

AUSTIN EXPLORATION LIMITED
ACN 114 198 471

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of two (2) Shares for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.015 per Share to raise up to \$3,326,078 (based on the number of Shares on issue as at the date of this Prospectus) (together with one (1) free attaching option exercisable at \$0.03 on or before 18 September 2017 for every two (2) Shares subscribed for and issued (**New Option**)) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Non-Executive Chairman – Dr. Wm Mark Hart
Managing Director & Chief Executive Officer – Guy Goudy
Non-Executive Director – Dominic Pellicano
Non-Executive Director – Phil McCarthy
Non-Executive Director – Stuart Middleton

Registered Office

Level 6
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Sydney NSW 2000

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Email: robert@coysec.com.au
Website: www.austinexploration.com

Company Secretary

Robert Lees

Share Registry*

Computershare Investor Services Pty Ltd
Level 5
115 Grenfell Street
Adelaide SA 5000

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditor*

Grant Thornton
The Rialto, Level 30
525 Collins Street
Melbourne VIC 3000

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Event	Proposed Date
Lodgement of Prospectus with ASIC	24 September 2015
Lodgement of Prospectus & Appendix 3B with ASX	24 September 2015
Notice sent to Shareholders	25 September 2015
Ex-Date	29 September 2015
Record date for determining Entitlements	1 October 2015
Prospectus despatched to Shareholders & Company announces despatch has been completed	7 October 2015
Closing Date*	19 October 2015
Securities quoted on a deferred settlement basis	20 October 2015
ASX notified of under subscriptions	21 October 2015
Issue of Securities	26 October 2015
Quotation of Securities issued under the Offer*	27 October 2015

*The Directors may extend the Closing Date by giving at least 3 Business Days notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 24 September 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or

anticipated in these statements. These risk factors are set out in section 4 of this Prospectus.

3.2 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

A summary of the key risks include:

Risk	Description
<p>1. Oil & Gas Exploration</p>	<p>The prospects in which the Company has an interest are at various stages of pre-exploration due diligence, exploration or production, and potential investors should understand that exploration and development are high-risk undertakings.</p> <p>Oil and gas exploration is a high risk, speculative activity that requires a large amount of expenditure over extended periods of time. There is no guarantee that exploration will result in commercial discoveries.</p> <p>Technical conclusions during exploration, appraisal and production are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geophysical, drilling and other data.</p>
<p>2. Loss of land holding</p>	<p>The Company does not expect to retain all of its current land holding. As outlined in the Use of Funds table, should the full subscription not be reached, the Company will concentrate its exploration on its 100% owned Pathfinder Project in Colorado as it is of the opinion that this will provide the quickest returns on its capital.</p> <p>For further information please see the Use of Funds table and Section 4 below.</p>
<p>3. Commercialisation</p>	<p>Even if the Company recovers potentially commercial quantities of oil and gas, there is no guarantee that the Company will be able to successfully transport the oil and gas to commercially viable markets or sell the oil and gas to customers to achieve a commercial return.</p>
<p>4. Additional requirements for capital</p>	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer, even if the Offer is fully subscribed.</p> <p>Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating</p>

Risk	Description
	<p>activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p> <p>Should the Company not be able to obtain sufficient funding under this Offer or otherwise it will not be able to maintain its current expenditure requirements and maintaining full acreage retention will not be possible.</p>
<p>5. Oil and gas reserves and commercial law</p>	<p>Oil and gas reserves are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may change significantly when new information or techniques becomes available. In addition, by their nature, oil and gas reserves are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and commercial flow plans which may, in turn, either benefit or adversely affect the Company's operations.</p>
<p>6. Operations</p>	<p>The operations of the Company may be affected by various factors, including failure to locate or identify oil and gas reserves, failure to achieve predicted well production flow rates, operational and technical difficulties encountered in production, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated reservoir problems which may affect field production performance, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or production of the Birch Prospect</p>
<p>7. Contractual risk</p>	<p>The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.</p>

