



Listed on the Australian Securities Exchange ("AKK") and the OTC-QX International in the USA (AUN-XY)
ACN 114 198 471

**ASX ANNOUNCEMENT
2014**

5th February

Placement to accelerate Pierre Drilling Program

- **\$2.86m Placement underpins funding for the Pierre drilling program**
- **Vote of confidence in Austin growing production portfolio**

The Board of Austin Exploration Limited ("Austin" or the "Company") advises that it has completed a placement of \$2.86 million through the issue of 260 million new shares at 1.1 cents per share. The placement to sophisticated investors was completed at a 15% discount to Austin's last closing price on the ASX. DJ Carmichael Pty Ltd acted as Lead Manager and book runner to the Placement.

The Placement funds will provide Austin with additional working capital to allow it to start the Pierre shale drilling program at the Company's Niobrara Pathfinder project. The Company is proposing an additional two shallow wells which, if successful, will result in the early commencement of oil sales and add significantly to cash flow.

Chairman Richard Cottee said the drilling in the Pierre is highly attractive to Austin because it is expected to bring forward a strong revenue stream in return for a modest investment.

"The program aims to prove-up the prime Niobrara property so as to facilitate further development opportunities including possibly attracting a high calibre farm-out partner for our 11,560 acre flagship Pathfinder project on terms most favorable to Austin shareholders", Mr Cottee said.

"We appreciate the support shown by the investment community for the company and our management team. We have worked hard for the last three years to get us to this point and 2014 is shaping up to be a very exciting year on the back of an ongoing drilling campaign." said Guy Goudy, COO of Austin Exploration and President of the US subsidiary, AusCo Petroleum, who also performed the roadwork for this investment.

The placement is being conducted in one tranche under the Company's 15% limit permitted under the listing rules without shareholder approval. Settlement of the Placement is scheduled to occur on 12 February 2014 and the new shares are expected to be quoted on that date.

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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.