



CHAIRMAN'S REPORT

Welcome and Good afternoon fellow Shareholders,

We are proud to be here today at our first AGM since Tim Hart and I were promoted to the positions of Managing Director and Chief Executive Officer, and Executive Chairman respectively. These promotions came on the back of a long standing succession plan that was put in place some four years ago, and following the retirements of Dr. Mark Hart and Mr. Dominic Pellicano. These Board changes reflect Austin's well-prepared and long standing succession plan that was put in place to ensure a smooth and orderly transition of senior executives and directors, whilst ensuring that those in Board and management positions are equipped with the requisite skills and experience for their roles.

We take this opportunity to sincerely thank Dr. Mark Hart and Mr. Dominic Pellicano for their outstanding service and dedication to Austin.

In Mark's roles of Chairman and previously as CEO and MD, he led and positioned the Company for a successful future. Mark's leadership and strategic foresight has guided the Company through one of the most severe and prolonged downturns in the oil and gas industry experienced in the last 75 years. I am extremely grateful to Mark for mentoring me into the role of Executive Chairman in preparation for the next chapter in Austin's exciting future.

In Dominic's roles as Non-Executive Chairman and Non-Executive Director for some eight years, he has been instrumental in guiding the Company through difficult times during the Global Financial Crisis in 2008/2009 and with his great support since then.

We welcome Mr. Andrew Blow to Austin's Board of Directors, who joins the Company as a Non-Executive Director based out of Sydney, Australia. His appointment follows more than 10 years' experience working in senior roles in media, government and public affairs. Andrew is currently in the ACT as parliament is sitting and joins us today via teleconference. We also thank Mr. Stuart Middleton for the continued outstanding service he has provided to the Board over the past 12 months.

Tim Hart and I have worked closely together at Austin for several years in our former roles as CEO and COO. It is a pleasure to continue this great relationship and I can assure you that together, we are as energised and committed as we have ever been to further the growth and success of Austin Exploration, while increasing the value of the Company for our shareholders.

The 2016 financial year continued to be an extremely difficult period for all companies in the oil industry, with the price of oil hitting 13 year lows and selling at \$26 per barrel (WTI) in January. Unlike many other previous downturns in the oil and gas industry, this one has been extremely prolonged with oil prices staying under pressure for more than two years.

In North America alone, this has forced more than 175 oil and gas companies to file for bankruptcy, with more than 300,000 jobs lost as a result. The cause of these widespread industry bankruptcies has largely been due to high levels of debt that could not be furnished at lower oil prices, causing companies to default on their debt covenants.

Austin has been deliberately aggressive in its response to this downturn and made the decision to eliminate all debt, thereby placing the Company in the soundest financial position possible.

As a small and emerging oil and gas company, being able to navigate your way through a severe downturn in the sector takes a completely different way of thinking about how you manage and operate your business – it cannot just be business as usual, or you simply will not survive.

Accordingly, the Company implemented several programs with a core focus on driving down costs across all facets of the business. These programs have been designed to make the Company's projects in Colorado and Kentucky economic in a lower oil and gas price environment, namely:

1. Eliminating all debt
2. Focusing on unlocking the value of Company's world class assets in Colorado and Kentucky where it is the Operator and in full control over operations and expenditures
3. Divesting of the Company's non-core assets in Texas and Mississippi where Austin was not in full control. This was important as the Company was being charged with high joint interest billings and revenues were being held back as a result.
4. Securing a dedicated drill rig fleet on a 12 month rental agreement. This is a first for a Company of Austin's size and eliminates the high cost when paying daily rates, also allowing us to perform all drilling operations internally, thereby eliminating outside contractors and creating significant cost savings.
5. Having a dedicated drill rig increases operational efficiencies and offers optionality over development
6. Significant salary reductions across the Company, including a 50% reduction in Directors fee's
7. Significant reductions across all corporate overheads (including headcount reductions) and relocating the Company's headquarters to Florence, Colorado where Austin is focused on the Pathfinder project

By implementing these steps, the Company is now in the best possible position to not only navigate its way through this once in a generation downturn, but also to execute on a clearly defined plan for growth. We firmly believe this strategy has also set the Company up to be in a stronger position than ever when prices rebound.

We sincerely thank Patersons Securities for their support and belief in our team and our assets. The Board does not underestimate the high cost associated with equity raisings, and we carry these out judiciously. The Company is confident that it is on the cusp of unlocking a tremendous amount of value at the Pathfinder property in Colorado, and that the costs of equity raisings will be far outweighed by the value that any required capital injections can create.

We cannot stress enough the immense potential that we believe our Pathfinder property has. This is an oil rich region. The acreage directly to our east has produced more than 15 million barrels of oil from the shallow Pierre formation. The property was held for mining for more than a 100 years and we were fortunate enough to be able secure the oil and gas rights over the property.

While it is still early days at Pathfinder, we are very pleased with the amount of oil and gas we have encountered in section 18 of the property and to hit hydrocarbons on the Magellan, Marco Polo and Columbus wells is a very encouraging result. We are seeing an immense amount of energy that is coming out of these well bores and this is a very exciting time for the Company as we transition to production.

We drilled these wells for about half the cost of previous wells in the field and for our first three wells, our team continues to achieve outstanding results.

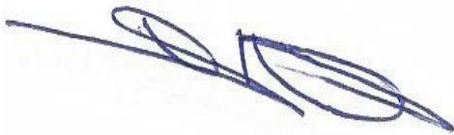
The discovery of commercial oil volumes and confirming an extension of the 15 million barrel Florence oil field was significant step forward for this Company. We have now moved into a production and development phase at Pathfinder which positions Austin to become one of the lowest cost oil and gas producers in North America.

Austin continues to look at opportunities to expand its position in Colorado and intends to capitalise on opportunities that may arise stemming from the current downturn. Being debt free leaves the Company well placed to pursue such opportunities.

With commercial production being achieved at the Pathfinder property, our divesture program has proved to be a prudent strategy for the Company. By example, the Company's Eagle Ford wells in Texas recorded initial production rates of approximately 1,000 BOE (oil and gas) for USD\$10mil per well, thus costing USD\$10,000 per flowing barrel of oil. The Magellan# 1 discovery of 98BO (oil only) which was drilled at a cost of approximately USD\$500k is producing oil at USD\$5,000 per flowing barrel which is a significant economic improvement and ideal for a lower oil price environment.

It is fitting that we take this opportunity to thank our great team of people for their hard work, dedication and commitment towards seeing Austin succeed. We can assure you that every member of our team is not afraid of getting their "hands dirty" and remains more committed than ever to seeing this Company succeed and prosper.

