

# AUSTIN EXPLORATION LIMITED

## ACN 114 198 471

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## PROSPECTUS

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For an offer of:

- (a) up to 250,000,000 new Shares to Eligible Shareholders at an issue price of 0.6 cents per Share together with one (1) free listed option for every four (4) Shares subscribed for and issued in order to raise approximately \$1,500,000 (before costs) (with oversubscriptions of up to a further 166,666,667 Shares at an issue price of \$0.006 to raise an additional \$1,000,000) (**Priority Offer**);
- (b) up to 70,833,333 new Options to subscribers under the Placement (**Placement Options Offer**); and
- (c) 20,000,000 new Options to contractors for PR and marketing services in relation to the Capital Raising (**Contractor Options Offer**),

(together, the **Offers**).

Patersons Securities Limited is acting as Lead Manager and Underwriter to the Priority Offer. Refer to Section 8.4 for details regarding the terms of the underwriting.

Completion of the Priority Offer, Placement Options Offer and Contractor Options Offer is subject to shareholder approval. No Securities will be issued pursuant to this Prospectus until such time as this condition is satisfied.

This Prospectus has also been prepared for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date. Further details are set out in Section 3.3 of this Prospectus.

### IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered under this Prospectus should be considered speculative.

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## 2. CORPORATE DIRECTORY

### Directors

Mr Guy Goudy  
*Executive Chairman*

Mr Timothy Hart  
*CEO and Managing Director*

Mr Stuart Middleton  
*Non-Executive Director*

Mr Andrew Blow  
*Non-Executive Director*

### Company Secretary

Mr Robert Lees

### Registered Office

Level 3, 17 Castlereagh Street  
Sydney NSW 2000

Telephone: + 61 2 9299 9580  
Facsimile: +61 2 9299 9501

Email: [robert@coysec.com.au](mailto:robert@coysec.com.au)  
Website: [www.austinexploration.com](http://www.austinexploration.com)

### Headquarters

Austin Exploration & AusCo Petroleum USA  
113 North Santa Fe  
Florence Colorado  
USA 81226

### ASX Code

AKK

### Auditor\*

Grant Thornton  
The Rialto, Level 30  
525 Collins Street  
Melbourne VIC 3000

### Share Registry\*

Boardroom Pty Limited  
Level 12  
225 George Street  
Sydney NSW 2000

Telephone: +61 2 9290 9600  
Facsimile: +61 2 9279 0664

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

### Lead Manager and Underwriter to the Priority Offer and Lead Manager to the Placement

Patersons Securities Limited  
Level 23, Exchange Tower  
2 The Esplanade  
PERTH WA 6000

\* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

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### 3. INDICATIVE TIMETABLE AND IMPORTANT NOTES

#### 3.1 Indicative Timetable

Action	Date
Record Date	16 December 2016
Lodgement of Prospectus with the ASIC and ASX	16 December 2016
Lodgement of Appendix 3B	16 December 2016
Priority Offer Opening Date	16 December 2016
General Meeting	January 2017
Priority Offer Closing Date*	5:00pm WST on Friday, 27 January 2017
Expected date of Official Quotation of the Shares	31 January 2017

\* The Directors reserve the right to bring forward or extend the Closing Date of the Priority Offer at any time after the Opening Date of the Priority Offer without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date of the Priority Offer.

#### 3.2 Important Notes

This Prospectus is dated 16 December 2016 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### 3.3 Section 708A(11) of the Corporations Act

This Prospectus has also been prepared for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

On 9 December 2016, the Company announced a placement to sophisticated and professional investors through the issue of approximately 283.3 million new Shares at \$0.006 per Share together with one (1) free listed option (exercisable at \$0.006 on or before 30 June 2019) for every four (4) Shares subscribed for and issued to raise \$1,700,000 (**Placement**).

The Shares were issued on 15 December 2016 out of the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A. Further details are set out in the capital structure table in Section 5.4.

Funds raised via the Placement will be used to purchase the neighbouring Pathfinder property through the acquisition of Incremental Oil and Gas (Florence) LLC (**Incremental**). Refer to section 5.1 for further details on the use of funds to be raised under the Placement and Priority Offer. Shareholders can also refer to the announcement of the acquisition made to ASX on 9 December 2016.

Patersons has been appointed as Lead Manager to the Placement. The terms of the appointment of the Lead Manager are summarised in Section 8.4 below.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
  - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

### 3.4 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.austineexploration.com](http://www.austineexploration.com). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **3.5 Risk Factors**

Potential investors should be aware that subscribing for Shares and Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares or Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares and Options pursuant to this Prospectus.

### **3.6 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

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## 4. DETAILS OF THE OFFERS

### 4.1 Background of the Offers

On 9 December 2016, the Company announced the acquisition of Incremental for US\$2 million which includes 100% of Incremental's 2,436 acre Florence Oilfield acreage and oil production in Colorado (**Acquisition**).

The Company will fund the Acquisition via the issue of new Shares and Options under the Placement and Priority Offer (defined below) to raise up to \$3.2 million with oversubscriptions for an additional \$1 million to be offered at the discretion of the Directors (**Capital Raising**).

