



AUSTIN EXPLORATION

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

ASX ANNOUNCEMENT

1 August 2016

MATERIAL EMPLOYMENT TERMS FOR NEW CHAIRMAN AND CEO/MANAGING DIRECTOR

Austin Exploration Limited (ASX: AKK) (Austin or the Company) is pleased to announce that it has agreed the terms on which Mr Guy Goudy has been appointed as Executive Chairman and Mr Tim Hart has been appointed as Managing Director and Chief Executive Officer.

In accordance with ASX Listing Rule 3.16.4, the material terms of their employment agreements are as follows.

- (a) Term: 3 years from 15 July 2016.
- (b) Director's Fees: US\$24,000 per annum each.
- (c) Salary:
 - (i) Mr Guy Goudy: US\$130,000 pa increasing to US\$175,000 pa from 1 July 2017, unless otherwise agreed, exclusive of superannuation.
 - (ii) Mr Tim Hart: US\$125,000 pa, increasing to US\$150,000 pa from 1 July 2017 unless otherwise agreed, exclusive of superannuation.
- (d) Review: The Company will review each performance and remuneration package annually. In addition, the starting salaries have been reduced, consistent with the austerity measures adopted by the Company to see it through the global downturn in the oil and gas sector. The Company will therefore also review the remuneration payable if there is a material increase in cash flows resulting from successful exploration and production or a sustained recovery in the sector.
- (e) Termination without cause:
 - (i) By the Company: Six months' notice (or payment in lieu) plus six months' salary, plus the maximum amounts payable under sections 200F and 200G of the Corporations Act.
 - (ii) By the Executive: Three months' notice provided that, if a material diminution in status is suffered at the instigation of the Board, the executive may terminate with 5 business days' notice and the Company must comply with the provisions in (i) above.

(f) Non-Competition and Non-Solicitation: One (1) year from termination.

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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.