



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

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ASX ANNOUNCEMENT

24 May 2016

## Austin Eliminates Debt

- **Convertible financing facility has been repaid**
- **US\$1.5 million bank debt eliminated**
- **With no debt, the Company has a clear and focused path for growth**

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The Board of Austin Exploration Limited (**ASX: AKK**) (**The Company**) is pleased to announce that it has fully repaid the outstanding balance of its convertible note facility and is now debt free. The Company has recently completed a fully underwritten \$1.73 million rights issue, with a 49.8% participation rate from its existing shareholders, with a portion of these funds being allocated to the repayment and cancellation of the convertible financing facility.

The Company also confirms that it has extinguished its USD\$1.5 million bank debt facility off the back of the successful divestiture of its non-core and non-operated assets, primarily through the sale of its Texas property.

The Company is now debt free and fully funded for its current exploration program in Colorado where it is targeting oil production from the low capital cost Pierre shale.

Mr. Guy Goudy, Austin's CEO and MD commented: "We are very grateful to Magna for their support for Austin in extremely difficult times in the oil business. Without Magna's support at a critical juncture to the Company, the Company would not be where it is today. We are now debt free and have a clear path for growth with our low cost, high impact drilling program in Colorado.

We continue to witness North American Oil and Gas Companies filing for bankruptcy on a weekly basis due to high debt levels. Fortunately, we made the decision to divest of our minority interest properties and we have avoided our assets being tied-up in bankruptcy proceedings in which some of our previous partners are currently involved.

Our team has worked extremely hard to get us to this point and a commercial discovery in Colorado could create significant value for Austin."

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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. The Company has now established a major presence in two of America's most prolific oil and gas basins. Austin controls more than 15,000 acres in Colorado in the DJ Basin (Niobrara and Pierre Shale) and 4000 acres in the Illinois Basin in Kentucky. Austin has interests in producing oil and gas wells in Colorado, Kentucky and Texas. 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 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.