The Company is undertaking a placement of 283.3 million Shares (**Placement Shares**) at an issue price of \$0.006 per Share to raise \$1,700,000 (**Placement**). The Placement Shares were issued on 15 December 2016. The Company has agreed to offer investors who subscribe for Shares under the Placement (**Investors**) the right to subscribe for one (1) free New Option for every four (4) Shares subscribed for and issued.

Pursuant to the Placement, the Company will issue 283,333,333 Shares out of its existing capacity under ASX Listing Rules 7.1 and 7.1A. The 70,833,333 Options to be issued under the Placement are subject to Shareholder approval which will be sought at a general meeting of Shareholders to be held in January 2017 (**General Meeting**).

The issue of the Options under the Placement is expected to take place immediately after the Company receives Shareholder approval at the General Meeting.

Subject to Shareholder approval at the General Meeting, the Company is also seeking to raise \$1.5 million through a priority offer to eligible shareholders through the issue of 250,000,000 Shares on the same terms as the Placement in order to raise \$1,500,000 (before costs) (with oversubscriptions of up to a further 166,666,667 Shares at an issue price of \$0.006 to raise an additional \$1,000,000) to be offered at the discretion of the Directors (**Priority Offer**). Refer to section 4.2.1 for further details.

The Company has engaged the services of Patersons Securities Limited (ACN 008 896 311) (**Patersons**), a licensed securities dealer (AFSL 239052), to manage the Placement and Priority Offer. The Company will pay Patersons a lead manager fee of \$65,000 (plus GST) on completion of the Priority Offer and 6% (plus GST) on the total gross amount raised under the Placement and Priority Offer.

### 4.2 The Offers

#### 4.2.1 Priority Offer

By this Prospectus, the Company invites Eligible Shareholders to apply for a total of 250,000,000 Shares at an issue price of \$0.006 per Share together with one (1) free listed Option (exercisable at \$0.006 on or before 30 June 2019) for every four (4) Shares subscribed for and issued in order to raise \$1,500,000 (before costs) (with oversubscriptions of up to a further 166,666,667 Shares at an issue price of \$0.006 to raise an additional \$1,000,000) to be offered at the discretion of the Directors.

Eligible Shareholders are entitled to apply for up to \$15,000 worth of Shares (2,500,000 Shares) which may be applied for in parcels of \$2,000, \$5,000, \$10,000

or \$15,000 worth of Shares. No Eligible Shareholder shall be issued less than \$2,000 of the Shares offered under the Priority Offer.

The issue of the Securities under the Priority Offer is subject to Shareholder approval which will be sought at the General Meeting.

Applications under the Priority Offer will be allocated on a 'first in first served basis' and the final allocation decision will be allocated at the sole discretion of the Board.

The purpose of the Priority Offer and the intended use of funds raised are set out in Section 5 of this Prospectus.

#### **4.2.2 Placement Options Offer**

By this Prospectus the Company offers up to 70,833,333 free New Options, on the basis of one (1) New Option for every four (4) Shares subscribed for by Investors in the Placement.

The issue of the 70,833,333 Options under the Placement is subject to Shareholder approval which will be sought at the General Meeting.

The Placement Options Offer is only extended to the Investors only. Accordingly, Application Forms will only be provided by the Company to these parties.

No funds will be raised from the Placement Options Offer under this Prospectus as relevant New Options are being issued for nil consideration.

#### **4.2.3 Contractor Options Offer**

This Prospectus includes an offer of 20,000,000 new Options to certain contractors (or their nominees) for PR and marketing services in relation to the Capital Raising.

The issue of the 20,000,000 new Options under the Contractor Options Offer is subject to Shareholder approval which will be sought at the General Meeting.

Only those contractors (or their nominees) may accept the Contractor Options Offer, by using the relevant Application Form in relation to the Contractor Options Offer.

No funds will be raised from the Contractor Options Offer as relevant New Options are being issued for nil consideration for PR and marketing services.

#### **4.2.4 Offers**

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 6.1.

All New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The Company will apply to the ASX for the Shares and New Options offered pursuant to this Prospectus to be granted Official Quotation on ASX.



### 4.3 Opening and Closing Dates of the Priority Offer

The Opening Date of the Priority Offer will be 16 December 2016 and the Closing Date will be 27 January 2017 at 5:00pm WST. The Directors reserve the right to close the Priority Offer early or extend the Closing Date (as the case may be) in their absolute discretion, should it be considered by them necessary to do so.

### 4.4 Minimum subscription

The minimum subscription to be raised pursuant to this Prospectus is \$1,500,000 pursuant to the underwriting arrangement with Patersons. In the event the minimum subscription is not achieved within four (4) months of the date of lodgement of the Prospectus with the ASIC, no Shares will be issued to any of the Applicants, all application monies will be returned and all applications will otherwise be dealt with in accordance with the Corporations Act.

### 4.5 Underwriting of Priority Offer

The Priority Offer is underwritten to \$1,500,000 by Patersons. Refer to Section 8.4 for details regarding the terms of the underwriting.

### 4.6 Lead Manager

Patersons has been appointed as Lead Manager to the Placement and Priority Offer. The terms of the appointment of the Lead Manager are summarised in Section 8.4.

### 4.7 Application for Shares and/or Options

#### *Priority Offer*

Applications for Shares and Options under the Priority Offer must be made by Eligible Shareholders using the Application Form accompanying this Prospectus. By completing an Application Form, applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**, which is currently scheduled to occur on 27 January 2017.