Finally, we take this opportunity to thank you, our loyal shareholders, for hanging in there with us through this difficult period in the industry. We are extremely grateful for your investment in Austin and for your ongoing support. We are committed to developing our world class oil and gas assets and to delivering value to you - the owners of Austin Exploration.



Guy T. Goudy
Executive Chairman

I now hand over to our Managing Director and CEO – Mr Tim Hart

CEO'S REPORT



Pathfinder – A SIGNIFICANT Expansion of the Worlds 2nd Oldest Oilfield is Well Underway.

Annual General Meeting Presentation – November 2016

- Austin hits oil and gas in 15,282 acres of virgin territory in world's 2nd oldest oil basin. Field expansion is confirmed
- In spite of the historical downturn in the price of oil Austin has had a great year in 2016
- Virgin acreage in the world's second oldest oil basin – 15,282 acres with significant expansion opportunity
- Operator and full controller of two 100% owned, world class oil and gas properties in Colorado and Kentucky
- Fully funded three well program is nearly completed – hydrocarbons discovered in all wells
- Austin is debt free
- Management team performing operations internally and navigating the Company through a generational down-turn in the price of oil
- Only low cost fields that require little or no stimulation are potential exploration targets
- Austins new approach to exploration, operations, and oil production ensures that the company will be one of the lowest cost producers in the industry.

High Impact, Three Well Program Nearly Complete



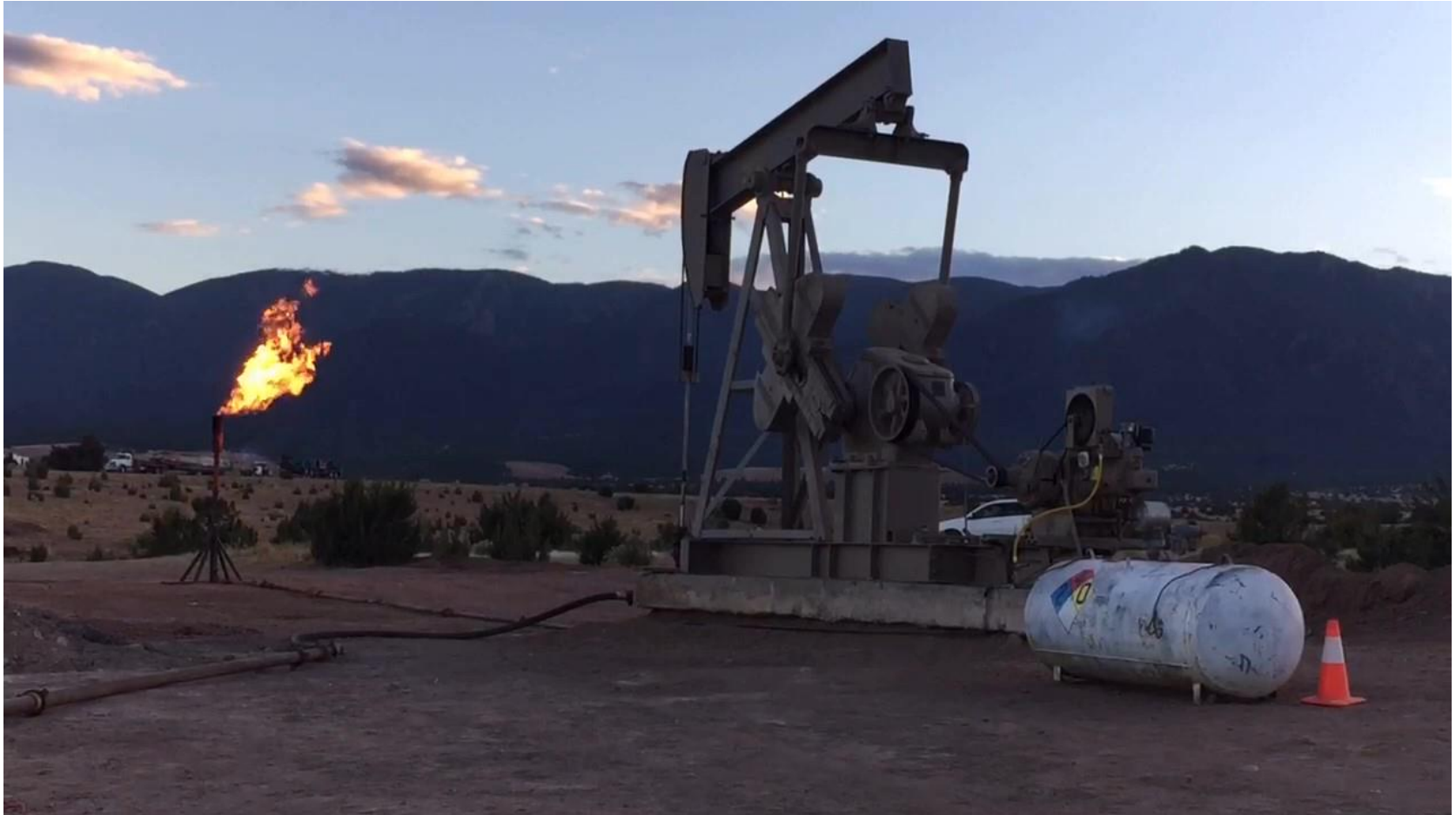
Three phase drilling program designed to significantly reduce costs and increase operational efficiencies:

Phase 1 – Sequentially drilling the upper vertical sections on the three wells	Successfully completed
Phase 2 – Sequentially drilling the deviated well bore sections on the three wells	Successfully completed
Phase 3 – Sequentially flow testing the three wells	Underway

Production success leads to AKK becoming one of the lowest cost producers in the industry

Magellan Well

Producing Oil & Gas



Initial Production = 98 BOPD
Gas Production is being flared for oil production testing

Marco Polo Well

Producing Gas & Hydrocarbons Evident in the Drill Cuttings



Significant Gas Production

Gas is being flared to relieve pressure in the formation in preparation for oil testing

