



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

8 October 2014

Austin Share Consolidation

Austin Exploration Ltd (ASX: AKK) ("**Austin**" or "**Company**") today announced a 10:1 consolidation of its shares as a final step in the restructuring of the Company. The consolidation is dependent on receiving shareholder approval at the Annual General Meeting to be held at HLB Mann Judd Level 9 575 Bourke Street Melbourne at 11am on 7 November 2014.

Austin's Managing Director and Chief Executive Officer, Dr. Mark Hart, said: "The Austin Board believes that consolidating the number of AKK shares on offer will help transform the Company from a speculative explorer to a long-term institutional-grade investment, particularly now the Eagle Ford acreage has been de-risked.

"This year the Company has become a meaningful player in the Eagle Ford. As such, it is our view that a consolidated share register is more reflective of the Company's status and profile as an independent oil and gas producer and developer.

"At this time last year, the Company had a capital structure that would not support the rapid growth necessary for Austin to aspire to become an ASX 100 company. Now with strong costs control, production in the Eagle Ford and the Gas Processing Plant at the Niobrara the Company has evolved to the stage where we believe substantial shareholder wealth can be created", Dr. Hart said.

"It is my belief that the Company needs patient, supportive shareholders looking for returns over the two year horizon rather than the two hour horizon. The recent placements and the debt negotiation coupled with this share consolidation is aimed at delivering this stability" he said.

The resolution at the General Meeting will propose that every ten (10) ordinary shares held by a shareholder be converted into one (1) ordinary share (subject to rounding). If the resolution is passed, the number of ordinary shares and options on issue and the exercise price of the options will be adjusted in accordance with the ASX Listing Rules.

Further information in relation to the proposed share consolidation, including the timetable for the consolidation, is provided in the attached Notice of General Meeting and Explanatory Statement which is planned to be dispatched shareholders shortly.

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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.