



AUSTIN
EXPLORATION

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



INTERIM FINANCIAL REPORT

HALF YEAR ENDED 31 DECEMBER 2012

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AUSTIN EXPLORATION LIMITED

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2012.

DIRECTORS

The names of each person who has been a Director during the half-year and to the date of this report are:

Mr Richard Cottee
Mr Guy Thomas Goudy
Dr William Mark Hart
Mr Nigel Denis Hartley
Mr Dominic Pellicano

COMPANY SECRETARY

Mr David J Nairn is the Company Secretary.

OPERATIONS AND ACTIVITIES

OVERVIEW

Austin Exploration Limited currently maintains major working interests and net revenue interests in five key oil and gas provinces in the United States and Australia.

The Company has consolidated its presence in two of the most prolific oil and gas basins in North America, namely the Eagle Ford Shale in the Gulf Coast of Texas and the Niobrara Shale in the DJ Basin in the Rocky Mountains region of Colorado. On the 29th of August 2012, the Company announced an independent resources report from Gustavson and Associates, estimating the Company's resource potential to be 42.6 million barrels of oil equivalent on a P50 basis.

During the past 6 - 12 months the Company completed an exhaustive drilling and exploration program that was primarily designed to de-risk its core assets in the Eagle Ford and Niobrara formations and prove the presence of oil and gas. The initial program consisted of three exploration wells in Texas and two in Colorado, leading to appraisal wells testing the Eagle Ford and Austin Chalk in Texas and the Niobrara in Colorado. This program was funded from the \$25 million raised in April 2012. The Company also drilled a further four wells for a total of nine wells drilled in 2012 all of which successfully flowed hydrocarbons – 100% success rate. Of this program there is yet to be funded another appraisal well for the Eagle Ford and an exploration well in Colorado, if successful than the company will have shown economically producible hydrocarbons in each of the Eagle Ford , Austin Chalk and Niobrara unconventional formations.

It is worth noting that, not only were the targeted shale formations confirmed but several other hydrocarbon zones were discovered, which is highly encouraging for the future development of these properties. With the shale revolution still very much in its infancy, these other hydrocarbon bearing formations may contain significant potential for future development.

STRATEGIC USE OF CAPITAL

The Company's multi-site exploration program has been strategically designed to maximise the value by shepherding scarce exploration capital to control properties by meeting minimum investment requirements, confirm the presence of hydrocarbons, thereby de-risking further exploration and development, and so lower the cost of future investment.

AUSTIN EXPLORATION LIMITED

DIRECTORS' REPORT (contd.)

To date, the program has confirmed the Company's geologic thesis that its acreage has thick and prospective sections of the Eagle Ford and Niobrara Shale formations.

The Company is also able to report that hydrocarbons were intersected in every well that it has drilled. That is to say, the Company's exploration drilling has achieved a 100% success rate in confirming hydrocarbon opportunities.

Moreover, the clear indications are that the properties will produce both oil and gas. This offers potential for additional economic value with the Company serving both the oil and gas markets over the long term and spreading risk. However, with the spreading of long term risk and reward comes a requirement for some additional infrastructure to gather, process, and market the gas that has been discovered.

The successful exploration program has also consolidated value to the Company's initial investment in new prospective areas for commercial production. By early identification and entry into the Niobrara the Company has been able to acquire its acreage at a fraction of what is currently being paid for acreage in the DJ Basin. Likewise, pre-proven Eagle Ford acreage is now selling in the vicinity of \$20,000 per acre. In both cases the Company's technical and engineering excellence has generated real asset value.

CONTROL OF ASSETS

The Company has an 85% interest in 11,500 acres in its Pathfinder project in Colorado and, as of January 2013, controls 100% of its 5000 acre Eagle Ford property in Texas. During this period the company also took over operatorship of both of these projects. Austin is now the operator of record and has full control of how these projects are developed. By controlling its assets the Company takes maximum advantage of its engineering excellence.

Importantly, whilst undertaking this extensive exploration and appraisal programme the Company continued to increase cash flow with successful drilling and production at its projects in Texas, Mississippi and Kentucky allowing for maximum in-ground investment and exploration. This drilling campaign meant the Company met its drilling commitments and retained all of its prospective acreage for oil and gas at its North American properties.

