

Notice of General Meeting

Austin Exploration Limited
ACN 114 198 471

Date: Monday 4th August 2008
Time: 11.00 am (ACST) (Adelaide)
Place: Minter Ellison Boardroom, Level 10, 25 Grenfell Street, Adelaide, South Australia

Notice of general meeting

Notice

A general meeting of the members of Austin Exploration Limited ACN 114 198 471 (**Company**) will be held:

- on Monday, 4 August 2008
- at 11.00 a.m. (ACST)
- at Minter Ellison Boardroom, Level 10, 25 Grenfell Street, Adelaide, South Australia.

If you are unable to attend the meeting, you are requested to complete the form of proxy enclosed with this notice. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, at least 48 hours before the time for holding the meeting as follows:

- (i) In Person to: Computershare Investor Services Pty Ltd, Level 5, 115 Grenfell Street, Adelaide, South Australia, 5000, Australia; or
- (ii) By Mail to: Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria, 3001, Australia
- (iii) By Fax to: +61 8 8236 2305.

Business

To consider and if thought fit pass the following resolutions as ordinary resolutions:

1. RESOLUTION 1 - APPROVAL OF PROPOSED SHARE PLACEMENT

'That for the purposes of ASX Limited Listing Rule 7.1, and for all other purposes, shareholders approve the issue, not later than three (3) months after the date of this general meeting, of up to 14,100,835 fully paid ordinary shares in the capital of the Company, at a price of AUD\$0.31 per share to qualified clients of member firms of the ASX or sophisticated or professional investors at the discretion of the Board of the Company, on the terms described in the accompanying Explanatory Memorandum.'

2. RESOLUTION 2 – APPROVAL OF PROPOSED FURTHER SHARE PLACEMENT

'That for the purposes of ASX Limited Listing Rule 7.1, and for all other purposes, shareholders approve the issue, not later than three (3) months after the date of this general meeting, of up to 5,000,000 fully paid ordinary shares in the capital of the Company, at a price of not less than eighty per cent (80%) of the average market price on ASX Limited ('ASX') calculated over the last five (5) days on which sales in the Company's ordinary shares were recorded before the day on which the issue is made, to qualified clients of member firms of ASX or sophisticated or professional investors at the discretion of the Board, on the terms described in the accompanying Explanatory Memorandum.'

By order of the board

Date 30th June 2008

Name Graham Seppelt
Company Secretary

Information for shareholders

Appointment of a proxy

A shareholder entitled to vote at a general meeting of the Company may appoint not more than two proxies to attend and vote at the general meeting on that shareholder's behalf.

A proxy need not be a shareholder of the Company.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion is specified, each proxy can exercise half of the shareholder's voting rights.

In the case of shares jointly held by two or more persons, any joint holder may appoint a proxy but if more than one is present at the meeting (either in person or by proxy or attorney or representative) the joint holder whose name appears first in the Company's share register shall alone be entitled to vote in respect of those shares.

Shareholders who wish to appoint a proxy may do so by returning a completed proxy form in addition to the power of attorney or other authority (if any) under which it is signed (or a certified copy) to the Company's Share Registrar. The proxy can be returned by postal mail to Austin Exploration Limited C/- Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria, 3001, Australia or by facsimile to +61 8 8236 2305.

If you require an additional proxy form, the company will supply it on request.

To be valid, proxy forms must be received by the Company no later than 11.00 a.m. (ACST) on **2 August 2008**.

A proxy form is attached to this Notice of General Meeting.

Voting Entitlement

The Company has determined that for the purpose of voting at the meeting, shares will be taken to be held by the registered holders at close of business (ACST) on Thursday 31 July 2008, subject to the Constitution of the Company.

Explanatory Memorandum

Important notice

This Explanatory Memorandum has been prepared for the information of shareholders of Austin Exploration Limited ACN 114 198 471 (**Company**) in connection with the general meeting to be held on 4 August 2008 at 11.00 a.m. (ACST) at Minter Ellison Boardroom, Level 10, 25 Grenfell Street, Adelaide.

Information relevant to the business to be considered at the general meeting is provided in this Explanatory Memorandum and shareholders should read this document in full in conjunction with the accompanying Notice of General Meeting (**Notice**).

General background

The general meeting referred to in the accompanying Notice is being held so that the Company's shareholders can consider the resolutions set out in the Notice, in accordance with Listing Rule 7.1 of ASX Limited (**ASX**).

Under the ASX Listing Rules, the Company may not issue shares or options over unissued shares, comprising more than 15% of the number of ordinary securities on issue in the preceding 12 month period, without shareholder approval, subject to certain limited exceptions.

If the resolutions to issue ordinary fully paid shares under the share placements referred to in Resolutions 1 and 2 are approved, the Company can proceed to issue shares via those placements in compliance with the ASX Listing Rules.

