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ACN 114 198 471

ASX ANNOUNCEMENT

28 April 2015

## Austin Exploration secures funding to drive low-risk growth

- **Company secures \$1.5 million reserves based loan**

Austin Exploration ("Austin" or "the Company") (ASX:AKK) has secured a \$1.5 million, low-interest rate loan with the ANB Bank (ANB) to advance the Company's drilling program in North America during 2015. Interest only payments are due monthly and the line is securitized against the Company's assets. This type of loan is a first for Austin and a significant development that enables the Company to continue its growth in a non-dilutive manner.

These funds will be allocated to drilling low risk, low cost conventional wells. Austin is in the strong position of having conventional prospects in Colorado, Kentucky and Mississippi that remain economical, due to lower drilling costs, in this low oil price environment.

Austin Exploration Chairman & CEO Dr. Mark Hart said: "This is a very significant development for Austin and the beginning of an important strategic relationship with ANB Bank. I want to thank Guy Goudy, our team and Bob Lynn from ANB for their hard work and diligence in bringing this loan to closure over the last 90-100 days. The Company looks forward to an economically prudent drilling program in 2015 and adding further shareholder value."

Austin's Chief Operating Officer and Executive Director Guy Goudy said: "This important development enables us to continue our drilling program in 2015 without dilution. We are thrilled to have agreed to terms and the forming of a relationship with ANB. To be able to secure low-cost funding in this low oil price environment is testament to the quality and diversification of Austin's North American oil and gas assets and the strength of our technical team."

Mr Bob Lynn, Senior VP of Energy & Commercial Lending at ANB Bank stated that, "We are pleased to be in a position to be able to provide this line of credit for the further development of Austin's oil and gas assets in the United States. Austin's management team has been able to demonstrate a high level of discipline and focus on its cash flows which is critical in this low oil price environment. Our intent is for this to be a long term relationship between our two companies and we will be looking to increase this line as Austin's production increases further."

ANB has 33 banking centres located in Colorado, Wyoming and Kansas City, Kansas. Its parent company, Sturm Financial Group, Inc. is headquartered in Denver, Colorado and has financial strength embodied in over \$2.3 billion in assets and ranks in the top 6% of banks nationwide by size. The bank is a true community bank with an unwavering commitment to excellence, helping each of its communities prosper through investment, sponsorship, philanthropy, and employee volunteerism.

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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.