



AUSTIN EXPLORATION

Listed on the Australian Securities Exchange ("AKK") and the OTC in the USA (AUN-XY)
ACN 114 198 471

ASX ANNOUNCEMENT

13 May 2016

Closure of Rights Issue

The Directors of Austin Exploration Limited (**ASX:AKK**) (**The Company**) wish to advise the result of its underwritten renounceable entitlement offer ("the Offer") which closed on Friday the 6th of May 2016.

Of the maximum of 433,358,358 ordinary shares under the Offer, the total number subscribed by shareholders, in accordance with the prospectus dated 15 April, 2016 and supplementary prospectus dated 28 April 2016, was 215,901,167 offer shares which equates to a 49.8% take up (\$863,604) of the entitlements on offer.

Pursuant to its agreement, the Company has notified the Underwriter (Patersons Securities Ltd) of the resulting overall shortfall, being 217,457,191 shares which will be taken up by the Underwriter. The Offer raised a total of \$1,733,433 before costs.

As previously advised, the funds from the Offer, will be used for:

- Progressing the Company's drilling program in Colorado
- Working Capital, and
- Costs associated with the offer

In accordance with the revised prospectus time table, announced on 28 April 2016, the issue date for the entitlement shares is 13 May 2016 and the shortfall shares are expected to be issued on 17 May, 2016.

Mr. Guy Goudy, Austin's CEO & MD commented: "On behalf of Austin's Board and Management, we sincerely thank our loyal shareholders for their on-going support. We our navigating our way through a once in a generation downturn in the oil business, have eliminated our debt and have a clear and focused plan for growth. We look forward to progressing our Colorado drilling program and becoming one of the lowest cost oil producers in the business"

Released through Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448

ABOUT AUSTIN EXPLORATION:

Austin Exploration is an Oil and Gas Company with a portfolio of oil and gas assets in the United States. The Company has now established a major presence in two of America's most prolific oil and gas basins. Austin controls more than 15,000 acres in Colorado in the DJ Basin and 4000 acres in Kentucky in the Illinois Basin. Austin has producing oil and gas wells in Colorado, Texas and Kentucky. Austin has built a world class Board and Management team with proven company builders to derive maximum value from its oil and gas properties. Austin is listed on the Australian Securities Exchange (ASX code: AKK) and on the OTC in the United States (AUN-XY).

DISCLAIMER:

This announcement contains or may contain “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be “forward looking statements.” Forward looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this action may be identified through the use of words such as “expects”, “will”, “anticipates,” “estimates,” “believes,” or statements indicating certain actions “may,” “could,” or “might” occur. Oil production rates fluctuate over time due to reservoir pressures, depletion or down time for maintenance. The Company does not represent that quoted production rates will continue indefinitely.