Columbus Well

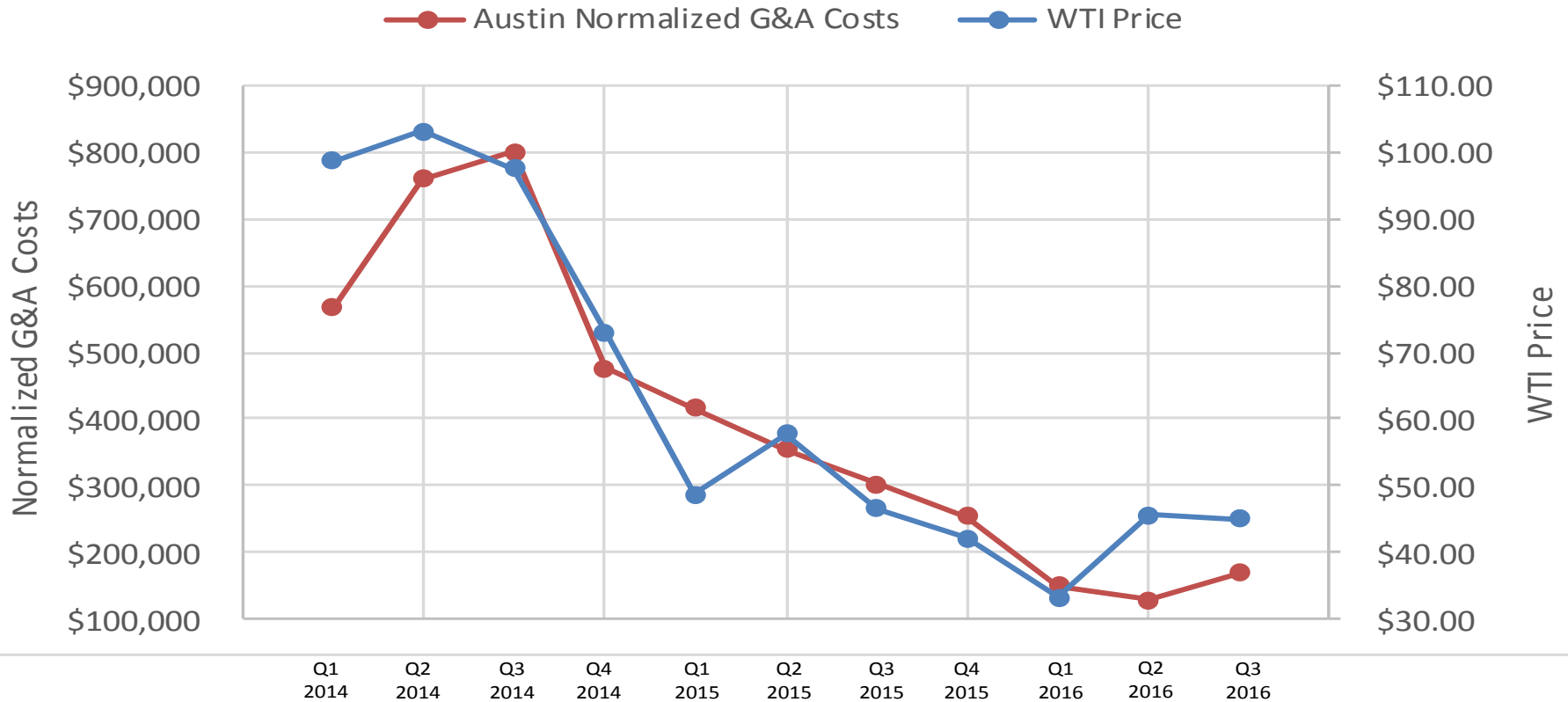
Producing Gas & Hydrocarbons Evident in the Drill Cuttings



Significant Gas Production

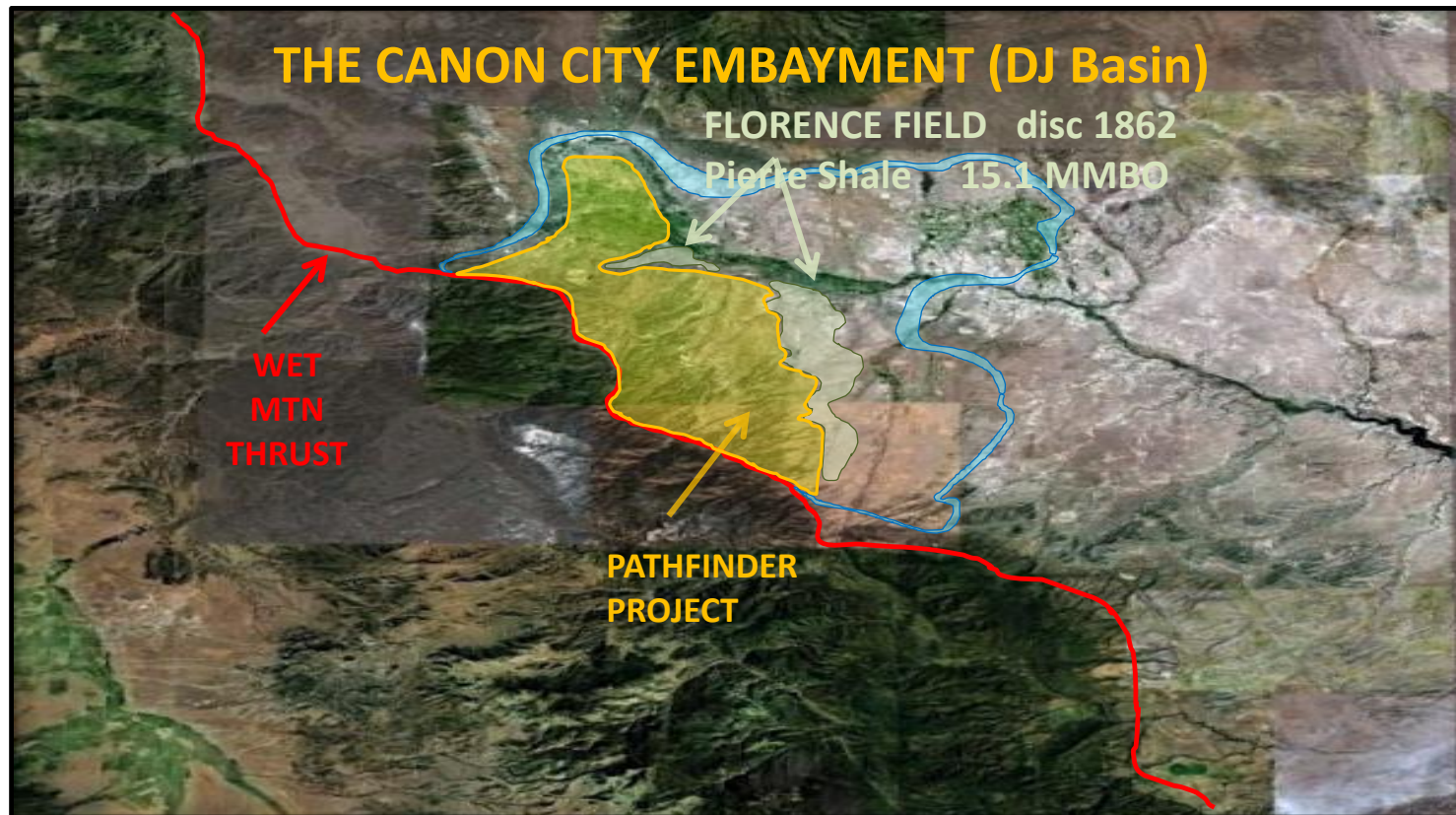
Gas is being flared to relieve pressure in the formation in preparation for oil testing