PATHFINDER NIOBRARA - COLORADO

The Company is pleased that after 3 years of hard work and planning the results are now starting to show. As was announced to the market on the 7th of March, The Company's Pathfinder Niobrara project in Colorado has starting flowing oil and gas, in significant volumes, to the surface under natural pressure. Whilst it is still early days this exploration discovery validates the extensive engineering and geologic due diligence that was undertaken prior to acquiring this project. The Company was the first to explore for the Niobrara in this area and this oil and gas discovery further demonstrates the strength and expertise of Austin's world class management and engineering team.

BIRCH EAGLE FORD/AUSTIN CHALK - TEXAS

The Company believes it is on track to achieve similar success at its Birch prospect in Texas. By identifying an extension of the Eagle Ford formation the Company confirmed a 270 ft thick prospective section of the Eagle Ford Shale at its Birch #1 Krueger well. This well initially produced 95BOEPD in a vertical test well making this an ideal location to drill a horizontal well in to the Eagle Ford. The Company's B2 well, although not completed, proved the presence of hydrocarbons with the mud logs revealing live oil and gas shows. Several problems were encountered with the rig and as such the Company made the decision to release the rig and return to the site at a later date.

The Company's B3 Schwartz-Galbreath Austin Chalk well is currently undergoing further flow-back work and gas gathering options. As has been announced to the market the well continues to unload the drilling fluids that were used to drill the 4000ft horizontal leg of the well.

AUSTIN EXPLORATION LIMITED

DIRECTORS' REPORT (contd.)

This process has proven to be unexpectedly time consuming due to the fragile nature of the chalky formation. Extreme caution is required in extracting these fluids to avoid damage to the soft and porous formation. The back-flow of water and oil includes sediment disintegrated from the structure which causes clogging of the well. A special program begins this week to swab the well, repeatedly if necessary, to provide for a clear passage for oil and gas.

Due to the several large oil and gas shows that were witnessed during the drilling of this well, the Company is confident this will be a good producer. As was previously stated this well initially produced a light sweet crude (37-41 api) and gas at a rate of 800,000 SCF P/D. The size of the Birch property infers the potential for an additional 16 gas wells requiring pipeline infrastructure for commercialisation.

PEL 105 – Cooper Basin

The Company has a 50/50 Joint Venture over a 218 square kilometre block in the Cooper Basin in South Australia. Under the Joint Operating Agreement, Austin is not the Operator and will be carried for the first \$1.75 mil of the drilling costs. Following this the costs will be split 50/50 to complete the well. Planning to drill the Company's first major on-shore well in Australia continues. As rig availability is currently an issue in the Cooper Basin, the operator applied for and was successful in gaining an extension to drill the Companies first well which now must be spud by the 8th of January.

OUTLOOK

Due to the Company's successful exploration and appraisal program it is now in a position to certify and categorise some of its oil and gas resources into proven reserves. Having proven reserves prospectively allows the Company for the first time to grow by funding the development of its assets through debt at a significantly reduced risk and therefore at a reduced cost of capital.

2012 will be looked on as the year that the Company laid the foundations to build a world class energy business. Through an exploration programme which achieved 100% exploration success, the Company was successfully able to prove the presence of oil and gas at the Company's two core assets in the US spanning over 16,500 acres in Colorado and Texas.

The Board and Management of your Company are excited by the opportunities that lay ahead for Austin Exploration and look forward to continuing to increase shareholder value as we embark on the next exciting phase of the Company's life – INCREASED DEVELOPMENT & PRODUCTION!

AUDITOR'S DECLARATION

The auditor's independence declaration as required under section 307C of the corporations Act 2001 is set out on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors



Richard I Cottee
Chairman

Dated this 14th day of March 2013



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Auditor's Independence Declaration To The Directors of Austin Exploration Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Austin Exploration Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink that reads "R. L. Taylor".