Due to the Priority Offer being on a first come first served basis, Eligible Shareholders who would like to download their Application Form for faster acceptance will be able to log in to Boardroom Pty Limited's InvestorServe on or around 20 December 2016. A link to Boardroom Pty Limited's InvestorServe can be reached as follows:

- (a) For registered users, go to [www.investorserve.com.au](http://www.investorserve.com.au) then enter your username and password using the Registered User Access.
- (b) For unregistered users, go to [www.investorserve.com.au](http://www.investorserve.com.au) then Individual Investment Access and follow the prompts.

Application Forms will be available under the My Portfolio > Online Statements/Advices.

Applications under the Priority Offer must be accompanied by payment in full at the issue price of \$0.006 per Share in Australian currency by cheque or BPAY in accordance with the instructions set out in the Application Form.

The Company reserves the right to close the Priority Offer early.

If you require assistance in completing an Application Form, please contact the Share Registry on 1300 737 760 or the Company on +61 2 9299 9580.

#### **Placement Options Offer and Contractor Options Offer**

Applications for New Options can only be made by either Investors under the Placement with respect to the Placement Options Offer and contractors with respect to the Contractor Options Offer at the direction of the Company and must be made using the appropriate Application Form accompanying this Prospectus.

Completed Application Forms and cheques must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The New Options are being issued for nil consideration and therefore the Applicants are not required to pay any funds with the application.

#### **4.8 Payment by BPAY® for Priority Offer applicants**

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY® you do not need to submit the Application Form but are taken to have made the declarations on that Application Form.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.**

#### **4.9 Payment by cheque/bank draft for Priority Offer applicants**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Austin Exploration Limited Priority Offer Account**" and crossed "**Not Negotiable**".

Your completed Application Form and cheque must reach the Company's share registry no later than 5:00pm WST on the Closing Date.

#### **4.10 Implications on acceptance**

Returning a completed Application Form will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Application Form, and read them both in their entirety; and
- (b) you acknowledge that once the Application Form is returned the application may not be varied or withdrawn except as required by law.

#### **4.11 Issue of Shares**

The Securities issued pursuant to this Prospectus will be issued in accordance with the ASX Listing Rules and the timetable set out at the commencement of this Prospectus. Holding statements for the Securities issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Securities in their sole discretion. The Board reserves the right to reject any Application or to allocate any Applicant fewer Securities than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus Application monies will be refunded (without interest) to the Applicant as soon as practicable after the Closing Date.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an Application as valid, or how to construe, amend or complete it, will be final.

#### **4.12 ASX listing**

The Company will apply for Official Quotation of all Securities issued under this Prospectus within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

#### **4.13 Overseas shareholders**

##### **(a) Priority Offer**

The Priority Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Priority Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

## ***New Zealand***

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## ***Nominees and custodians***

Nominees and custodians may not submit an Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### **(b) Placement Options Offer and Contractor Options Offer**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

## **4.14 Clearing House Electronic Sub-Register System and Issuer Sponsorship**

The Company participates in the Clearing House Electronic Sub-register System (**CHES**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHES. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of Shares can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

#### 4.15 Enquiries

Any questions concerning the Offer should be directed to Robert Lees, Company Secretary, on +61 2 9299 9580 or 0411 494 406.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Placement and the Priority Offer

#### Placement

The primary purpose of the Placement is to raise \$1,700,000 (before costs) to be applied in accordance with the table set out below:

Item	Proceeds of the Placement	Allocation of Proceeds (\$)	%
1.	Acquisition of Incremental (Colorado Oil and Gas Property) <sup>1</sup>	\$1,437,800	85%
2.	Expenses of the Placement <sup>2</sup>	\$112,200	6%
3.	Working Capital	\$150,000	9%
	<b>Total</b>	<b>\$1,700,000</b>	<b>100%</b>

#### Notes

1. On 9 December 2016, the Company announced the acquisition of Incremental for US\$2 million. A non-refundable deposit of \$50,000 has been paid with a further non-refundable down-payment of \$150,000 due on or before 30 December 2016 after completion of the first tier of due diligence and signing of a purchase and sale agreement.
2. Refer to Section 8.8 for details in respect of the estimated expenses of the Placement.

On completion of the Placement, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

#### Priority Offer

The primary purpose of the Priority Offer is to raise up to \$1,500,000 (before costs) to be applied in accordance with the table set out below:

Item	Proceeds of the Priority Offer	Full Subscription of the Priority Offer	%	Full Subscription of the Priority Offer and oversubscriptions	%
1.	Acquisition of Incremental (Colorado Oil and Gas Property) <sup>1</sup>	\$1,301,926	87%	\$1,301,926	52%
2.	Expenses of the Priority Offer <sup>2</sup>	\$161,500	11%	\$161,500	6%
3.	Working capital <sup>3</sup>	\$36,574	2%	\$1,036,574	42%
	<b>Total</b>	<b>\$1,500,000</b>	<b>100%</b>	<b>\$2,500,000</b>	<b>100%</b>

#### Notes

1. As set out above, on 9 December 2016, the Company announced the acquisition of Incremental for US\$2 million. A non-refundable deposit of \$50,000 has been paid with a further non-refundable down-payment of \$150,000 due on or before 30 December 2016 after completion of the first tier of due diligence and signing of a purchase and sale agreement.