Cost Control Measures & WTI Crude Price By Quarter



- Well positioned to succeed in current market conditions
- Continual focus on effective cost control measures and streamlined production methods implemented
- Substantial headcount reduction – 25 employees reduced to 8 employees
- Significantly reduced US corporate overheads – salaries reduced from US\$1.98m to ~US\$500,000 per annum

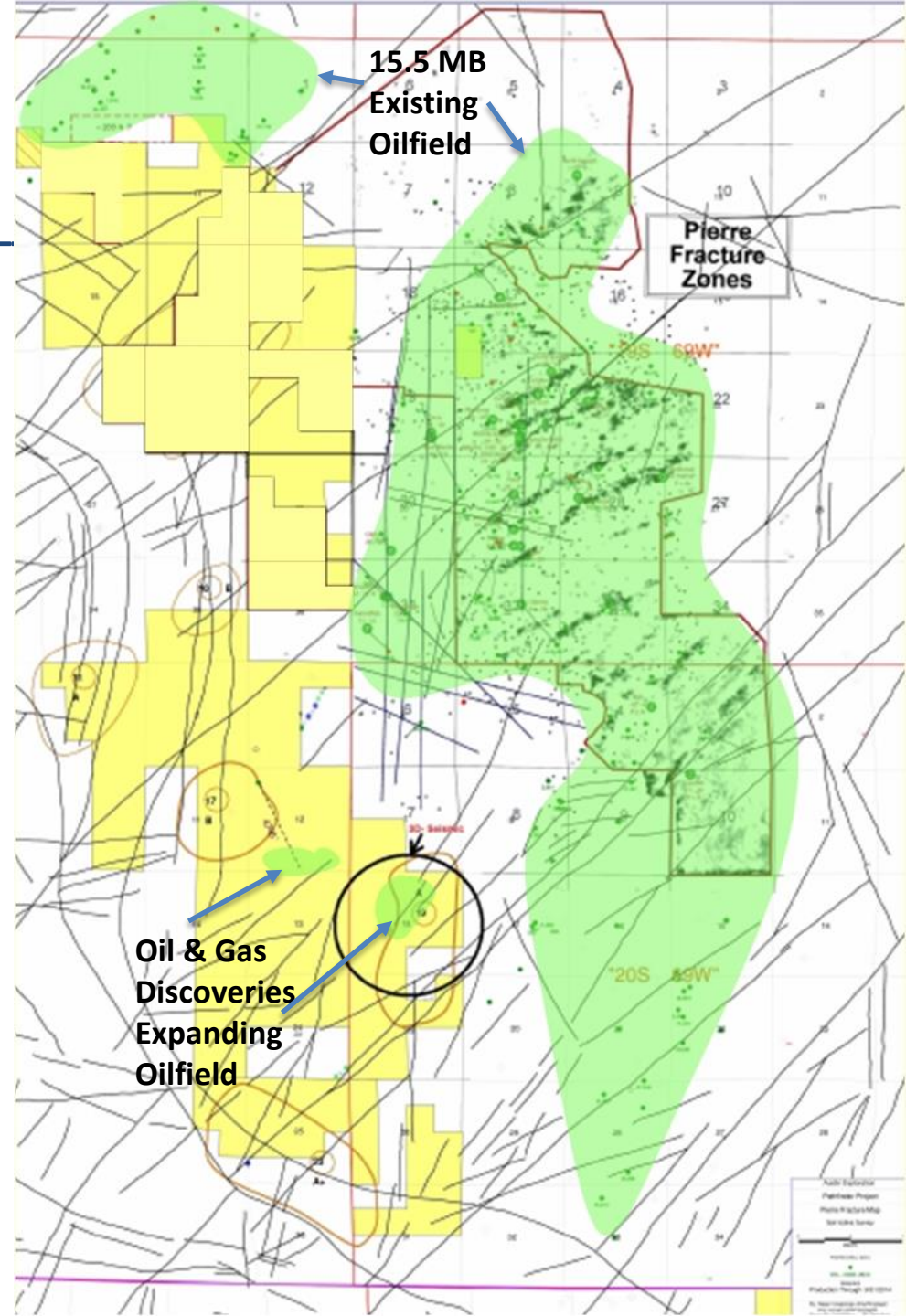
Where is Austin's Pathfinder Project?



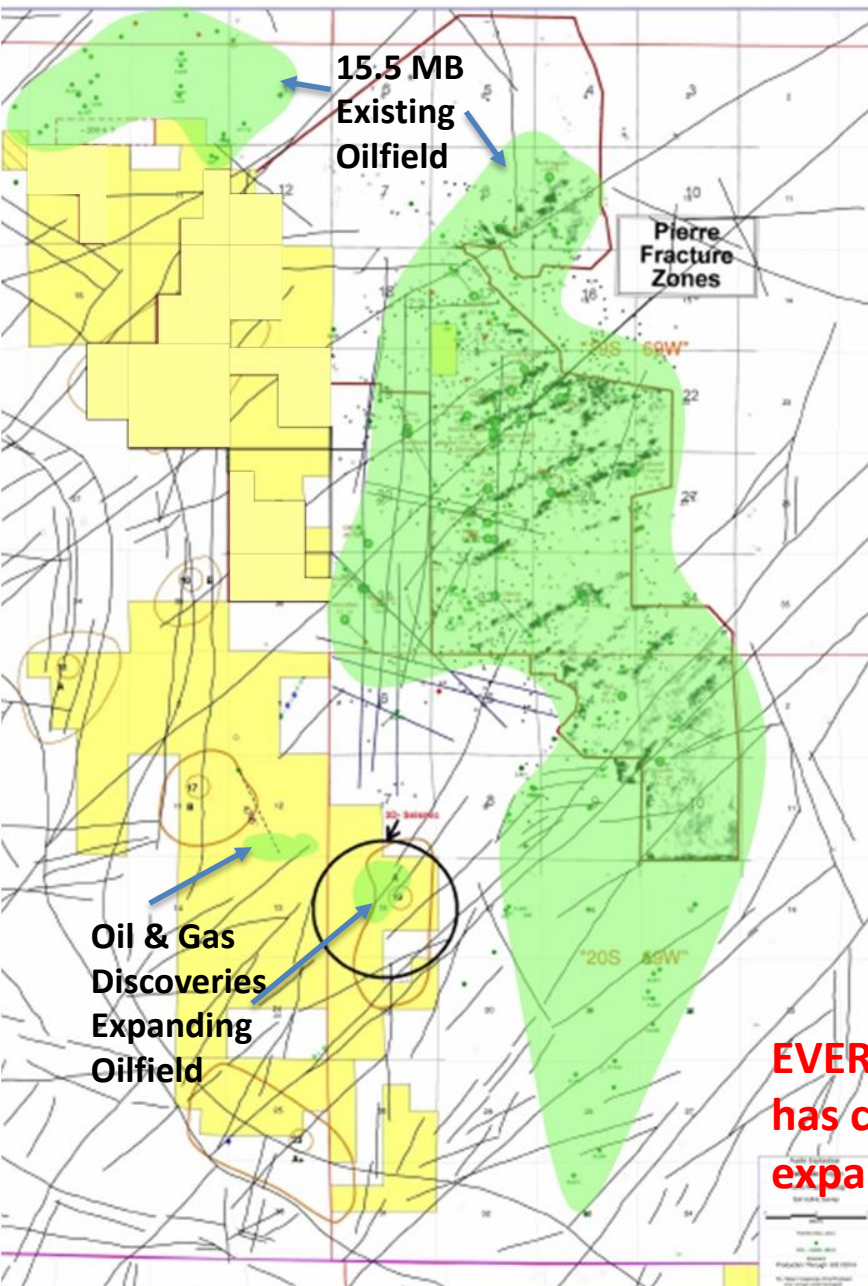
- Florence, Fremont County, Colorado
- 100% Working Interest in 15,282 acres
- Austin is the Operator of the Project and is in full control of all aspects of operations
- Austin is headquartered in Florence – Management is on location every day