Risk	Description
<p>8. Oil and gas volatility and exchange rates</p>	<p>If the Company achieves success leading to oil and gas production, the revenue it will derive through the sale of oil and gas exposes the potential income of the Company to oil and gas price and exchange rate risks. Oil and gas prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of oil and gas are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>
<p>9. Environmental</p>	<p>The operations and proposed activities of the Company will be subject to US laws and regulations concerning the environment. As with most exploration projects and production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.</p>
<p>10. Sovereign</p>	<p>The Company's projects outside Australia are subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.</p> <p>Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in oil and gas exploration and production, may affect the viability and profitability of the Company.</p>

Risk	Description
11. Title	<p>The system for obtaining development rights to oil and gas leases in Colorado, Kentucky and Mississippi can be complex given that numerous parties may hold the undivided mineral estate to a particular tract of land. Securing the leases to those mineral estates often requires lengthy negotiation with the various parties.</p> <p>In order to independently verify that the parties with whom a company is dealing are the correct and sole holders of the mineral estate and to analyse the full rights and restrictions applying to the interest held by those parties requires that a company obtain detailed title opinions from appropriately qualified and experienced lawyers in Colorado, Kentucky and Mississippi. This can be a lengthy and expensive process and the final opinions are often the subject of numerous qualifications and requirements.</p>

3.3 Directors Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Mark Hart	1,944,009	Nil	1,296,006	\$19,440
Guy Goudy	2,120,000	Nil	1,413,334	\$21,200
Stuart Middleton	Nil	Nil	Nil	Nil
Phillip McCarthy	40,000	Nil	26,667	\$400
Dominic Pellicano	1,844,697	Nil	1,229,798	\$18,447

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

3.4 Substantial Holders and Effect on Control

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Lanstead Capital L.P.	56,381,471	16.95%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

In the event that Lanstead Capital L.P. (**Lanstead**) takes up all its Entitlement and

no other Shares are issued under the Offer or prior to completion of the Offer, then Lanstead's voting power in the Company could theoretically increase up to 25.38%. However, it is unlikely that no Shareholders, other than Lanstead, will take up Entitlements under the Offer. In the event all Entitlements are accepted, there will be no change to the substantial holders on completion of the Offer.

Under the terms of the Shortfall Offer, the holding of Lanstead Capital L.P. could increase to 19.9%.

3.5 Potential dilution to Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders assuming no New Options have been exercised is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	50,000,000	15.03%	33,333,334	50,000,000	9.02%
Shareholder 2	25,000,000	7.52%	16,666,667	25,000,000	4.51%
Shareholder 3	10,000,000	3.01%	6,666,667	10,000,000	1.80%
Shareholder 4	1,000,000	0.30%	666,667	1,000,000	0.18%
Shareholder 5	500,000	0.15%	333,334	500,000	0.09%

Notes:

1. All numbers are subject to rounding.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that Entitlements are subscribed for. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

3.6 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.031	9 July 2015
Lowest	\$0.019	14 September, 26 & 27 August
Last	\$0.016	24 September 215

4. CHAIRMAN'S LETTER

Dear Fellow Shareholders

It is my pleasure to present this Non-Renounceable rights issue (**Rights Issue or Offer**) of shares to eligible shareholders in which Austin Exploration Limited (Austin or the Company) is seeking to raise up to AUD\$3,326,078 before costs to fund the Company's future growth and development.

Pursuant to the Rights Issue, Eligible shareholders have the opportunity to subscribe for two (2) fully paid ordinary shares (**Shares**) in the Company for every three (3) Shares held on the Record Date, at an issue price of \$0.015 per Share, together with one (1) free attaching option exercisable at \$0.03 on or before 18 September 2017 for every two (2) Shares subscribed for and issued (**New Option**). This represents a 25% discount to the Share price of \$0.02 per Share as at 22 September 2015.

Your Board and Management are very committed to Austin's future and, as such, all Directors and Senior Management will be participating in the Rights Issue.

