 Resolution 9.2 - Approval of Issue of Shares and Unlisted Options

The directors are now seeking approval pursuant to Listing Rule 7.1 from shareholders for the issue of 2,000,000 shares and unlisted options (**Employee and Contractor Securities**) to employees and/or contractors of the Company.

No amounts will be paid by the employees and/or contractors or their nominees upon approval of this Resolution.

Quotation of the options on ASX will not be sought.

Shareholders should note that the issue of the Employee and Contractor Securities will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Listing Rule 7.3 requires certain information to be contained in the notice of meeting and explanatory memorandum where shareholders will consider a resolution pursuant to Listing Rule 7.1. This information is set out below.

- (g) *The maximum number of securities to be issued:* the number of shares to be issued is 2,000,000 shares; the number of options to be issued is 2,000,000.
- (h) *The date by which the securities will be issued:* the Employee and Contractor Securities will be issued no later than 3 months after the conclusion of the meeting.
- (i) *The issue price of the securities:* the Employee and Contractor Securities will be issued for nil cash consideration. The shares will be taken to be issued at an issue price of \$0.05 per share.
- (j) *The basis on which allottees have been determined:* Employee and Contractor Securities will be issued to employees and/or contractors of the Company or its subsidiaries who have deferred remuneration for services rendered.
- (k) *The terms of the securities:* The shares will rank equally with the Company's ordinary issued shares. The terms of the options are set out above.
- (l) *The intended use of the funds received:* the funds raised from the exercise of the options will be used to fund the Company's exploration projects and for general working capital requirements.
- (m) *Allotment:* allotment will occur progressively once the employees' and/or contractors' entitlements have been determined.

The Chairman intends to vote undirected proxies in favour of this Resolution.

10. Resolution 10. – Approval of Issue of Securities to Newtak, Hatz and Ciccone

Background

As disclosed in the Company's 2009 Annual Report (see Note 24 on page 60), as at 30 June 2009 the Company owed to Newtak Pty Ltd (ACN 122 817 449) (**Newtak**), a company of which Mr Dominic Pellicano was a director, USD\$3,668,635. Mr Pellicano resigned as Director of Newtak on 29 October 2009.

The relevant details of this liability were announced to the ASX on 4 April 2008, and the details of Mr Pellicano's interest were announced on his appointment on 28 July 2008. Under a Participation Agreement between the Company, Newtak, Aus-Tex Exploration Inc. and California Services Pty Ltd (Participation Agreement), Newtak has advanced USD\$2,250,000 to the Company. The funds assisted in the development of the Park City Kentucky Oil and Gas sites in the United States of America. No further funds have been advanced under the Participation Agreement since then.

The funds were repayable on a 2-for-1 basis from production revenue, or from any other revenue that the Company chooses. USD\$4,500,000 is therefore required to be repaid. No repayments by the Company have been made to date.

Under the Participation Agreement, the Company also agreed to assign to Newtak a royalty interest in the first 200 wells drilled in the Park City Gas Field.

Due to a dispute arising between the Company and RET (the Operator of the Park City Gas Field), only 17 wells were drilled. Details of the settlement of this dispute were announced on 14 July 2009.

Newtak have alleged that the Company is liable to compensate it due to the Company's:

- a) Misrepresentations that the Company was entitled to drill 200 wells;
- b) Failure to drill and connect 50 wells by 1 January 2009;
- c) Misrepresentations over the flowrates from the existing 17 drilled wells.

In order to settle the dispute with Newtak, the Company has agreed to repay the USD\$4,500,000 referred to above, and an additional USD\$500,000 as compensation for the effective reduction in its royalty interest.

The Company has therefore agreed to pay to Newtak a total of USD\$5,000,000. The conversion to equity and the cash payment detailed below will discharge the entirety of the Company's liability to Newtak under the Participation Agreement and any claims Newtak had against the Company in respect of this loan and the reduced royalty interest.

The Company and Newtak have agreed to the conversion of USD\$3,000,000 of this debt to 67,415,740 fully paid ordinary shares in the capital of the Company (Settlement Shares) and to 33,707,870 options over the unissued share capital of the Company (Settlement Options) (together, the Settlement Securities).

The issue of the Settlement Securities is subject to the Company raising a minimum of A\$7 million pursuant to the Prospectus (see Resolution 8 and section 8 above) lodged with the Australian Securities and Investments Commission on 22 October 2009.

