



For Immediate Release

The Manager
Companies Announcements Officer
Australian Stock Exchange
Electronic Lodgement

30 March, 2012

Chairman's Address to the General Meeting

Dear Sir/Madam,

The Chairman of Austin Exploration Limited, Mr Richard Cottee, made the following address to the General Meeting of Shareholders held today.

It is a real privilege for me to be able to address you in my first week as chairman and what a week it has been. I have visited our Eagle Ford Texas properties, the Kentucky properties, chaired my first board meeting in Denver, Colorado. While there, I was briefed on our Niobrara properties. In short, I was enthralled by the potential of these opportunities in the land of the free and the home of the brave – United States of America.

I joined this company because of my knowledge of the integrity and technical excellence of the President and CEO, Dr. Mark Hart, a professor of Colorado School of Mines. I have worked with Mark in the past, where the combination of his abilities and a little of my commercial deal-making, may have combined synergistically to create enormous wealth for shareholders. Mark has surrounded himself with a young enthusiastic and technically excellent team - predominately graduates in the relevant disciplines from the Colorado School of Mines.

But if this leadership team is built for exploration, it is also built for growth. Executive Director Guy Goudy, was instrumental in keeping this company alive and moving ahead during the post-GFC period. He's a man in whom I place a lot of faith and is being groomed by Mark



and I to take over the reins when the time comes for Mark and I to ride off into the sunset. In time Guy will become a leader of this industry.

Being here today with Dominic Pellicano, a past chairman, is symbolic of the continuity of the business and the unity of the Board. I thank him for joining me today and look forward to a close working relationship and benefiting from his wisdom.

As many of you may know, patience is not one of my predominant virtues, and I am pleased to be able to announce today some of the decisions of your board last Monday.

The board agreed that our focus for the next 15 months will be Project 500² (Project 500-squared). Under this project the company has committed itself to drive maximum shareholder value out of the recent funds raised in two ways:

The First 500

By 30th of June 2012, \$500,000 of cost will be stripped out of the non-technical, non-exploration company expenditures. Under this program, the company will ensure that the funds raised will be ploughed into the ground where the shareholder wealth is created. This will require administrative discipline and focus. But creating shareholder value was not meant to be easy.

The Second 500

The company is focused at achieving a production of around 500 barrels of oil per day (BOPD) at a cost sufficiently low to generate near to \$10 million net earnings on an annualized basis. This to be achieved, before the most recent tranche of the options expire.



If the company achieves the outcome of Project 500², a stretch target indeed, this should mean that the “Oliver Twist stage” of development - of eternally asking the shareholders for more funds, may well be behind us. Not for me is the issuing of more options (other than as employee incentives through ESOP is a better way), nor the focus of management on fund raising rather than turning the funds we have to account. That said, we will always be open to “good fund raising”, where the funds raised create greater wealth for shareholders. But hand to mouth survival makes it more difficult for management to grow –there are only so many hours in the day.

With all these changes, I am heartened by the addition of Nigel Hartley to the Board in recent months. Both Nigel and I come to the company with the credentials, he with Oil Search and I with QGC, of being at the sharp end of companies dealing with the challenges of growing successfully from million dollar companies to multiples of billion dollar companies.

To achieve these visions, a few management changes have been made, mainly we have appointed Lonny Haugen as an acting CFO while the company goes through the process of appointing a permanent one, based in our head office in Denver. This is part of the process of causing all of our accounting to be in one place, where we can impose strong financial discipline on the company.

Dr. Hart has been confirmed as a President and CEO, streamlining the chain of command to ensure maximum management efficiency in our operations. Guy Goudy is now our Deputy President with particular focus on our Niobrara prospect. This will give him hands-on operational experience so necessary for a successful managing Director. Nonetheless, the



Austin Exploration Limited ACN 114 198 471

Listed on the Australian Securities Exchange (“AKK”) and the OTC-QX International in the USA (AUN-XY)

company could not afford, not to also take advantage of his commercial ability, and so he will become the company’s chief commercial officer, where I will also have a role.

With these changes, the company’s sails have been trimmed for growth. I personally commit whatever energy, talent and experience I may have to ensure exceptional shareholder growth.

MEDIA INVESTOR CONTACT:

Martin Debelle
Citadel Communications
Ph: (+612) 9290 3033 (office)
(+614) 09 911 189 (mobile)

ABOUT AUSTIN EXPLORATION:

Austin Exploration is an Oil and Gas Company with assets in Australia and the United States. Austin has strategically shifted its core focus towards non –conventional shale exploration in the United States. The Company has established a major presence in two of Americas most prolific oil and gas basins. Austin controls more than 11,000 acres in Colorado in the Niobrara Shale and over 5000 acres in Texas in the Eagle Ford Shale. Austin has producing oil and gas wells in Texas, Mississippi and Kentucky. Austin also has a highly prospective Oil and Gas License, PEL 105, in the Cooper Basin of South Australia. The company’s wholly owned US Subsidiary, Aus-Tex Exploration Inc, turned cash flow positive in January 2011. Austin is listed on the Australian Securities Exchange (ASX code: AKK)