



ACN 114 198 471

# Proxy Form

### All correspondence to:

Computershare Investor Services Pty Limited  
GPO Box 1903 Adelaide  
SA 5001 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)



## 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 Extraordinary General Meeting of Austin Exploration Limited to be held at Level 34 of 530 Collins Street, Melbourne, Victoria, 3000, on 26 June 2007 at 11.00 am and at any adjournment of that meeting.

### IMPORTANT: FOR ITEM 2.(b)(i) BELOW



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Item 2.(b)(i) below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 2.(b)(i) and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 2.(b)(i).

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

	For	Against	Abstain*		For	Against	Abstain*
1.(a) To elect Mr P D Teisseire as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.(a)(iii) Approve grant of 1,000,000 options to D F Reck Jr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.(b) To elect Mr P J Davies as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.(b)(i) Approve grant of 400,000 options to P D Teisseire	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.(a)(i) Approve grant of 2,500,000 options to D M Schuette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.(b)(ii) Approve grant of 500,000 options to P J Davies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.(a)(ii) Approve grant of 2,000,000 options to P J Davies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.(b)(iii) Approve grant of 350,000 options to N W Martin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items 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

7 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.

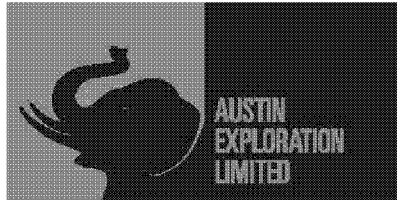
If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at [www.computershare.com](http://www.computershare.com).

## 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 11.00 am on 26 June 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged:

- IN PERSON Registered Office - Level 1, 67 Greenhill Road, WAYVILLE SOUTH AUSTRALIA 5034 AUSTRALIA  
Share Registry - Computershare Investor Services Pty Limited, Level 5, 115 Grenfell Street, Adelaide SA 5000 Australia
- BY MAIL Registered Office - Level 1, 67 Greenhill Road, WAYVILLE SOUTH AUSTRALIA 5034 AUSTRALIA  
Share Registry - Computershare Investor Services Pty Limited, GPO Box 1903, Adelaide SA 5001 Australia
- BY FAX 61 8 8236 2305



**USA Office**  
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25 May 2007

**Australian Offices**  
Level 50, 120 Collins Street  
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Victoria  
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F +61 3 8648 5646

### **Notice of Extraordinary General Meeting**

Dear Austin Exploration Shareholders,

I write to you to explain the reason for the Extraordinary General Meeting of Austin Exploration Limited ("**Company**") (ASX: AKK) to be held at 11.00am (Melbourne time) on 26 June 2007 at the offices of Allens Arthur Robinson, Level 34, 530 Collins Street, Melbourne, Victoria.

#### **Grant of Options to Executives**

In January 2007, the Board announced the grant of Options to the Company's three executive directors Mr David Schuette, Mr Paul Davies and Mr Donald Reck Jr to compensate them for finalising a major fund raising on very advantageous terms to the Company. As these executives are also directors, shareholder approval is required for this to happen.

To put this financing in context the Company paid some \$1.2 million in fees and costs associated with its IPO to raise \$10.485 million. This recent financing, which raised some \$11.5 million, cost approximately \$80,000 in external fees and was largely completed using the competence and skill of our executive team. It is the view of the Board that this represents an outstanding performance by the executives concerned and that they should be rewarded accordingly. While one alternative is to compensate this performance in cash, which does not require shareholder approval, it is our view that compensation by way of options more clearly aligns executive and shareholder interests. The estimated cost of these options to shareholders based on independent expert assessment is \$393,250 representing a cost over 60% below that of our IPO which raised \$1 million less.

The impact of this financing is as follows:

- The Company has been able to pursue three new, lower-risk projects that were not funded through the IPO
- The Company has reduced the St Gabriel 1 cost burden by 50%
- The Company has been able to establish a meaningful portfolio of prospects with a spread of risk and has a capacity to add to this portfolio
- The Company has significantly mitigated its foreign exchange exposure by obtaining the commitments in US dollars
- There has been no shareholder dilution in achieving this outcome

When these Options were approved by the Board in January 2007, the Company's share price had been trading from 80c to \$1.00 and the Board, with the three executives abstaining, set the strike price of the Options at \$1.20 per share.

However, as a result of the recent decline in the Company's share price, the value of the Options would have decreased significantly. In the circumstances, the Board considered it appropriate to re-consider the matter and determined that the Option strike price should be adjusted to maintain the fair value of the compensation to our executives.

Accordingly, the following Options were granted by the Board, subject to shareholder approval, at a Meeting on April 20, 2007.

- Mr David Max Schuette 2,500,000 Options exercisable at 55 cents on or before June 30, 2011.
- Mr Paul Joseph Davies 2,000,000 Options exercisable at 55 cents on or before June 30, 2011.
- Mr Donald Frederick Reck Jr 1,000,000 Options exercisable at 55 cents on or before June 30, 2011.

Each of the executives abstained from any consideration of these matters.

The innovative approach to this financing demonstrates the Company's capacity to identify and manage its exploration risks so as to ensure its sustainability.

### **Further Options**

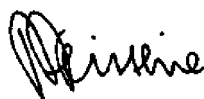
With the proper abstentions, the Board also recently approved a grant of Options to Mr Neville Martin, Mr Paul Davies and Mr Paul Teisseire.

These Options have been granted to acknowledge additional responsibilities being undertaken and work performed for the Company.

- Mr Paul Joseph Davies - 500,000 Options exercisable at 55 cents on or before June 30, 2011, for accepting and performing the role of Chief Financial Officer of the Company.
- Mr Paul Desmond Teisseire - 400,000 Options exercisable at 55 cents on or before June 30, 2011, for accepting and performing the role of Chairman of the Company.
- Mr Neville Wayne Martin - 350,000 Options exercisable at 55 cents on or before June 30, 2011, for accepting and performing the role of Chairman of certain Board Committees for the Company.

These Options also require shareholder approval.

Yours sincerely



Paul D Teisseire

Chairman