Pathfinder – Oil & Gas presence is Confirmed EVERYTIME Austin Drills

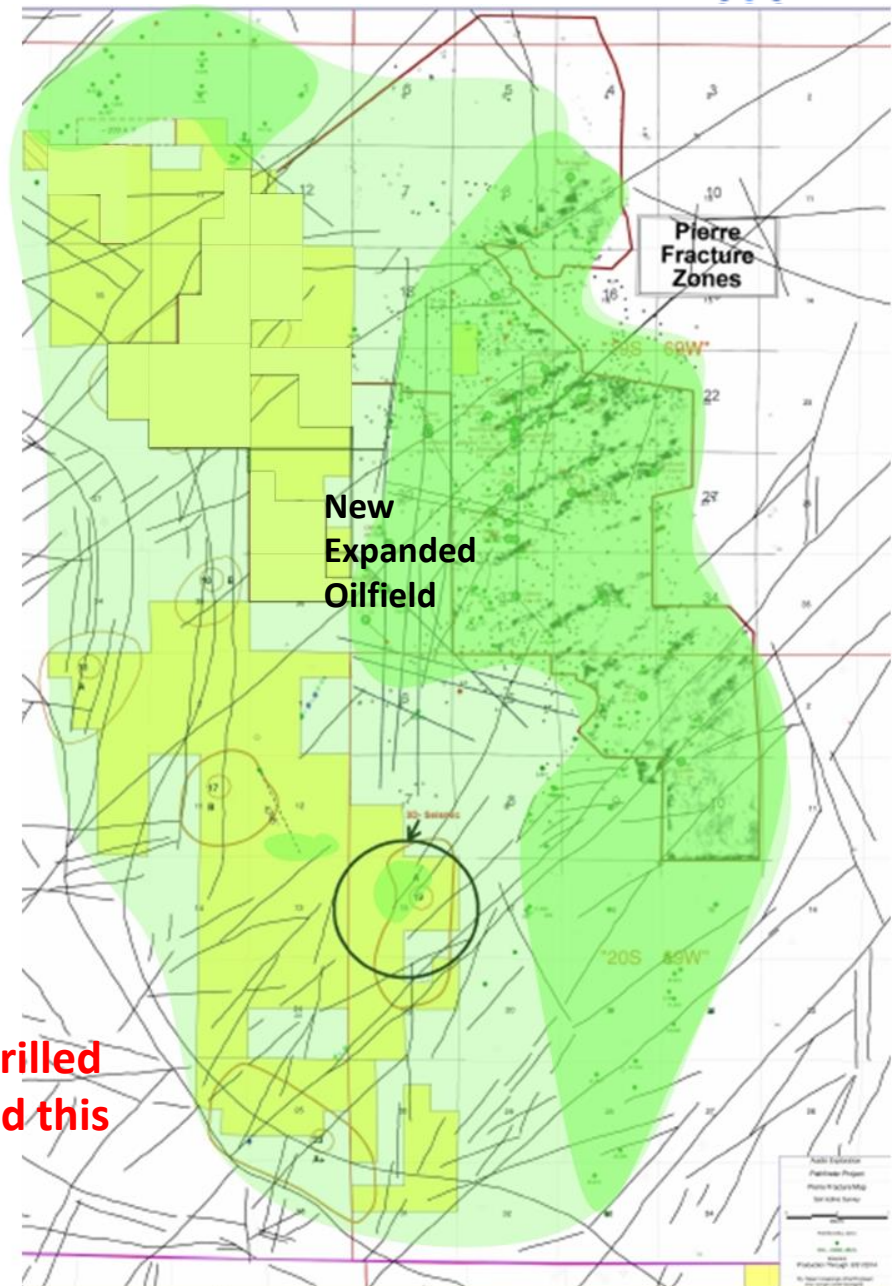
- Austin continues to confirm the presence of Oil & Gas in to the West of the Florence field extending the field to Austin's Pathfinder acreage.
- Austin's Pathfinder Project lies in the Western section of the Florence Oil Field which has produced more than **15 million barrels of oil**
- The entire Western region in this oilfield has been largely undrilled due to the fact that it was **tied up for mining for the last 150 years**
- We have **leased the overwhelming majority of the Western section of the field** due to our deep rooted industry contacts
- The last oil company to drill in the area was able to **build a production stream of 1200 BOPD in just a few short years** – we are duplicating this success
- Our acreage to the West looks much better than that to the East due to the fact that the **Pierre formation increases in thickness as it slopes West**



Austin is On It's Way to Confirming Significant Expansion of Large Oil Field



Before – 15.5 Million Barrel Oilfield



After – Approx 2.5 Times Larger

EVERY well drilled has confirmed this expansion!

