



Listed on the Australian Securities Exchange ("AKK") and the OTC in the USA (AUN-XY)
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ASX ANNOUNCEMENT

22 February 2017

Austin Completes Priority Offer

The Directors of Austin Exploration Limited (**ASX: AKK**) (**Austin or the Company**) are pleased to announce that it has successfully placed the shortfall from its recently completed priority offer which has raised in excess of \$1.5 million (before costs). The priority offer was completed under the cover of a Prospectus (dated 16 December 2016) ("Prospectus").

Austin's Executive Chairman, Mr Guy Goudy, commented that: "including the placement which was announced in December 2016, this completes our fundraising activities to complete the acquisition of an additional 2,435 acres of the Florence Oilfield from Incremental Oil & Gas. The completion of the acquisition further strengthens Austin's commanding ownership position over the Florence Oil Field and places it in a position of strength as it moves to fully develop the 450+ development well locations each with NPV's of circa \$1.4m net to Austin".

Under the priority offer Prospectus, eligible shareholders were invited to subscribe to an entitlement offer to raise up to \$1.5 million (with over subscriptions eligible for an additional \$1 million) before costs ("Priority Offer"). The Priority Offer was conducted to allow eligible shareholders the opportunity to apply for up to \$15,000 worth of shares per shareholder at a price of 0.6c per share with an additional free 1:4 attaching 2019 AKKOA option.

On the 20th of February 2017, Austin advised that the Priority Offer had closed raising \$576,158 (93,526,373 Shares) before associated costs leaving a shortfall of \$938,842 (153,973,629 shares) ("Shortfall"). Confirmed applications of the Shortfall including allowable over subscriptions have now been received and subject to settlement raises the Company an additional \$1,000,000 (166,666,667 shares) before associated costs. All issues under the Priority Offer and shortfall will be issued an additional free 1:4 attaching 2019 AKKOA option.

The Priority Offer will ensure the company is funded to complete the acquisition of an additional 2,435 acres of the Florence Oilfield from Incremental Oil & Gas. Given the strong production results already reported over the acquisition area the Company looks forward to reporting complementary results from the upcoming development drilling program.

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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. 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 (Niobrara and Pierre Shale) and 4000 acres in the Illinois Basin in Kentucky. Austin has interests in producing oil and gas wells in Colorado, Kentucky and Texas. 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.