As you are well aware, the past 18 months have been extremely challenging for the oil & gas industry. Austin has not been immune from the impact of dramatically lower oil prices from \$105 per barrel to the low \$40's , but we have acted swiftly and taken a number of steps with an intent to future proof the Company and position it for growth over the longer term. With this intention to create a strong future, the Company has taken various steps which include:

- Significantly reducing general and administrative costs at a corporate and operational level by approximately 70%;
- Exiting high-cost horizontal well development programs where we do not have operational control;
- Streamlining our asset base so we are now focused on low-cost vertical well developments in Colorado, Kentucky and Mississippi; and
- Suspending the sale process of our Texas assets so meaningful value can be realised from a possible sale at a later date.

As a result of these initiatives, it is our view that Austin has emerged as a much stronger and more resilient Company. Further, we are of the view that we are now very well placed to capitalise on an intensive low-cost, high impact vertical well development program that will significantly strengthen existing cash flows and ensure we can continue to operate and deliver production growth in an environment of circa US\$40.00 per barrel oil prices. These initiatives have the intention of allowing Austin to maintain its strong acreage position by meeting its well development commitments.

The Board believes that there is considerable unlocked value in Austin's asset base in Colorado, Kentucky and Mississippi and that the funds raised from this Rights Issue will continue to provide the necessary flexibility to realise this value. I am very confident that Austin's best days are ahead and the Company has a strong future as a growing United States focused energy group.

Thank you for considering this Offer and we are grateful for your continued support. I will be taking up my full entitlement.

Yours sincerely

Mark Hart
Non-Executive Chairman

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of two (2) Shares for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.015 per Share (together with one (1) free attaching New Option, that will be exercisable at \$0.03 at any time up to 18 September 2017, for every two (2) Shares subscribed for and issued). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 221,738,527 Shares and 110,869,263 New Options will be issued pursuant to this Offer to raise up to \$3,326,078. No funds will be raised from the issue of the New Options.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 7 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 7.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in section 6.1 of this Prospectus.

5.2 Minimum subscription

There is no minimum subscription.

5.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and

- (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.015 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

5.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Austin Exploration Limited – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

5.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

One (1) New Option with an exercise price of \$0.03 and an expiry date of 18 September 2017 will be issued for every two (2) Shares subscribed for and issued under the Offer.

5.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.015 being the price at which Shares have been offered under the Offer.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion, however following the Shortfall Offer no Shareholder will obtain an interest of above 19.9%. Shareholders who wish to subscribe for Shares above their

Entitlement are invited to apply for additional Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form.

5.7 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

5.8 Issue

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

5.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand except to a limited number of Shareholders in the United States.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Australian Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

5.10 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Robert Lees, on +61 2 9299 9580.

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$3,326,078. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Drilling on Pathfinder Project (Colorado)	1,500,000	45.10%
2.	Drilling on its interests in Mississippi	500,000	15.03%
3.	Drilling on its interests in Kentucky	500,000	15.03%
4.	Expenses of the Offer ¹	75,586	2.27%
5.	Working capital	750,492	22.57%
	Total	3,326,078	100%

Notes:

1. Refer to section 9.6 of this Prospectus for further details relating to the estimated expenses of the Offer.

In the event the Company raises less than the full subscription under the Offer, the Company will scale back its expenditure pro rata with the percentages set out in the table above (after payment of the expenses of the Offer).

However, if the Company raises less than \$1,000,000 it will stop expenditure on its interests in Mississippi and Kentucky and allocate 85% of the funds raised (after expenses of the Offer) towards continued development of its flagship and low cost Pathfinder project in Colorado with the remainder to be used for working capital purposes.

On completion of the Offer, the Board believes our Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) 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.

6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$3,250,492 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 332,607,790 as at the date of this Prospectus to 554,346,317 Shares following complete of the Offer; and

- (c) increase the number of Options on issue from nil as at the date of this Prospectus to 110,869,263 Options following completion of the Offer.