Virgin Acreage Next to the World's Second Oldest Oil Field

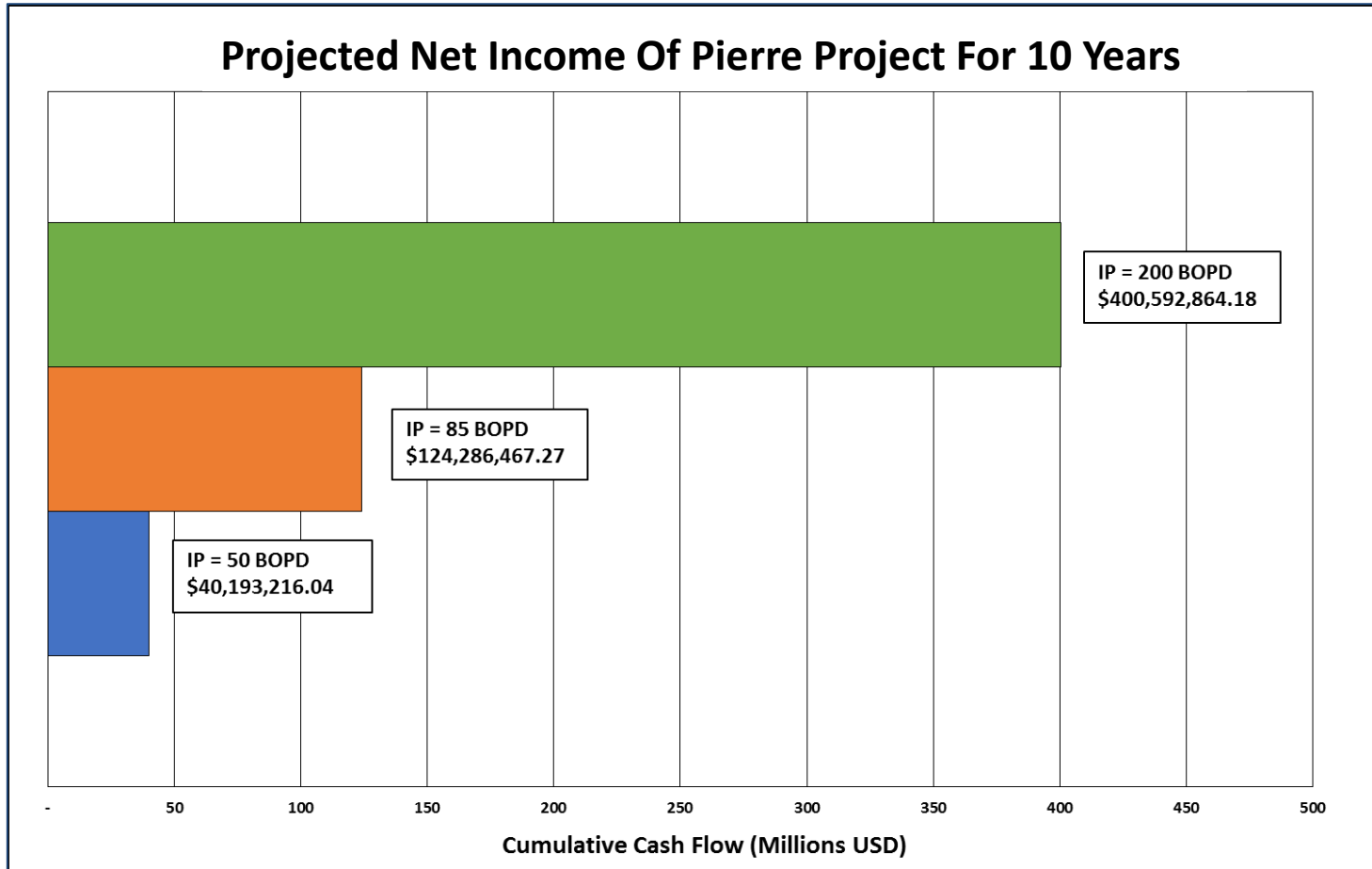
- Florence is second oldest oil field in the world
- Oil discovered in a seep north of Canon City in Oil Creek in 1862
- First deep well drilled in 1876
- 15.5 million barrels of oil from over 1,000 wells
- Wells have produced from 1,800 - 3,500 feet
- High quality oil is produced from fractures in shale
- Cretaceous aged Pierre Formation is the producing formation



Drilling Plan For Pierre Project		
Year:	Wells Drilled:	Cumulative Wells Drilled:
1	3	3
2	6	9
3	8	17
4	8	25
5	16	41
6	16	57
7	16	73
8	16	89
9	16	105
10	16	121

** Assumes capital is available for drilling

** Assumes two drill rigs on location beginning of year 5



Assumptions:

- **Continual drilling program – personnel would have to be increased
- **Capital is available for drilling
- ** Assumes two drill rigs on location beginning of year 5
- ** Oil price p/bbl WTI - Yr 1 = \$40, Yr 2 = \$50, Yr 3 = \$55, Yr 4 = \$60, Yrs 5 -10 = \$65
- ** Assumes all wells are productive

Recent Production Statistics – Directly Adjacent Pathfinder



Our neighbour, directly adjacent, has hit 21 consecutive oil wells in the Pierre Formation:

21 Adjacent Pierre Wells - 2015 Production Data					
Well	Well Type	IP Date	Initial Production	Cumulative Production (2015)	Years
Apache	Vertical	Oct-08	46	10,030	5.49
Dolly Varden	Vertical	May-10	30	14,995	4.84
Elliot Ness	Vertical	May-11	248	27,325	3.96
	Averages		108.00	17,450	4.76
Well	Well Type	IP Date	Initial Production	Cumulative Production (2015)	Years
Liberty	Horizontal	Jun-10	171	56,635	4.90
Buck Garrett	Horizontal	May-11	35	12,343	3.99
Swordfish	Horizontal	Nov-11	70	7,820	3.15
Blue Marlin	Horizontal	Nov-11	48	11,903	3.57
Oilfish	Horizontal	Dec-11	204	38,928	3.31
	Averages		105.60	25,525.80	3.78
Well	Well Type	IP Date	Initial Production	Cumulative Production (2015)	Years
Golden	Deviated	Oct-08	60	69,683	6
Rainbow	Deviated	Oct-08	20	9,922	6
Flathead	Deviated	Sep-09	95	40,807	5
Apache Gold	Deviated	Jun-10	90	18,867	5
Lake	Deviated	Jul-10	321	193,933	5
Patti	Deviated	Jul-10	158	16,885	1
Woolly Bugger	Deviated	Jul-10	98	29,969	5
Greenback	Deviated	May-11	176	16,678	4
Mackinaw	Deviated	Apr-11	200	23,088	4
Triggerfish	Deviated	May-11	98	24,289	3
Paiute	Deviated	Nov-11	360	130,701	4
Trumpetfish	Deviated	Dec-11	20	2,079	2
King	Deviated	Nov-11	70	9,897	3
	Averages		135.85	45,138.31	4.07
			124.67	766,777.00	4.21
			Avg IP	Total Cum Production	Years

