



# 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

24<sup>th</sup> February 2014

## Performance Rights Plan

- **Performance Rights Plan to Support Increased Production**
- **Issue of Performance Rights to Directors to be Approved by Shareholders**

### Performance Rights Plan

The Company's Performance Rights Plan ("Plan") was approved by shareholders at the General Meeting held on 30 March 2012. The Plan enables the Company to grant entitlements to shares ("Performance Rights") and issue shares on conversion of Performance Rights, without impacting on the Company's ability to issue up to 15% of its total ordinary securities without shareholder approval in any 3 year period. Performance Rights have been granted to staff each year as advised to the market but the Directors were not issued with Performance Rights in 2013. The Company has agreed, subject to Shareholder approval, to grant Performance Rights to the Directors of the Company in 2014.

The Performance Rights will be subject to the following vesting conditions based on Key Performance Indicators of the Company:

1. **Class 1 Performance Rights** – will vest if the volume weighted average price of the Company's shares as traded on ASX over 10 consecutive trading days in the 2014 calendar is equal to or greater than AUD\$0.02 per share (being 20% above the 1.6c Share April 2013 Placement and 82% above the 2013 low of 1.1cps)
2. **Class 2 Performance Rights** – will vest if the Company's wholly owned subsidiary, AusCo Petroleum ("US Subsidiary"), sustains total production of 600 BOEPD for at least 30 consecutive days in 2014
3. **Class 3 Performance Rights** - will vest if, for the period from 1 January 2014 to 31 December 2014, the US Subsidiary has no lost time SAFETY accidents.
4. **Class 4 Performance Rights** - will vest if, for the period from 1 January 2014 to 31 December 2014, the US Subsidiary does not have any Phase 1 ENVIRONMENTAL incidents.

The Company has agreed to seek Shareholder approval for granting of the following Performance Rights to the Directors:

Director	Class 1 Performance Rights	Class 2 Performance Rights	Class 3 Performance Rights	Class 4 Performance Rights	TOTAL
Mark Hart	5,000,000	2,000,000	1,500,000	1,500,000	<b>10,000,000</b>
Guy Goudy	5,000,000	2,000,000	1,500,000	1,500,000	<b>10,000,000</b>
Dominic Pellicano	2,500,000	1,000,000	750,000	750,000	<b>5,000,000</b>
<b>Total</b>	<b>12,500,000</b>	<b>5,000,000</b>	<b>3,750,000</b>	<b>3,750,000</b>	<b>25,000,000</b>

A Performance Right granted under the Plan will not vest unless the relevant conditions advised to the participant have been satisfied. The primary purpose for the issue of Performance Rights under the Plan is to provide a performance-linked incentive component in the remuneration package for the participating Directors in guiding management with respect to strategy development and in monitoring the performance of the Company.

The Company is of the view that, given its stage of development, the vesting conditions set for the issue of each class of the Director's Performance Rights are appropriate to attract, retain and motivate the Directors to execute the Company's current business plan.

### Shareholder Approval

The Company intends to seek shareholder approval for the issue of the above Performance Rights when the next General Meeting is convened. The Company does not consider it necessary to call a meeting solely to approve the grant of the above Performance Rights to the Directors, and has agreed with the Directors to put the resolution to Shareholders when the next General Meeting is required.

### Media Contact

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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).