2. Refer to Section 8.8 for details in respect of the estimated expenses of the Priority Offer.
3. In the event the Company raises the full oversubscription amount, up to an additional \$200,000 will be spent on additional drilling and \$200,000 on additional seismic on the Company's current projects.

In the event the Company raises more than the Full Subscription of \$1,500,000, all additional funds raised will be first applied towards additional seismic on the Company's current projects, secondly towards additional drilling on the Company's current projects and any additional funds on working capital. On completion of the Priority Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

## **5.2 Effect of the Placement and Priority Offer**

The principal effect of the Placement and the Priority Offer and assuming no further Shares are issued will be to:

- (a) increase the cash reserves by 3,810,324 (assuming completion of the Placement and full subscription and oversubscriptions of the Priority Offer) (after deducting the estimated expenses of the Priority Offer and the Placement) immediately after completion of the Priority Offer and the Placement; and
- (a) increase the number of Shares on issue from 1,679,079,044 Shares as at the date of this Prospectus to 2,095,745,711 Shares and increase the number of Options on issue from 670,583,223 to 865,583,223 (assuming completion of the Placement and full subscription and full oversubscriptions are placed under the Priority Offer).

## **5.3 Financial effect**

The unaudited balance sheet as at 30 September 2016 and the unaudited pro-forma balance sheet as at 30 September 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Securities offered under the Prospectus are issued.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30 SEPTEMBER 2016	PROFORMA 30 SEPTEMBER 2016 PRIORITY OFFER FULL SUBSCRIPTION	PROFORMA 30 SEPTEMBER 2016 PRIORITY OFFER OVERSUBSCRIPTIONS
<b>CURRENT ASSETS</b>			
Cash <sup>1</sup>	1,676,691	4,511,621	5,487,015
Trade and other receivables	17,804	17,804	17,804
Other current assets	15,049	15,049	15,049
<b>TOTAL CURRENT ASSETS</b>	<b>1,709,544</b>	<b>4,544,474</b>	<b>5,519,868</b>
<b>NON-CURRENT ASSETS</b>			
Exploration <sup>1</sup>	1,325,896	1,325,896	1,325,896
Property, plant & equipment	130,452	130,452	130,452
Development & producing assets	56,925	56,925	56,925
Exploration <sup>1</sup> and other evaluation assets	9,331,432	9,331,432	9,331,432
Other assets	131,549	131,549	131,549
<b>TOTAL NON-CURRENT ASSETS</b>	<b>10,976,254</b>	<b>10,976,254</b>	<b>10,976,254</b>
<b>TOTAL ASSETS</b>	<b>12,399,798</b>	<b>15,520,728</b>	<b>16,496,122</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	181,544	181,544	181,544
<b>TOTAL CURRENT LIABILITIES</b>	<b>181,544</b>	<b>181,544</b>	<b>181,544</b>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	44,312	44,312	44,312
<b>TOTAL CURRENT LIABILITIES</b>	<b>44,312</b>	<b>44,312</b>	<b>44,312</b>
<b>TOTAL LIABILITIES</b>	<b>225,856</b>	<b>225,856</b>	<b>225,856</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>12,459,942</b>	<b>15,294,872</b>	<b>16,270,266</b>
<b>EQUITY</b>			
Issued capital	75,107,547	77,942,477	78,917,871
Reserves	9,597,214	9,597,214	9,597,214
Retained earnings/(Accumulated losses)	(72,244,819)	(72,244,819)	(72,244,819)
<b>TOTAL EQUITY</b>	<b>12,459,942</b>	<b>15,294,872</b>	<b>16,270,266</b>

**Notes:**

1. Column 1 represents the unaudited 30 September 2016 management accounts consolidated financial position of the Company at 30 September 2016.
2. Column 2 represents the pro-forma consolidated statement of financial position at 30 September 2016 of the Company assuming:
  - a) All Placement and Priority Offer rights are taken-up by shareholders or placed - raising \$3,200,000
  - b) Estimated costs of \$327,450 (full subscription) and \$389,676 (full oversubscriptions) associated with the Placement and Priority Offer are allocated to contributed equity.



## 5.4 Effect on capital structure

The principal effect of the Priority Offer and Placement on the capital structure of the Company, assuming all Shares offered under the Prospectus are issued is set out below:

Shares <sup>1</sup>	Number (\$3.2 million)	Number (\$4.2 million)
Shares currently on issue <sup>2</sup>	1,679,079,044	1,679,079,044
Shares to be issued under the Priority Offer <sup>2</sup>	250,000,000	416,666,667
<b>Total Shares on issue on completion of the Placement and Priority Offer<sup>3</sup></b>	<b>1,929,079,044</b>	<b>2,095,745,711</b>

### Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 6 of this Prospectus.
2. Includes the issue on 15 December 2016 of 283,333,333 Shares pursuant to the Placement.
3. Assumes Shareholder approval is obtained at the general meeting to be held in January 2017.
4. This assumes the Priority Offer is fully subscribed and no Options are exercised.