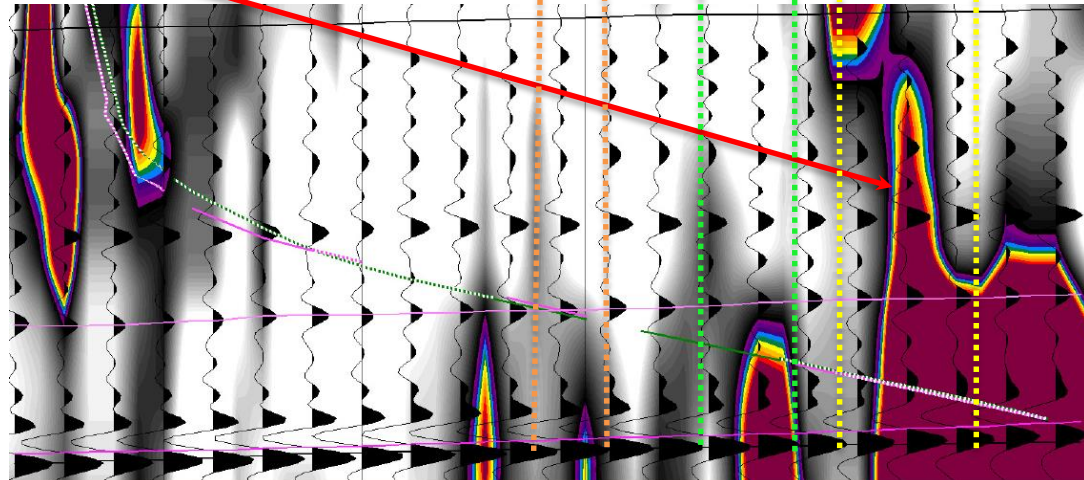
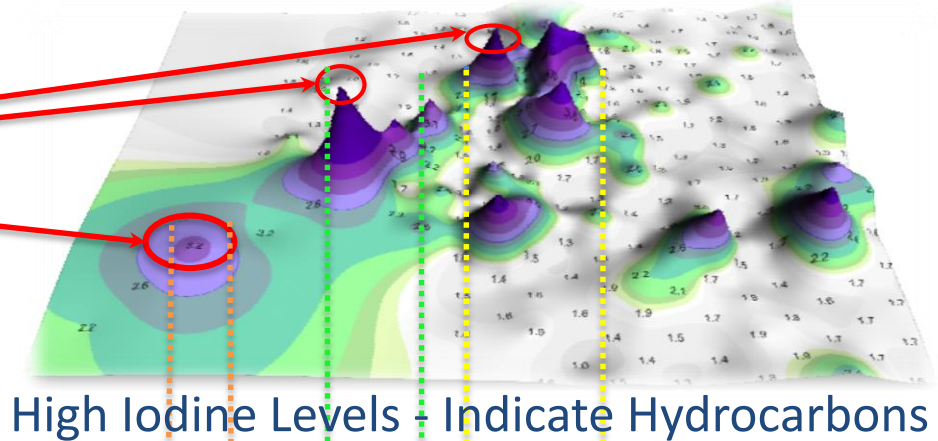
Austin's recipe for finding oil is successful

High Iodine levels
detected at surface

Are correlated with

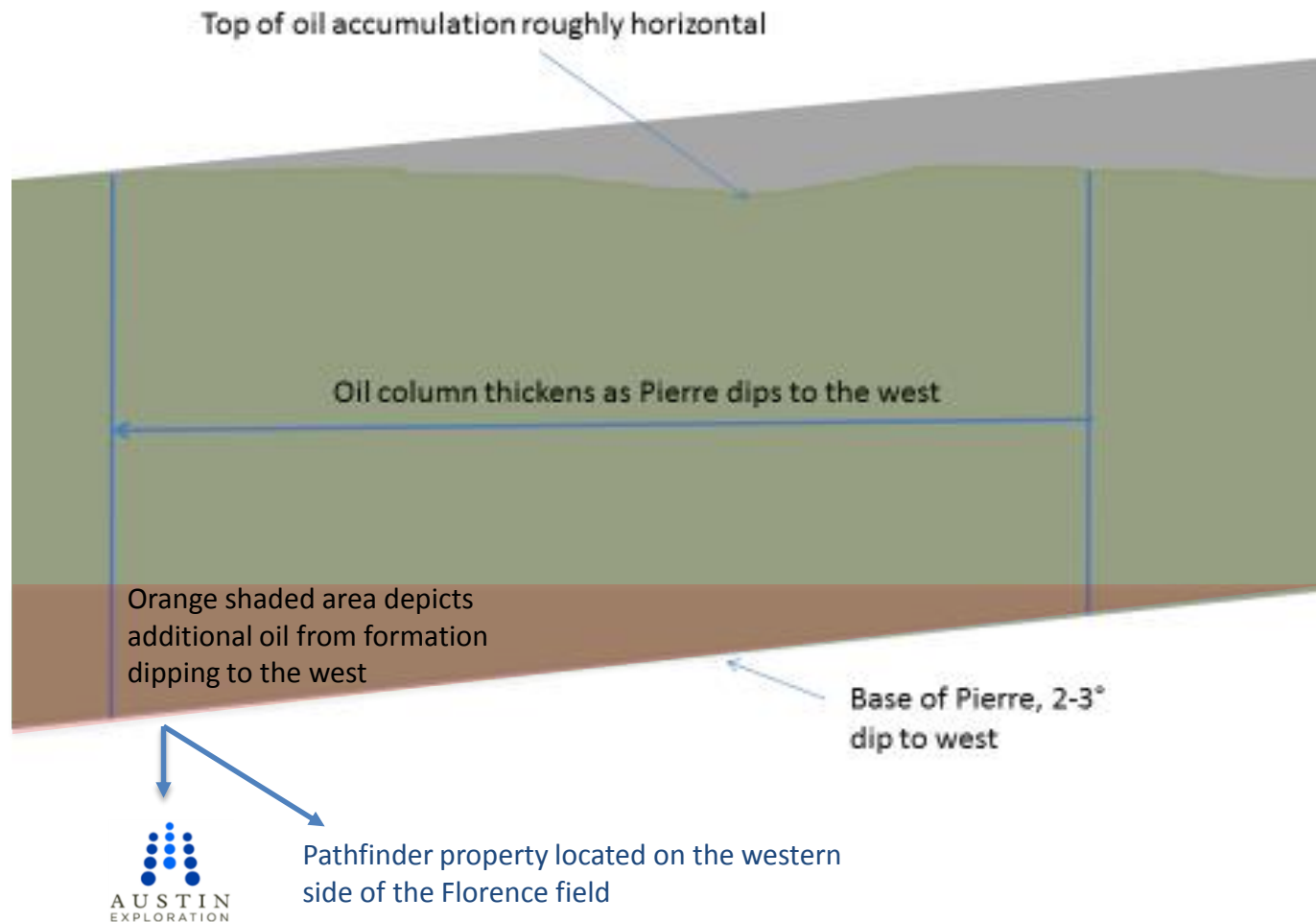
Highly fractured
areas underground

To determine
drilling locations
with the highest
probability of
success.