R. L. Taylor
Partner - Audit & Assurance

Melbourne, 14 March 2013

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AUSTIN EXPLORATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE
INCOME

For the half-year ended 31 December 2012

		Consolidated Group	
		31 Dec	31 Dec
	Note	2012	2011
		\$	\$
Revenues	2	1,084,265	1,086,669
Expenses			
Cost of sales		(381,443)	(150,140)
Employee benefits expense		(693,976)	(469,755)
Depreciation and amortisation expense		(519,011)	(118,437)
Other expenses from ordinary activities		(695,521)	(1,424,165)
Travel and accommodation expense		(82,953)	(136,729)
		<u>(2,372,904)</u>	<u>(2,299,226)</u>
Joint venture contribution		40,894	57,342
(Loss) before income tax expense		(1,247,745)	(1,155,215)
Income tax expense		-	-
Loss from continuing operations		<u>(1,247,745)</u>	<u>(1,155,215)</u>
Loss for the period		<u>(1,247,745)</u>	<u>(1,155,215)</u>
Other comprehensive income:			
<i>Items that will be reclassified subsequently</i>			
<i>To Profit or Loss</i>			
Exchange rate differences on translating foreign operations		(836,705)	376,033
Total comprehensive income (loss) for the period		<u>(2,084,450)</u>	<u>(779,182)</u>
Basic earnings per share		(\$0.0008)	(\$0.0020)
Diluted earnings per share		(\$0.0008)	(\$0.0020)

Notes to the financial statements are included on pages 11 -15

AUSTIN EXPLORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

		Consolidated Group	
	Note	31 Dec 2012 \$	30 June 2012 \$
CURRENT ASSETS			
Cash and cash equivalents		4,070,071	21,090,085
Trade and other receivables		399,058	269,749
Other current assets		50,700	1,723,956
TOTAL CURRENT ASSETS		<u>4,519,829</u>	<u>23,083,790</u>
NON-CURRENT ASSETS			
Investments accounted for using the equity method		2,051,548	2,133,864
Property, plant and equipment		187,169	145,243
Development and producing assets	3	1,377,092	1,626,685
Exploration and evaluation assets	3	27,380,578	10,412,363
Other non-current assets		36,081	-
TOTAL NON-CURRENT ASSETS		<u>31,032,468</u>	<u>14,318,155</u>
TOTAL ASSETS		<u>35,552,297</u>	<u>37,401,945</u>
CURRENT LIABILITIES			
Trade and other payables		1,385,881	1,310,379
Financial Liabilities		58,588	65,288
TOTAL CURRENT LIABILITIES		<u>1,444,469</u>	<u>1,375,667</u>
TOTAL LIABILITIES		<u>1,444,469</u>	<u>1,375,667</u>
NET ASSETS		<u>34,107,828</u>	<u>36,026,278</u>
EQUITY			
Issued capital	6	52,738,930	52,628,930
Reserves		3,582,887	4,363,592
Retained earnings / (Accumulated Losses)		<u>(22,213,989)</u>	<u>(20,966,244)</u>
TOTAL EQUITY		<u>34,107,828</u>	<u>36,026,278</u>

Notes to the financial statements are included on pages 11 -15

AUSTIN EXPLORATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2012

	Consolidated Group	
	31 Dec 2012	31 Dec 2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	624,529	824,599
Payments to suppliers and employees	(1,590,331)	(1,382,366)
Interest received	131,258	28,836
	<u> </u>	<u> </u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(834,544)</u>	<u>(528,931)</u>
CASH USED IN FINANCING ACTIVITIES		
Receipts from the sale of exploration asset	-	420,000
Receipts from JV Investment	79,523	-
Payments for Fixed Assets	(56,513)	(71,185)
Payments for exploration expenditure	(15,636,745)	(7,582,977)
Payments for development expenditure	-	(70,341)
	<u> </u>	<u> </u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(15,613,735)</u>	<u>(7,304,503)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	71,436
Repayment of borrowings	(5,357)	(2,244)
Proceeds from the issue of ordinary shares	-	85,093
Transactions Costs	(5,774)	(633,019)
	<u> </u>	<u> </u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(11,131)</u>	<u>(478,734)</u>
Net (decrease) increase in cash held	(16,459,410)	(8,312,168)
Cash at beginning of period	21,090,085	9,713,369
Foreign Currency movement	(560,604)	162,956
	<u> </u>	<u> </u>
Cash at end of period	<u>4,070,071</u>	<u>1,564,157</u>