Options	Number (\$3.2 million)	Number (\$4.2 million)
Listed Options exercisable at \$0.03 each on or before 18/9/2017	20,711,839	20,711,839
Listed Options exercisable at \$0.006 each on or before 30/6/2019	601,471,384	601,471,384
Unlisted Options exercisable at \$0.01 each on or before 30/6/2019	48,400,000	48,400,000
Listed Options to be issued under the Placement <sup>1&amp;2</sup>	70,833,333	70,833,333
Listed Options to be issued under the Priority Offer <sup>1&amp;2</sup>	62,500,000	104,166,667
Listing Options to be issued to contractors <sup>1&amp;2</sup>	20,000,000	20,000,000
<b>Total Options on issue on completion of the Offer<sup>1, 2 &amp; 3</sup></b>	<b>823,916,556</b>	<b>865,583,223</b>

### Notes:

1. The terms and conditions of the Options are summarised in Section 6 of this Prospectus.
2. Assumes Shareholder approval is obtained at the general meeting to be held in January 2017.
3. This assumes the Priority Offer is fully subscribed and no Options are exercised.

The Company is seeking Shareholder approval for the adoption of a performance rights plan (**Plan**) at a general meeting to be held on 20 December 2016 (**General Meeting**). The Company is also seeking Shareholder approval at the Meeting to

issue a total of 27,750,000 performance rights to related parties under the Plan no later than 12 months after the Meeting.

## **5.5 Details of substantial holders**

As at the date of this Prospectus, no Shareholder has a relevant interest in 5% or more of the Shares on issue.

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## 6. RIGHTS AND LIABILITIES ATTACHING TO SHARES AND TERMS OF OPTIONS

### 6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### (a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

#### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### (c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 6.2 New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.006 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Quotation**

The Options are unlisted, however, the Company intends to apply for quotation of the Options on ASX, subject to the requirements of ASX Listing Rule 2.5.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## **7. RISK FACTORS**

### **7.1 Introduction**

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **7.2 Priority Offer and Placement specific – dilution risk**

Upon implementation of the Placement and the Priority Offer, assuming the Priority Offer is fully subscribed (including oversubscriptions under the Priority Offer) and no Options exercised, the number of Shares in the Company will increase from 1,679,079,044 Shares currently on issue to 2,095,745,711 Shares. This means that each Share will represent a lower proportion of the ownership of the Company.

On completion of the Placement and Priority Offer assuming the Priority Offer is fully subscribed (including oversubscriptions under the Priority Offer), the Company will have issued a further 195,000,000 Options. If these Options are converted into Shares there will be a dilution of the Company's existing Shareholders. However, each Option has an exercise price of \$0.006 which means that the Company will receive additional funds of approximately \$1,170,000 upon exercise of the Options, if all existing Options are exercised.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Priority Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.006 is not a reliable indicator as to the potential trading price of Shares after implementation of the Priority Offer.

### **7.3 Specific Risks**

#### **(a) Going concern risk**

While completing the review of the Company's annual financial report for the year ended 30 June 2016, the Company's auditor, Grant Thornton Audit Pty Ltd, noted the following:

"Without qualification to the conclusion expressed above, we draw attention to Note 2 to the financial statements which notes net operating cash outflows of \$1,324,432 and a closing cash position of \$2,050,356 for the year ended 30 June 2016. This condition, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a



going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.”

Notwithstanding the ‘going concern’ Emphasis of Matter paragraph included in the annual financial report, the Directors believe that upon the successful completion of the Placement and the Priority Offer, the Company will have sufficient funds to adequately meet the Company’s current expenditure commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to Section 7.2(c) below for further details.

In the event that the Placement and the Priority Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern, and which is likely to have a material adverse effect on the Company’s activities.

(b) **Loss of land holding**

The Company does not expect to retain all of its current land holding. Given the current economic conditions, the Company intends to primarily concentrate its exploration on its 100% owned Pathfinder Project in Colorado and Kentucky project as a non-core property as it is of the opinion that this will provide the quickest returns on its capital.

(c) **Funding**

The Company’s ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company’s activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company’s properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company’s ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security

granted by the Company or default under a finance lease could also result in the loss of assets.

The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.

(d) **Contractual Risk**

The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

#### 7.4 Industry specific

(a) **Oil & Gas Exploration**

The prospects in which the Company has an interest are at various stages of pre-exploration due diligence, exploration or production, and potential investors should understand that exploration and development are high-risk undertakings.

Oil and gas exploration is a high risk, speculative activity that requires a large amount of expenditure over extended periods of time. There is no guarantee that exploration will result in commercial discoveries.

Technical conclusions during exploration, appraisal and production are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geophysical, drilling and other data.

By its nature, the business of oil and gas exploration contains elements of significant risk with no guarantee of success. Ultimate and continuous exploration success is dependent on many factors such as:

- (i) access to adequate capital;
- (ii) the design and construction of efficient exploration programs and expenditure budgets;
- (iii) securing and maintaining title to interests including maintaining lease obligations;
- (iv) cost overruns in drilling and other equipment failure, such as wear and tear;

- (v) obtaining consents and approvals necessary for the conduct of oil and gas exploration; and
- (vi) access to competent exploration and operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Adverse weather conditions over a prolonged period can adversely affect exploration and development operations and the timing of revenues.

(b) **Commercialisation**

Even if the Company recovers potentially commercial quantities of oil and gas, there is no guarantee that the Company will be able to successfully transport the oil and gas to commercially viable markets or sell the oil and gas to customers to achieve a commercial return.

