



AUSTIN EXPLORATION

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

ASX ANNOUNCEMENT

30 September 2014

Austin & GEMCORP CAPITAL LLP agree terms on \$40 million debt package

- Facility is intended to ensure Austin's participation in future Eagle Ford wells with Halcon Resources Corporation
- Debt facility will underpin and solidify Austin's future growth plans

The Board of Austin Exploration ("Austin" or "the Company") (ASX:AKK) today announced that it has agreed commercial terms with GEMCORP CAPITAL on a \$40 million debt financing facility. The debt financing facility term sheet remains subject to technical and legal due diligence and final credit committee approval by GEMCORP CAPITAL. If approved, this facility will enable Austin to participate in the ongoing accelerated Eagle Ford drilling campaign in its partnership with Halcon Resources in East Texas, and support the ongoing development of its 100% controlled 11,560 acre Pathfinder property in Colorado.

Austin Exploration chairman, Mr Richard Cottee, said this was an important development for the Company and its shareholders.

"Austin will use the debt funding to develop and further derisk Austin acreage", said Mr Cottee.

"Importantly, the debt facility will enable the Company to keep up with the accelerated development of the Eagle Ford. When the debt facility is closed, Austin anticipates being able to meet all funding requirements without resorting to the sole-risk provisions of the joint venture. This will ensure that the Eagle Ford will become a cornerstone cash flow source in our efforts to develop the Pierre and Niobrara in the coming years".

GEMCORP CAPITAL, is a UK investment manager arranging capital through its investment vehicles.

Austin intends to close this facility expeditiously. Further details of the package will be announced at that time.

Ends.

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ABOUT AUSTIN EXPLORATION:

Austin Exploration is an Oil and Gas Company with a portfolio of oil and gas assets in the United States. In 2010, Austin strategically shifted its core focus towards non-conventional shale exploration and production. The Company has now established a major presence in two of America's most prolific oil and gas basins. Austin controls more than 11,000 acres in Colorado in the Niobrara Shale and has an interest in over 5,000 acres in Texas in the Eagle Ford Shale and the Austin Chalk. Austin has producing oil and gas wells in Colorado, Texas, Mississippi 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-QX International 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.