Greater Oil Reserves Potential at Pathfinder

The Pierre formation thickens to the west and Austin believes the pay section is thicker with potential for greater oil reserves



Pierre Drilling – Highly Economic at Low Oil Prices

We do it all ourselves:

- ✓ Drilling and field operations managed directly by Executive Management
- ✓ Formation is naturally fractured – no fracking required
- ✓ Strategic Drill rig rental agreement in place with Math Energy Drilling
- ✓ Shallow drilling – approx. 4000 ft



CFO – Lonny Haughen



Executive Chairman G. Goudy



MD & CEO T. Hart



Executive VP – A Goss

Strategic Drilling Agreement Has Allowed Austin to Drill for 50% Less

Full Operational control drives costs down:

- A low cost, long-term complete drill rig and machinery package has been secured with Math Energy Drilling
- Drill rig fleet rental agreement significantly reduces ongoing development costs and increases operational efficiencies
- Long-term rental agreement eliminates high day rates, high stand by charges and high mobilisation fees



- IP Rate = 98 BOPD
- NPV = USD \$1.77 Million
- IRR = 127%
- Payback = 7 months @ \$500,000 well cost
- Cashflow for 20 years
- Excludes Royalties

Corporate Snapshot	
ASX Code:	AKK
Cash (as at October 30 2016):	\$1mil
Market Cap	\$7mil
52 week high (\$/share):	0.14c
52 week low (\$/share):	0.04c
Shares on issue:	1.395bil

Major Shareholders	
JP Morgan Nominees Australia Ltd	2.295%
Mr and Mrs S & K Burns	2.1 %
Board and Management	2%
SHAH Nominees Pty Ltd	1.4%
Mr J Capp	1.2%
Startcat Investments Pty Ltd	1.1%
Top 20 Shareholders	29.01%

Top 20 Shareholders represent ~20%



Mr. Guy Goudy, Executive Chairman

Guy joined Austin Exploration in 2009 and has served the Company in various roles including Chief Operating Officer, Managing Director and Chief Executive Officer and was promoted to the role of Executive Chairman in July 2016. Guy has been instrumental in navigating the Company through the current severe downturn in oil prices and the elimination of the Company's debt. Guy has over 10 years of oil and gas investment experience and has extensive network of global industry, financial and political contacts. Prior to his appointment at Austin, Mr. Goudy was employed in the financial services sector and was an authorized representative with a leading stock broking and financial advisory firm in Sydney.

Mr. Goudy was trained at the University of Technology, Sydney (UTS) where he holds various formal qualifications in Business. He has also completed Mineral Economics course work at the Colorado School of Mines.



Mr. Timothy Hart, Managing Director and Chief Executive Officer

Tim joined Austin Explorations Management team in 2011 as VP/GM of Austin's Kentucky Business Unit and responsible for transitioning the Business unit from a gas exploration business into a cash flow positive oil and gas producer. In 2015 Tim was promoted to Austin's Chief Operating Officer where he was responsible for the performance and development of Austin's oil and gas portfolio spanning across Colorado, Kentucky, Texas and Mississippi. After his significant contribution to the successful transformation of our company into a very low cost, highly productive, "do it yourself" drilling & exploration company, in 2016 Mr. Hart was promoted to Managing Director and CEO.

Mr. Hart has a Bachelor of Science in Engineering from Penn State University (PSU) with an extensive professional history in business and technology. He has held numerous senior level management positions with expertise in Electrical Engineering, Information Technology, Technical Project Management, Vendor Management, Contract Negotiation, Operational Efficiency, Process Development, and Budget Development & Compliance.

Mr. Hart brings a strong management, engineering and technology background to the Oil and Gas Industry and has worked with numerous local vendors to improve their processes and service offerings to accommodate the enhanced technical, safety and environmental requirements of our business.



Mr. Stuart Middleton – Non-Executive Director

Mr. Middleton has joined the Austin Exploration board of directors as a non-executive director based in Sydney. Stuart has recently returned to Australia from a 10 year assignment in China where he lived and was the Group Executive for TDS, Banpu Plc, Asian Energy Company with assignments in China, Mongolia, Indonesia, Australia and Thailand living in the Henan and Shanxi provinces of the Peoples' Republic of China. Mr. Middleton has also worked in the USA, Indonesia and Columbia. During his time in China he was highly involved with oil and gas, in both conventional and unconventional drilling for CBM and oil/gas; he advised both government and a major Asian Energy group relating to Asian American Gas Company, extensive JV vertical and multi-lateral directional wells as well as technology transfer from oil/gas to underground degas directional drilling and degas to mitigate dangerous outburst challenges.

Australian by background, Stuart has a Bachelor's degree in engineering and a Master's Commerce degree with double majors in Finance and Technology Management from The University of Sydney. He is a chartered professional engineer. Stuart was the general manager of the Baal Bone operation in Lithgow, Australia and served on the Oakbridge board in Sydney and the Queensland North Goonyella Pty. Ltd board in Mackay.



Mr. Andrew Blow – Non-Executive Director

Andrew Blow joins the board of Austin Exploration as a non-executive director based out of Sydney, Australia. The appointment follows more than 10 years' experience working in media, government and public affairs. Andrew specialises in the provision of high-end strategic advice to Government and his services have been utilised extensively by some of Australia's most senior decision makers, including the Premier and Prime Minister. He has experience managing public engagement on Government policies with a particular focus on infrastructure and major projects. As part of his duties, Andrew has led a team of highly motivated industry experts in shaping public discourse on a range of domestic and global issues.

Andrew has lived in both the Middle East and South East Asia and as a journalist in the Arab Gulf covered some of the major news stories of the time, including the Egyptian revolution, the battle for Libya and the war in Syria. While a senior producer for one of Australia's largest commercial television networks, Andrew had editorial responsibility for news output and was charged with management of scarce resources including camera crews and live assets. Andrew has a bachelor's degree in Communications from Charles Sturt University in New South Wales.

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