Notes to the financial statements are included on pages 11 -15

AUSTIN EXPLORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2012

	Issued Capital \$	Share Options Premium Reserve \$	Currency Translation Reserve \$	Retained Earnings \$	Total \$
BALANCE AT 1 JULY 2012	52,628,930	4,093,065	270,527	(20,966,244)	36,026,278
Issue of share capital	110,000	-	-	-	110,000
Transaction Costs	-	-	-	-	-
Employee share options	-	56,000	-	-	56,000
Profit or loss	-	-	-	(1,247,745)	(1,247,745)
Other Comprehensive Income	-	-	(836,705)	-	(836,705)
BALANCE AT 31 DECEMBER 2012	52,738,930	4,149,065	(566,178)	(22,213,989)	34,107,828
BALANCE AT 1 JULY 2011	23,938,894	263,271	(515,278)	(18,909,655)	4,777,232
Issue of share capital	8,087,688	-	-	-	8,087,688
Transaction Costs	(1,054,658)	-	-	-	(1,054,658)
Employee share options	-	1,168,725	-	-	1,168,725
Profit or loss	-	-	-	(1,155,215)	(1,155,215)
Other Comprehensive Income	-	-	376,033	-	376,033
BALANCE AT 31 DECEMBER 2011	30,971,924	1,431,996	(139,245)	(20,064,870)	12,199,805

Notes to the financial statements are included on pages 11 -15

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2012

NOTE 1 – BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Austin Exploration Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Company is a company domiciled in Australia. The consolidated annual financial report of the consolidated entity for the year ended 30 June 2012 is available at www.austinexploration.com.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Company's presentation of or disclosure in, its half-year financial statements.

NOTE 2 – REVENUE FOR THE PERIOD

The following revenue items are relevant in explaining the financial performance for the interim period:

	CONSOLIDATED GROUP	
	31	31
	December	December
	2012	2011
	\$	\$
Sale of oil and gas	918,642	1,058,112
Interest received	165,623	28,557
Total	1,084,265	1,086,669

NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the half-year ended 31 December 2012

NOTE 3 – EXPLORATION, DEVELOPMENT AND PRODUCING ASSETS

Movement in Exploration and Evaluation Expenditure Capitalised

	CONSOLIDATED GROUP	
	31 December 2012	30 June 2012
	\$	\$
Balance at beginning of year	10,412,363	2,539,232
Additions	17,179,591	8,323,089
Exchange rate difference	(211,376)	87,326
Disposals	-	(340,000)
Impairment Expense	-	(197,284)
	27,380,578	10,412,363

Movement in Development and Producing Assets

	CONSOLIDATED GROUP	
	31 December 2012	30 June 2012
	\$	\$
Balance at beginning of year	1,626,685	1,472,977
Additions	288,121	326,510
Exchange rate difference	(28,610)	59,455
Disposals	-	-
Amortisation expense	(509,104)	(232,257)
	1,377,092	1,626,685

NOTE 4 – IMPAIRMENT CHARGE

At December 31, 2012, the Directors' reviewed the carrying values of its exploration, development and producing assets to determine whether there is any indication that those assets have been impaired. For those prospects where the Directors believed such an indication existed at December 31, 2012, they compared the asset's fair value less costs to sell and value in use to the asset's carrying value. Where it was not possible to estimate the recoverable amount of an individual asset, the Directors' estimated the recoverable amount of the cash-generating unit to which the asset belongs.

The Company has not impaired its exploration, development and producing assets at 31 December 2012 and will further review the assets for impairment at 30 June 2013.

NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the half-year ended 31 December 2012

NOTE 5 – OPERATING SEGMENTS

Segment Information

(i) Segment Performance

	6 months to 31 December 2012	6 months to 31 December 2012	6 months to 31 December 2012	Total
	Australia	US Subsidiary	US Joint Venture	
	\$	\$	\$	\$
Total segment revenue	160,274	923,991	-	1,084,265
Joint Venture net revenue	-	-	40,894	40,894
Segment net (loss)/profit before tax	(653,480)	(635,159)	40,894	(1,247,745)

	6 months to 31 December 2011	6 months to 31 December 2011	6 months to 31 December 2011	Total
	Australia	US Subsidiary	US Joint Venture	
	\$	\$	\$	\$
Total segment revenue	107,916	978,753	-	1,086,669
Joint Venture net revenue	-	-	57,342	57,342
Segment net loss before tax	(1,394,945)	182,388	57,342	(1,155,215)

(ii) Segment Assets

	Australia	USA	Total
	\$	\$	\$
Segment Assets	38,101,858	34,530,306	72,632,164
Inter segment elimination	(37,079,867)		(37,079,867)
	1,021,991	34,530,306	35,552,297

(iii) Segment Liabilities

	Australia	USA	Total
	\$	\$	\$
Segment Liabilities	162,999	38,361,337	38,524,336
Inter segment elimination		(37,079,867)	(37,079,867)
	162,999	1,281,470	1,444,469

NOTES TO THE FINANCIAL STATEMENTS (contd.)
For the half-year ended 31 December 2012

NOTE 6 – ISSUED CAPITAL

	Number	\$
6 months to 31 December 2012		
As at December 2012	1,497,386,721	52,628,930
Issue of 5,000,000 shares @ 0.022 per share	5,000,000	110,000
At 31 December 2012	1,502,386,721	52,738,930
6 months to 31 December 2011		
As at 1 July 2011	362,543,668	23,938,894
Issue of 2,000,000 shares @ 0.028 per share	2,000,000	56,000
Issue of 228,620,092 shares @ 0.035 per share	228,620,092	8,001,703
Proceeds from issue of Listed Options	-	29,985
Less: Costs of Capital Raising	-	(1,054,658)
At 31 December 2011	593,163,760	30,971,924

During the six month period to 31 December 2012, a total of 5,000,000 listed shares were issued to Richard Cottee, director of Austin Exploration Limited at no cost upon approval from shareholders at the Annual General Meeting (AGM) held on the 28th November 2012.

NOTE 7 – OPTION ISSUE

Options issued and authorised for the period to 31 December 2012 are as follows:

	Number
6 months to 31 December 2012	
As at 1 July 2012	1,096,108,210
Issue of "I" Class Listed Options	35,000,000
Expired "J" Class Listed Options	(163,295,975)
Expired of "H" Class Unlisted Options	(1,200,000)
At 31 December 2012	966,612,235

During the six month period to 31 December 2012, a total of 35,000,000 "I" Class Listed Options were issued to directors of Austin Exploration Limited at no cost upon approval from shareholders at the Annual General Meeting (AGM) held on the 28th November 2012.

NOTES TO THE FINANCIAL STATEMENTS (contd.)

For the half-year ended 31 December 2012

NOTE 8 – RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with Director-related Entities

During the year the company utilised the services of Freestone Energy Partners for the provision of consulting services at commercial rates. To the reporting date the costs of these services was \$100,000. Mr. Richard Cottee is a consultant of Freestone Energy Partners.

During the year the company utilised the services of Maths Energy One LLC for the provision of consulting services at commercial rates. To the reporting date the costs of these services was \$75,000. Dr. Mark Hart is a director of Maths Energy One LLC.

During the year the company issued listed shares and options to directors (or their nominees). These details are disclosed in Note 6 and 7.

NOTE 9 – CONTINGENT LIABILITIES

There has been no material change to contingent liabilities since the last annual reporting date.

NOTE 10 – EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no subsequent events which would affect any of the balances in this financial report.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial Statements and Notes, as set out on pages 7 to 15 are in accordance with the Corporations Act 2001,
 - a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2012, and of its performance for the half year ended on that date; and
 - b) Complying with Accounting Standard AASB 134 "Interim Financial Reporting"; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Richard I Cottee
Chairman

Dated this 14th day of March 2013



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Independent Auditor's Review Report To the Members of Austin Exploration Limited

We have reviewed the accompanying half-year financial report of Austin Exploration Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

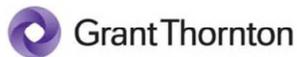
The directors of Austin Exploration Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Austin Exploration Limited consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Austin Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Austin Exploration Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink that reads "B. L. Taylor".

B. L. Taylor
Partner - Audit & Assurance

Melbourne, 14 March 2013