(c) **Oil and gas reserves and commercial law**

Oil and gas reserves are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may change significantly when new information or techniques becomes available. In addition, by their nature, oil and gas reserves are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and commercial flow plans which may, in turn, either benefit or adversely affect the Company's operations.

(d) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify oil and gas reserves, failure to achieve predicted well production flow rates, operational and technical difficulties encountered in production, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated reservoir problems which may affect field production performance, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or production of the Pathfinder and Kentucky Prospects.

(e) **Production risk**

There is a risk that aggregate production from resources will not meet expectations and may decline beyond estimates. Disruption to or any reduction in the expected production of the Company's oil and gas related investments may result in variations to the Company's expected revenue and could have an adverse effect on the Company's financial performance and ongoing operations.

(f) **Oil and gas volatility and exchange rates**

If the Company achieves success leading to oil and gas production, the revenue it will derive through the sale of oil and gas exposes the potential income of the Company to oil and gas price and exchange rate risks. Oil and gas prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of oil and gas are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(g) **Environmental**

The operations and proposed activities of the Company will be subject to US laws and regulations concerning the environment. As with most exploration projects and production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

(h) **Sovereign**

The Company's projects outside Australia are subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in oil and gas exploration and production, may affect the viability and profitability of the Company.

(i) **Title**

The system for obtaining development rights to oil and gas leases in Colorado and Kentucky can be complex given that numerous parties may hold the undivided mineral estate to a particular tract of land. Securing the leases to those mineral estates often requires lengthy negotiation with the various parties.

In order to independently verify that the parties with whom a company is dealing are the correct and sole holders of the mineral estate and to analyse the full rights and restrictions applying to the interest held by those parties requires that a company obtain detailed title opinions from appropriately qualified and experienced lawyers in Colorado and Kentucky . This can be a lengthy and expensive process and the final opinions are often the subject of numerous qualifications and requirements.

## **7.5 General risks**

### **(a) Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

### **(b) Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **(c) Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(d) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(e) **Managing Growth**

The Company's success will depend on its ability to expand its operations. If the Company is unable to successfully manage the expansion of its business, its financial condition and results of operations could be materially adversely affected.

## **7.6 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus (or Shares to be issued upon exercise of the New Options) carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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## 8. ADDITIONAL INFORMATION

### 8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### 8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
12/12/2016	Change of Director's Interest Notice
12/12/2016	Appendix 3B
09/12/2016	Amended AKK Colorado asset acquisition announcement
09/12/2016	IOG: Divestment of Non-Core Asset - Florence Oilfield
09/12/2016	AKK expands asset base in Colorado with acquisition of adjacent
06/12/2016	Trading Halt
06/12/2016	Austin executes Gas Sales MOU for Pathfinder
02/12/2016	Reserve & Resource Review Commences
01/12/2016	Strong gas flows continue on Marco Polo & Columbus
30/11/2016	Austin delivers Oil sales in Colorado
24/11/2016	Change of Director's Interest Notice
21/11/2016	Results of Meeting
21/11/2016	Chairman & CEO AGM Address
18/11/2016	Notice of General Meeting/Proxy Form
17/11/2016	Strong gas flow at Marco Polo & Columbus
16/11/2016	Substantial Shareholder has exited the Company
07/11/2016	Commercial Oil Production commences in Colorado
03/11/2016	Trading Halt
01/11/2016	Significant amounts of Oil & Gas evident in Magellan 1 well
31/10/2016	Quarterly Cashflow Report
31/10/2016	Quarterly Activities Report
28/10/2016	Appendix 3B
27/10/2016	Deviated Drilling Operations completed on Columbus 1 Well
21/10/2016	Notice of Annual General Meeting/Proxy Form
13/10/2016	Colorado Drilling Update
06/10/2016	Appendix 3B
04/10/2016	Drilling underway on the Columbus No 1 well
30/09/2016	Final Director's Interest Notice
30/09/2016	Director Retirement
30/09/2016	Disclosure Document – Prospectus
29/09/2016	Appendix 4G - Corporate Governance Disclosures
29/09/2016	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at "[www.austinexploration.com](http://www.austinexploration.com)"



### 8.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.0075	19 September 2016
Lowest	\$0.004	16 November 2016
Last	\$0.006	14 December 2016

### 8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company:

#### Mandate to act as Lead Manager to Placement and Lead Manager and Underwriter to Priority Offer

The Company has entered into a mandate letter (**Mandate**) with Patersons pursuant to which Patersons has agreed to act as:

- (a) lead manager to the Placement; and
- (b) lead manager and underwriter to the Priority Offer.

Pursuant to the Mandate, Patersons will:

- (a) seek to underwrite the Priority Offer up to the amount of \$1,500,000 (**Underwritten Amount**); and
- (b) to the extent that eligible shareholders do not subscribe for up to the Underwritten Amount, the Company will place to nominees of the Underwriter (sub-underwriters), at its direction, that number of Shares which when added to the number of Shares subscribed for under the Priority Offer will equal the Underwritten Amount.

In consideration for the services to be provided by Patersons, the Company has agreed to pay Patersons:

- (c) a lead manager fee of \$65,000 (plus GST); and
- (d) a selling / underwriting fee of 6% on the total gross amount raised in the Placement and Priority Offer. All selling fees to third parties will be paid by Patersons from this fee.

#### Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter has agreed to conditionally underwrite the Priority Offer for 250,000,000 Shares.

The obligation of the Underwriter to underwrite the Priority Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Indices fall:** the All Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreement fall 7.5% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) **Share Price:** the Shares of the Company that trade under the ASX code AKK close at any time at a price that's is less than 0.6 cents;
- (c) **No Official Quotation:** Official quotation has not been granted by the shortfall notice deadline date or, having been granted, is subsequently withdrawn, withheld or qualified;
- (d) **Restriction on allotment:** the Company is prevented from allotting the Priority Offer Shares within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (e) **Prospectus:** the Company does not lodge the Prospectus on the lodgement date or the Prospectus or the Priority Offer is withdrawn by the Company;
- (f) **ASIC or other prosecution:** ASIC gives notice of any deficiency in the Priority Offer, the Prospectus or related documents or ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the Priority Offer, the Prospectus or the Company;
- (g) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (h) **Supplementary Prospectus:**
  - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in the Underwriting Agreement forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require;
  - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;
- (i) **Non-compliance with disclosure requirements:** it transpires that the Prospectus does not contain all the information required by the Corporations Act;

- (j) **Misleading Prospectus:** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (k) **Withdrawal of consent to Prospectus:** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (l) **Authorisation:** any authorisation which is material to anything referred to in the Priority Offer or the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (m) **Indictable offence:** a director or a senior manager of a relevant company is charged with an indictable offence;
- (n) **Termination Events:** subject to, in the reasonable opinion of the Underwriter (reached in good faith) that the occurrence of one of the following events is likely to have, or two or more of the following events together have, or are likely to have, a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise, any of the following events occurs:
  - (i) **Default:** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (ii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
  - (iii) **Contravention of constitution or Act:** a contravention by a relevant company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (iv) **Adverse change:** an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant company including, without limitation, if any forecast disclosed to ASX prior to the date of the Underwriting Agreement becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
  - (v) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the

European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

- (vi) **Public statements:** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Priority Offer or the Prospectus;
- (vii) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any relevant company is or becomes misleading or deceptive or likely to mislead or deceive;
- (viii) **Official Quotation qualified:** the official quotation is qualified or conditional other than as set out in the definition of "Official Quotation" in the Underwriting Agreement;
- (ix) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (x) **Prescribed Occurrence:** a "Prescribed Occurrence" (as that term is defined in the Underwriting Agreement) occurs;
- (xi) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (xii) **Event of Insolvency:** an "Event of Insolvency" (as that term is defined in the Underwriting Agreement) occurs in respect of a relevant company;
- (xiii) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$100,000 is obtained against a relevant company and is not set aside or satisfied within 7 days;
- (xiv) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any relevant company, other than any claims disclosed to the Underwriter in writing prior to the date of the Underwriting Agreement;
- (xv) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before completion without the prior approval of the Underwriter;
- (xvi) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of a relevant company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a relevant company;

- (xvii) **Timetable:** there is a delay in any specified date in the timetable set out in the Underwriting Agreement which is greater than 3 Business Days and the Underwriter has not given its prior written consent agreeing to a delay exceeding 3 Business Days;
- (xviii) **Force Majeure:** a "Force Majeure" (as that term is defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xix) **Certain resolutions passed:** a relevant company passes or takes any steps to pass a resolution under section 254N, or section 257A or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xx) **Capital Structure:** any relevant company alters its capital structure in any manner not contemplated by the Priority Offer;
- (xxi) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of a relevant company;
- (xxii) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets;
- (xxiii) **Shares to be fully paid:** all Shares issued pursuant to the priority Offer and in accordance with the terms of the Underwriting Agreement will, from the date of allotment, rank equally in all respects with other fully paid ordinary shares in the Company and will be free of all encumbrances; or
- (xxiv) **Suspension:** other than in accordance with the agreed timetable or with the consent of the Underwriter, the Company is removed from the Official List or the Shares become suspended from official quotation and that suspension is not lifted within 24 hours following such suspension.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

## 8.5 Directors' Interests

Other than as set out in this Prospectus, no Director holds or has held within 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with
  - (i) its formation or promotion or
  - (ii) the Priority Offer; or

(c) the Priority Offer,

and no amounts have been paid or agreed to be and no benefits have been given or agreed to be given to a Director:

(a) as an inducement to become, or to qualify him or her as, a Director; or

(b) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Priority Offer.

### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

<b>Director</b>	<b>Shares</b>	<b>Options</b>
Mr Guy Goudy <sup>3</sup>	8,350,666	2,794,334 <sup>1</sup>
Mr Timothy Hart <sup>3</sup>	1,637,823	335,463 <sup>2</sup>
Mr Stuart Middleton <sup>3</sup>	4,500,000	Nil
Mr Andrew Blow <sup>3</sup>	500,000	Nil

#### **Notes:**

1. Comprising 706,667 quoted Option exercisable at \$0.03 each on or before 18 September 2017 and 2,087,667 quoted Options exercisable at \$0.006 each on or before 30 June 2019.
2. Comprising 172,299 quoted Options exercisable at \$0.03 each on or before 18 September 2017 and 163,164 quoted Options exercisable at \$0.006 each on or before 30 June 2019.
3. In addition, the Company intends to seek Shareholder approval at its upcoming General Meeting for the issue of:
  - (a) 11,000,000 Performance Rights to Mr Guy Goudy (or his nominee);
  - (b) 11,000,000 Performance Rights to Mr Timothy Hart (or his nominee);
  - (c) 3,750,000 Performance Rights to Mr Stuart Middleton (or his nominee); and
  - (d) 2,000,000 Performance Rights to Mr Andrew Blow (or his nominee).