The Company and Newtak have agreed that the balance of the debt owed to Newtak (following the issue of the Settlement Securities) will be extinguished by a cash payment of USD\$2,000,000.

Terms and Conditions of the Settlement Securities

The Settlement Shares will rank equally with the ordinary issued share capital of the Company and the Company will apply for quotation of the shares on the ASX. The Settlement Shares will be taken to have been issued at \$0.05 per share.

The quantity of Settlement Shares to be issued was calculated on the basis of an AUD/USD exchange rate of 0.89. Accordingly, given that exchange rate (1 AUD = 0.89 US cents), the total quantity of Settlement Shares to be issued is as follows:

$$\begin{aligned}\text{Settlement Shares} &= [(\text{USD}\$3,000,000 \text{ (debt owed in USD)} / 0.89) / \$0.050] \\ &= 67,415,740 \text{ (rounding up)}\end{aligned}$$

The Company and Newtak agreed that the quantity of Settlement Options to be issued would be allocated on the same terms as the Entitlement Offer under the Prospectus discussed in section 8 above – that is, on the basis of one option for every two Settlement Shares that are issued.

Following from the calculation above, the total quantity of Settlement Options to be issued is as follows:

$$\begin{aligned}\text{Settlement Options} &= \text{Settlement Shares}/2 \\ &= 33,707,870\end{aligned}$$

The terms and conditions of the Settlement Options are otherwise the same as those of the Listed Options issued pursuant to the Prospectus. In particular:

- the Company will seek to apply for quotation of all the Settlement Options on the ASX;
- the Settlement Options will have an exercise price of \$0.10 each; and
- the Settlement Options will have an expiry date of two years from the date of issue.

Approval under Listing Rule 7.1 is being sought for the issue of the balance of the Settlement Securities to Newtak, Ciccone and Hatz, so that all of the Settlement Securities will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Listing Rule 7.3 requires certain information to be contained in the notice of meeting and explanatory statement where shareholders will consider a resolution pursuant to Listing Rule 7.1. This information is set out below.

- (a) The names of the allottees and the maximum number of securities to be issued:

The Company and Newtak have agreed the following allocation of the Settlement Securities:

Entity	Shares	Options
Newtak Pty Ltd (ACN 122 817 449)	40,876,405	20,438,202
F.A. & M.A. Ciccone Pty Ltd (ACN 006 005 250)	11,235,955	5,617,977
*Hatz Investments Pty. Ltd. (ACN 099 932 288)	15,303,380	7,651,690

* This entity is a unit holder in the Newtak Unit Trust, of which Newtak Pty Ltd is the trustee.

Mr Kleanthe Hatziladas is a Director of both Hatz Investments Pty Ltd (Hatz) and Newtak.

Hatz and F.A. & M.A. Ciccone Pty Ltd (Ciccone) and Newtak and Ciccone are unrelated parties.

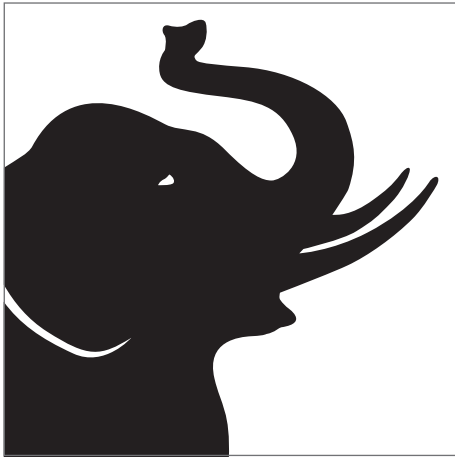
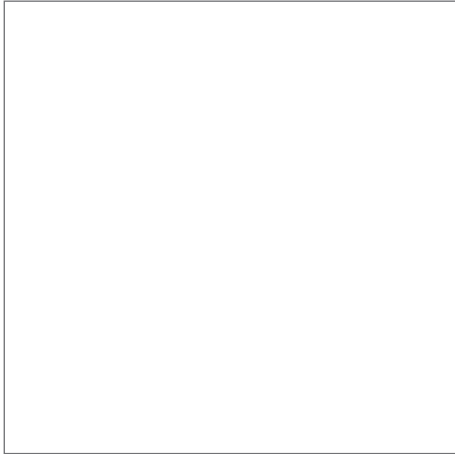
A Director of the Company, Mr Dominic Pellicano, indirectly holds an interest in Newtak through his interest in a unitholder in the Newtak Unit Trust, Benford Pty Ltd. Mr Pellicano is not a related party of Newtak as he does not control Newtak or the Newtak Unit Trust. Newtak is also not a related party of the Company.