If the two resolutions are approved, the Company will have the ability to make those further issues of ordinary fully paid shares without obtaining shareholder approval, in compliance with the ASX Listing Rule 7.1.

Resolution 1 – Proposed share placement

Background

On 11 June 2008 the Company confirmed that it had closed its Share Purchase Plan which was announced to the market on 9 May 2008.

Pursuant to the Share Purchase Plan, approximately 22,033,580 shares were available for subscription. Following closure of the Share Purchase Plan, a total of 7,932,734 shares were issued to various shareholders who subscribed for shares under the Share Purchase Plan. In accordance with ASX Listing Rule 7.2, the Company was not required to obtain shareholder approval in order to issue the shares subscribed for under the Share Purchase Plan.

However, 14,100,835 shares were not subscribed for under the Share Purchase Plan and the Company would like to obtain shareholder approval to place those unsubscribed shares at the same price as offered under the Share Purchase Plan (AUD\$0.31 per share), to qualified clients of member firms of the ASX or sophisticated or professional investors at the discretion of the Board of the Company.

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1. If approval is obtained:

- up to 14,100,835 shares will be issued;
- the shares will be issued no later than three (3) months after the date of the meeting to which this Explanatory Memorandum relates;
- the shares will be issued at a fixed price of AUD\$0.31, which represents the issue price under the Share Purchase Plan;
- the shares will be issued to qualified clients of member firms of the ASX or sophisticated or professional investors at the discretion of the Board of the Company;
- the shares will rank equally in all respects with the Company's existing ordinary shares on issue;
- funds raised by the issue of shares will be used to further facilitate the continuing development of the Company's Park City Gas Project in the state of Kentucky, USA and for working capital; and
- the allotment of the Shares will occur progressively.

Reasons for seeking shareholder approval

Under ASX Listing Rule 7.1, the Company cannot make the placement of shares under Resolution 1 without the approval of shareholders.

Voting exclusion statement

The Company will disregard any votes cast on Resolution 1 by:

- (a) a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed; and
- (b) an associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a persons who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Proposed further share placement

Background

Under Resolution 2, the Board of the Company seeks to obtain shareholder approval for the issue of shares set out below, for the purpose of satisfying Listing Rule 7.1.

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2. If approval is obtained:

- up to 5,000,000 shares will be issued;
- the shares will be issued no later than three (3) months after the date of the meeting to which this Explanatory Memorandum relates;
- the shares will be issued for a minimum price that is at least 80% of the average market price for Shares calculated over the last five (5) days on which sales in the shares were recorded before that date on which the issue is to be made;
- the shares will be issued to qualified clients of member firms of ASX or sophisticated or professional investors at the discretion of the Board;
- the shares will rank equally in all respects with the Company's existing shares on issue;
- funds raised by the issue of the shares will be used to fund ongoing exploration and for working capital; and
- the allotment of the securities will occur progressively.

Reasons for seeking shareholder approval

Under ASX Listing Rule 7.1, the Company cannot make the further placement of shares under Resolution 2 without the approval of shareholders

Voting exclusion statement

The Company will disregard any votes cast on Resolution 2 by:

- (e) a person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed; and
- (f) an associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (g) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (h) it is cast by the person chairing the meeting as proxy for a persons who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



ACN 114 198 471

Proxy Form

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 556 161
(outside Australia) 61 3 9415 4000
Facsimile 61 8 8236 2305
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001 000 AKK
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



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Appointment of Proxy

I/We being a member/s of Austin Exploration Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Austin Exploration Limited to be held at Minter Ellison Boardroom, Level 10, 25 Grenfell Street, Adelaide on Monday, 4 August 2008 at 11.00am and at any adjournment of that meeting.

Voting directions to your proxy - please mark to indicate your directions

- 1 Approval of proposed share placement
- 2 Approval of proposed further share placement

For Against Abstain*



The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy

I/We wish to appoint a second proxy



Mark with an 'X' if you wish to appoint a second proxy.

AND



OR



State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



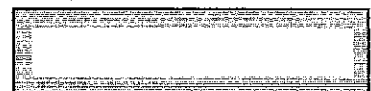
Individual/Sole Director and
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date / /

AKK

1 P R



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's Share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11.00am on Monday, 4 August 2008. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- IN PERSON Registered Office - 25 Peel Street Adelaide SOUTH AUSTRALIA 5000 Australia
Share Registry - Computershare Investor Services Pty Limited, Level 5, 115 Grenfell Street, Adelaide SA 5000 Australia
- BY MAIL Registered Office - 25 Peel Street Adelaide SOUTH AUSTRALIA 5000 Australia
Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
- BY FAX 61 8 8236 2305