Upon vesting, each Performance Right will, at the election of the holder, convert into one Share. Further details of the Performance Rights, including the vesting conditions, are set out in the Notice of General Meeting announced on 18 November 2016.

No Director or any of their associates intend to participate in the Placement or the Priority Offer.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors:

Director	Year ended 30 June 2017 (Proposed)	Year ended 30 June 2016	Year ended 30 June 2015
Mr Guy Goudy	US\$24,000 Director fees US\$130,000 salary	\$300,875 <sup>1</sup>	\$358,665 <sup>2</sup>
Mr Timothy Hart <sup>3</sup>	US\$24,000 Director fees US\$125,000 salary	\$Nil	\$Nil
Mr Stuart Middleton	\$24,000 Director fees	\$25,185 <sup>4</sup>	\$5,000 <sup>5</sup>
Mr Andrew Blow <sup>6</sup>	\$24,000 Director fees	\$Nil	\$Nil

**Notes:**

1. Consists of \$253,690 in salary and fees, \$2,185 in superannuation and \$45,000 in accrued performance rights.
2. Consists of \$309,663 in salary and fees, \$4,002 in superannuation and \$45,000 in accrued performance rights.
3. Timothy Hart was appointed as a Director on 14 September 2016.
4. Consists of \$23,000 in fees and \$2,185 in superannuation.
5. Consists of Director fees' only.
6. Andrew Blow was appointed as a Director on 15 August 2016.

## 8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held, within 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion or
  - (ii) the Priority Offer; or
- (c) the Priority Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company: or
- (b) the Priority Offer.

Steinepreis Paganin has acted as solicitors to the Company in relation to the Priority Offer and the Placement. The Company estimates it will pay Steinepreis Paganin approximately \$10,000 (excluding GST and disbursements) for these services and other services relating to the Priority Offer and the Placement generally. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$125,888 (excluding GST and disbursements) for legal services provided to the Company.

Patersons will be paid a fees of up to approximately \$263,200 (assuming the Placement and Priority Offer are fully subscribed) in respect of the Placement and the Priority Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons has been paid fees totalling \$669,927.53 by the Company, relating to prior capital raisings.

## 8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.



Patersons Securities Limited has given its written consent to being named as Lead Manager to the Placement and Lead Manager and Underwriter to the Priority Offer in this Prospectus. Patersons Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 8.8 Estimated expenses of Offer

The total expenses of the Priority Offer and the Placement (excluding GST) is set out in the table below:

Expenses of the Priority Offer and Placement	Completion of full raising of \$3.2 million \$	Completion of full raising of \$4.2 million \$
ASIC lodgement fee	\$2,350	\$2,350
ASX quotation fees	\$15,500	\$17,726
Legal expenses	\$10,000	\$10,000
Lead Manager fee	\$65,000	\$65,000
Underwriting fee	\$192,000	\$252,000
Share Registry	\$2,500	\$2,500
Printing, distribution and other expenses	\$40,100	\$40,100
<b>Total</b>	<b>\$327,450</b>	<b>\$389,676</b>

## 8.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

## 8.10 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers,

regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

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**9. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Mr Guy Goudy  
Executive Chairman  
For and on behalf of  
AUSTIN EXPLORATION LIMITED**

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## 10. DEFINITIONS

**\$** means Australian dollars.

**Applicant** means an investor who applies for Shares and Options pursuant to the Priority Offer.

**Application** means an application for Shares and Options made on an Application Form.

**Application Form** means an application form either attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Capital Raising** means the raising of up to \$3.2 million pursuant to the Placement and Priority Offer.

**Closing Date** means the date specified in the timetable in Section 3.1 of this Prospectus (unless extended or brought forward).

**Company** means Austin Exploration Limited (ACN 114 198 471).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means Shareholder, with an address in Australia or New Zealand, registered in the Company's share register on the Record Date.

**Offer** means the offer of Shares and Options referred to in the "Details of the Offer" Section of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Opening Date** means the opening date of the Offer as specified in the timetable set out in Section 3.1 of this Prospectus (unless varied).

**Option** means an option to acquire a Share.

**Mandate** has the meaning given in Section 8.4.

**Patersons Securities Limited** or **Lead Manager** or **Underwriter** means Patersons Securities Limited (ACN 008 896 311) AFSL 239 052.

**Placement** has the meaning given to that term in Section 4.3.

**Priority Offer** means the offer of Shares and Options to Eligible Shareholders the subject of this Prospectus.

**Prospectus** means this prospectus.

**Record Date** means 5:00pm (WST) on the date specified in the timetable set out in Section 3.1.

**Securities** means Shares and/or New Options offered pursuant to the Priority Offer.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**WST** means western standard time as observed in Perth, Western Australia.