6.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2015 and the unaudited pro-forma balance sheet as at 30 June 2015 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30 June 2015	PROFORMA 30 June 2015
CURRENT ASSETS		
Cash and cash equivalents ¹	1,870,086	5,120,578
Trade and other receivables	133,846	133,846
Available for sale financial asset	38,577	38,577
Other current assets	11,961	11,961
TOTAL CURRENT ASSETS	2,054,470	5,304,962
NON-CURRENT ASSETS		
Investment accounted for using the equity method	1,636,569	1,636,569
Property, plant and equipment	352,216	352,216
Development and producing assets	3,688,047	3,688,047
Exploration and evaluation assets	6,331,552	6,331,552
Intercompany loans receivable	1,674,147	1,674,147
TOTAL NON-CURRENT ASSETS	13,682,531	13,682,531
TOTAL ASSETS	15,737,001	18,987,493
CURRENT LIABILITIES		
Trade and other payables	523,776	523,776
Creditors and borrowings	1,958,850	1,958,850
TOTAL CURRENT LIABILITIES	2,482,626	2,482,626
NON-CURRENT LIABILITIES		
Other long term liabilities	73,740	73,740
TOTAL NON-CURRENT LIABILITIES	73,740	73,740
TOTAL LIABILITIES	2,556,366	2,556,366
NET ASSETS (LIABILITIES)	13,180,635	16,431,127
EQUITY		
Share capital	69,015,125	72,265,617
Reserves	9,484,241	9,484,241
Retained earnings / (Accumulated loss)	(65,318,731)	(65,318,731)
TOTAL EQUITY	13,180,635	16,431,127

Notes:

1. Column 1 represents the Audit reviewed 30 June 2015 Consolidated financial position of Austin Exploration Limited ('Austin') at 30 June 2015.
2. Column 2 represents the pro forma consolidated statement of financial position at 30 June 2015 of Austin assuming
 - a) All non-renounceable rights on offer are taken up by shareholders or placed – raising \$3,326,078.
 - b) Estimated costs of \$75,586 associated with the non-renounceable rights issue are allocated to contributed equity.

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	332,607,790
Shares offered pursuant to the Offer	221,738,527
Total Shares on issue after completion of the Offer	554,346,317

Options

	Number
Options currently on issue:	Nil
New Options offered pursuant to the Offer (Quoted exercisable at \$0.03 on or before 18 September 2017)	110,869,263
Total Options on issue after completion of the Offer	110,869,263

The capital structure on a fully diluted basis as at the date of this Prospectus would be 332,607,790 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 554,346,317 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

7. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

7.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7.2 New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 18 September 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Quotation**

The Company will apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

8. RISK FACTORS

8.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business which are set out in Section 3.2. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(d) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(e) **Managing Growth**

The Company's success will depend on its ability to expand its operations. If the Company is unable to successfully manage the expansion of its business, its financial condition and results of operations could be materially adversely affected.

8.3 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

9. ADDITIONAL INFORMATION

9.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
23/09/15	Non-Renounceable Rights Issue with amended timetable
23/09/15	Non-Renounceable Rights Issue to Fund Growth
02/09/15	Austin Hits Oil in Mississippi
31/08/15	Texas Sale Update
28/08/15	Austin Commences Drilling in Mississippi USA
31/07/15	Quarterly Activities and Cash Flow Report
30/07/15	First Deviated Pierre Well Bore Completed in Colorado
16/07/15	Austin Significantly Expands Colorado Acreage
09/07/15	Austin Hits Oil in Kentucky
02/07/15	Company Secretary Appointment & Change of Aust Corp Office
16/06/15	Texas Birch Project Update
28/05/15	Austin Succession Plan
05/05/15	Seismic Program Underway in Colorado
30/04/15	Activities Report and Appendix 5B
28/04/15	Austin Secures Funding to Drive Low Risk Growth
27/04/15	Revised Appendix 3X
22/04/15	Final Director's Interest Notice
07/04/15	Initial Director's Interest Notice
27/03/15	Austin Nominated Finalist in 2015 E&P Company of Year
24/03/15	Seaducer well records 18,604 BOE for 30 day IP
23/03/15	Ceasing to be a Substantial Holder
23/03/15	Austin Forms JV to Develop Pierre Shale
20/03/15	Trading Halt
19/03/15	Directors Appointment/Resignation
13/03/15	Interim Financial Report – Half Year Ended 31 December 2014

