

**AUSTIN EXPLORATION LIMITED**  
**ACN 114 198 471**

**SUPPLEMENTARY PROSPECTUS**

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**1. IMPORTANT INFORMATION**

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 16 December 2016 (**Prospectus**), issued by Austin Exploration Limited (ACN 114 198 471) (**Company**).

This Supplementary Prospectus is dated 23 December 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary 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 available with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at [www.austinexploration.com](http://www.austinexploration.com).

The Company will send a copy of this Supplementary Prospectus to all Eligible Shareholders who have applied for securities pursuant to the Prospectus prior to the date of this Supplementary 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.

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**2. REASON FOR SUPPLEMENTARY PROSPECTUS**

The purpose of this Supplementary Prospectus is to provide Eligible Shareholders with an update on the Underwriting Agreement between the Company and Patersons Securities Limited (**Patersons**) in relation to the Priority Offer.

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**3. TERMINATION OF UNDERWRITING AGREEMENT IN RELATION TO THE PRIORITY OFFER**

Clause 13.1(b) of the Underwriting Agreement states that the Underwriter may terminate its obligations under the Underwriting Agreement if:

*(Share Price): the price of the Shares quoted on ASX (trading under the ASX code AKK) close at any time after the date of this Agreement at a price less than 0.6 cents; ...*

On 16 December 2016, the Share price of the Company closed at 0.5 cents, meaning that the above termination event has been triggered.

Due to the termination event being triggered, and following discussions between the Board and Patersons, the Underwriting Agreement has been terminated. Patersons will continue to lead manage the Priority Offer.

The effect of the Underwriting Agreement being terminated is:

(a) that the Priority Offer is no longer underwritten to \$1,500,000; and

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- (b) the minimum subscription to be raised is no longer \$1,500,000. The Company confirms that there is no longer a minimum subscription to the Priority Offer.

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#### 4. PURPOSE OF THE PRIORITY OFFER

The primary purpose of the Priority Offer is set out in Section 5.1 of the Prospectus.

As set out in the Prospectus, the proceeds of the Priority Offer will be allocated towards the acquisition of Incremental Oil and Gas (Florence) LLC (**Incremental**) for \$2 million (**Acquisition**), expenses of the Priority Offer and working capital.

A total of \$1,700,000 has been raised pursuant to the Placement which will be allocated towards the Acquisition and costs of the Placement.

As the Underwriting Agreement has been terminated and there is no longer a minimum subscription under the Priority Offer, the Company may not have access to as many funds to allocate towards the Acquisition as disclosed in the Prospectus.

In the event the Company raises less than \$1,500,000 under the Priority Offer, the Company intends to first allocate funds towards the Acquisition up to the amount disclosed in the Prospectus and any additional funds towards expenses of the Offer, then to working capital. If the Company does not raise sufficient funds to allocate towards the amount of the Acquisition as disclosed in the Prospectus, the Company intends to obtain additional funds through a placement to sophisticated and institutional investors out of the Company's annual placement capacity.

The above is a statement of current intentions as of the date of this Supplementary Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

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#### 5. WITHDRAWAL OF PREVIOUS APPLICATIONS

As at the date of this Supplementary Prospectus, the Company has received two applications under the Prospectus. In accordance with section 724(2) of the Corporations Act, those applicants and any other applications for securities received to date (**Existing Applicant**), may withdraw their application and be repaid their application monies, provided the Company is given written notice of this wish to do so by 23 January 2017.

An Existing Applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company's share registry by mail or delivery so that it is received within 1 month of the date of this Supplementary Prospectus (i.e. **by close of business on 23 January 2017**).

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#### 6. NEW APPLICATIONS

Applications for securities under the Priority Offer after lodgement of this Supplementary Prospectus **must** be made using the Application Form attached to or accompanying this Supplementary Prospectus.

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The Company's share registry, Boardroom, will have customised Application Forms titled "Supplementary Prospectus - Priority Offer Application Form" attached to the Supplementary Prospectus when mailed and will also be available to be downloaded from their website [www.investorserve.com.au](http://www.investorserve.com.au) on or around 28 December 2016.

Applications for securities under the Priority Offer after lodgement of the Supplementary Prospectus will not be entitled to be issued a refund on the terms set out for Existing Applicants in Section 5 above.

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**7. INDICATIVE TIMETABLE**

The Indicative Timetable set out in the Prospectus remains unchanged.

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**8. 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.

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**Mr Guy Goudy**  
**Executive Chairman**  
**For and on behalf of**  
**AUSTIN EXPLORATION LIMITED**