Mr Pellicano is not related to Hatz or Ciccone, other than insofar as Hatz is also a unitholder under the Newtak Unit Trust.

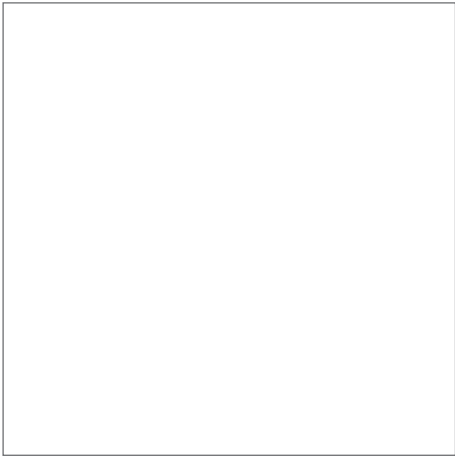
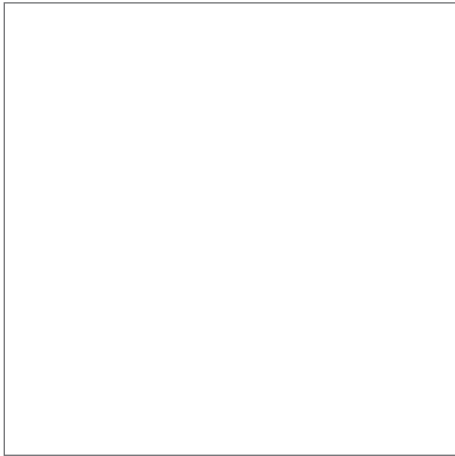
- (b) *The date by which the securities will be issued:* The securities will be issued within one month of the Annual General Meeting, subject to the Company raising a minimum of A\$7 million pursuant to the Prospectus.
- (c) *The issue price of the securities:* The shares will be taken to have been issued at \$0.05 per share. The options are issued for nil cash consideration. The securities are otherwise issued as part of a debt for equity conversion as described above.
- (d) *The terms of the securities:* As described above.
- (e) *The intended use of the funds received:* Funds received on conversion of the options will be used to fund the Company's exploration projects and for general working capital requirements.
- (f) *The dates of allotment:* Allotment will occur progressively.

Newtak, Hatz and Ciccone have also agreed to enter into a separate voluntary escrow agreement (on substantially the same terms as the Restriction Agreement in Appendix 9A of the Listing Rules) for a period of 6 months after shareholders approval the issue of the Settlement Securities.

Other than the information set out in this Explanatory Statement, the directors are not aware of any additional information that would reasonably be required by shareholders to enable them to make a decision whether or not it is in the best interests of the Company to pass the proposed Resolution.



**AUSTIN
EXPLORATION
LIMITED**



25 Peel Street
Adelaide SA 5000
Phone : 61 (0)419 035 297
Fax : 61 8 8339 7909
Website: www.austinexploration.com.au



ACN 114 198 471

000001 000 AKK
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 11:00am (Adelaide time) Saturday 28 November 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Austin Exploration Limited hereby appoint

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Austin Exploration Limited to be held at Kelly & Co Lawyers, Level 21, Westpac House, 91 King William Street, Adelaide, SA, 5000 on Monday 30 November 2009 at 11:00am (Adelaide time) and at any adjournment of that meeting.

Important for Items 9.1 and 10 : If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Items 9.1 and 10 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 9.1 and 10 and your votes will not be counted in computing the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of items 9.1 and 10 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain		For	Against	Abstain	
1	Re-election of Director - James Michael Edwards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.1	Approval of Issue of Shares and Unlisted Options - Dominic Pellicano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Election of Director - Guy Goudy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.2	Approval of Issue of Shares and Unlisted Options - James Edwards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of Director - William Kefalianos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.3	Approval of Issue of Shares and Unlisted Options - Guy Goudy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.4	Approval of Issue of Shares and Unlisted Options - William Kefalianos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of Share Issue - 22 July 2009	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.5	Approval of Issue of Shares and Unlisted Options - Employees and/or Consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Approval of Share Issue - 12 October 2009	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval of Issue of Securities - Newtown, Hatz and Ciccone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.1	Approval of Past Issue of Unlisted Options - Stanley Lindsey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7.2	Approval of Past Issue of Unlisted Options - Kenneth Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Approval of Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____