Date	Description of Announcement
12/03/15	Becoming a Substantial Holder
23/02/15	Ceasing to be a Substantial Holder for CRX
30/01/15	Appendix 5B and Activities Report
15/01/15	Change of Director's Interest Notice
14/01/15	Appendix 3B
14/01/15	Change of Director's Interest Notices
13/01/15	Change of Director's Interest Notice
12/01/15	Austin Strikes Oil on its Sixth Eagle Ford Well in Texas
05/01/15	Change of Director's Interest Notice
30/12/14	Becoming a Substantial Holder
30/12/14	Change of Director's Interest Notice
30/12/14	Change of Director's Interest Notice
17/12/14	Colorado Operational Update
10/12/14	Kentucky Oil Production Update
08/12/14	Curington Well Flows 19,600BO in First 30 Days
05/12/14	Pathfinder Project Update
04/12/14	Austin's Sixth Well in Texas Successfully Fracced
03/12/14	Austin Secures Cornerstone Investor
03/12/14	Appendix 3B
01/12/14	Trading Halt
19/11/14	Share Consolidation Completed
07/11/14	Eagle Ford Update
07/11/14	Fifth Eagle Ford horizontal well flowing at 996 BOEPD
07/11/14	Results of General Meeting of Members
05/11/14	Withdrawal of Resolution
04/11/14	Funding Update
03/11/14	Austin Exploration turns cash flow positive
30/10/14	Appendix 5B and Activity Report
29/10/14	Update on Birch Eagle Ford Project
15/10/14	Austin Completes Bridging Facility
09/10/14	Austin to Consolidate Shares
09/10/14	Notice of Annual General Meeting / Proxy Form
02/10/14	Sixth Eagle Ford Well Spud
01/10/14	Austin and GEMCORP CAPITAL LL agree terms on debt package
18/09/14	Strong Oil and Gas Flows from Red Bud 1H

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.austinexploration.com.

9.3 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

Refer to section 3.3 for the Directors' security holdings.

The Board advises that all Directors currently intend to take up their respective Entitlements in full.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In

addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Financial Year ended 30 June 2014	Financial Year ended 30 June 2015	Financial Year ended 30 June 2016 ¹
Mark Hart	\$451,581 ² US\$240,000 Salary US\$40,000 Director fees	\$317,810 ² US\$125,000 Salary US\$24,000 Director fees	\$24,000 Director fees
Guy Goudy	\$435,644 ³ US\$200,000 Salary \$40,000 Director fees	\$261,215 ³ US\$180,000 salary \$24,000 Director Fees	\$24,000 Director fees \$140,000 salary
Richard Cottee ⁴	\$150,926	\$50,188	N/A
Stuart Middleton	N/A	\$5,000	\$24,000 Director fees
Phillip McCarthy	N/A	\$5,000	\$24,000 Director fees
Dominic Pellicano	\$86,431	\$24,000	\$24,000 Director fees

Notes:

1. Remuneration is being reviewed monthly due to difficult market conditions.
2. Consists of \$371,581 in salary and fees and \$80,000 in accrued performance rights in 2014 and \$371,581 in salary and fees in 2015.
3. Consists of \$348,938 in salary and fees and \$80,000 in accrued performance rights in 2014 and 261,215 in salary and fees in 2015.
4. Retired as a Director on 21 April 2015.

9.4 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;

- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$24,917 (excluding GST and disbursements) for legal services provided to the Company.

9.5 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC

9.6 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$75,586 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,320
ASX fees	8,266
Legal fees	15,000
Printing and distribution	35,000
Miscellaneous	15,000
Total	<u>75,586</u>

9.7 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 2 9299 9580 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.austinexploration.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.8 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.10 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers,

regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

10. DIRECTORS' AUTHORISATION

This 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 Prospectus with the ASIC.

Guy Goudy
Executive Director
For and on behalf of
Austin Exploration Limited

11. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Austin Exploration Limited (ACN 114 198 471).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

New Option means an Option issued on the terms set out in section 7.2 of this Prospectus.

Offer means the non-renounceable Entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means Shares and/or New Options offered pursuant to the Entitlement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 5.6 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.